

CHEROKEE COUNTY

South Carolina



Comprehensive Annual Financial Report

YEAR ENDED JUNE 30, 2019

CHEROKEE COUNTY, SOUTH CAROLINA

FINANCIAL STATEMENTS AND SCHEDULES

YEAR ENDED JUNE 30, 2019

PREPARED BY FINANCE DEPARTMENT

STEVE BRATTON, ADMINISTRATOR

CHEROKEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION

CHEROKEE COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2019

Council Meets – First and Third Monday, 5:00 PM
Form of Government – Council/Administrator
Method of Election – Single Member

County Seat – Gaffney
Zip Code – 29340
Population – 56,150

Members of County Council

Tim Spencer
Quay Little
Charles T. Mathis, Jr.
Tracy A. McDaniel
Lyman Dawkins III
Mike Fowlkes
David Smith

County Council Chairman
County Council Vice-Chairman
County Council
County Council
County Council
County Council
County Council

Elected Officials

Jackie Williams
Merv Bishop
Brandy W. McBee
Steve Mueller
Dennis G. Fowler
Joshua Queen
Barry Barnette

Treasurer
Auditor
Clerk of Court
Sheriff
Coroner
Probate Judge
Solicitor

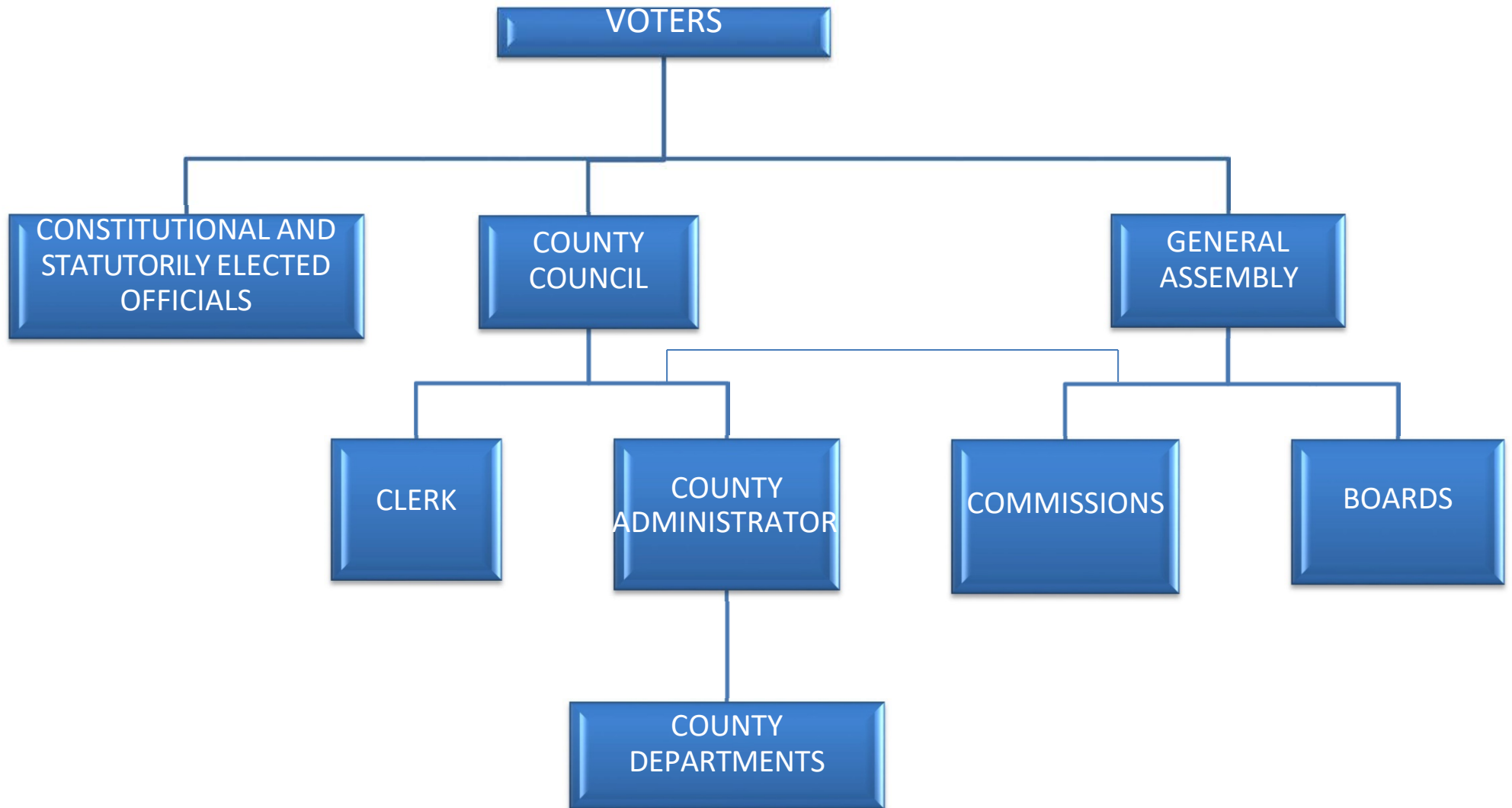
Appointed Official

Steve Bratton

Administrator

CHEROKEE COUNTY, SOUTH CAROLINA

ORGANIZATIONAL CHART





FINANCIAL SECTION

Independent Auditors' Report

To the Council and Finance Committee
of Cherokee County, South Carolina
Gaffney, South Carolina

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 Cherokee County, South Carolina as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County'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 from material misstatements.

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 principles 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 Cherokee County, South Carolina, as of June 30, 2019, and the respective changes in financial position 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 and required supplementary information as listed in the table of contents 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

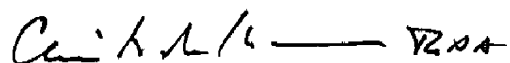
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cherokee County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and the compliance section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the Summary Schedule of Court Fines and Fees, Assessments and Surcharges as listed in the table of contents 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 combining and individual nonmajor fund financial statements and schedules and the Summary Schedule of Court Fines and Fees, Assessments and Surcharges as listed in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has 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 June 26, 2020, on our consideration of the Cherokee County'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the effectiveness of the Cherokee County's 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 County's internal control over financial reporting and compliance.



Gaffney, South Carolina
June 26, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Cherokee County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2019. This section should be read in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- The assets of the County exceeded its liabilities at June 30, 2019 by \$46,489,687 (net position). This amount is greater than net investment in capital assets by \$14,588,636. Net position categories show the portion that must be spent for specific purposes.
- The County's total net position decreased by \$1,842,709 from governmental activities.
- As of June 30, 2019, the County's governmental funds reported combined ending fund balances of \$41,879,498, an increase of \$68,555 (including \$2,296,942 from the affiliated Economic Development Corporation) from the prior year. Of the combined ending fund balances amount, \$22,608,117 is available for use at the County's discretion.
- At June 30, 2019, unassigned fund balance for the General Fund was \$22,607,884, or approximately 91 percent of total general fund expenditures and transfers out.
- The County's total long-term debt (excluding landfill closure costs, unfunded OPEB costs and compensated absences) decreased by \$1,013,000, or 13.88 percent in County obligations during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise four components: government-wide financial statements; fund financial statements; notes to the financial statements, and required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Cherokee County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Cherokee County's assets and liabilities, with the difference of the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Cherokee County is improving or deteriorating. Net position shows restrictions on these assets.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Activity during this fiscal year was from governmental activities of the County that is comprised of general government, public safety, transportation, health and human services, environmental and housing, culture and recreation, economic development initiatives, and other.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

Cherokee County maintains fifty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and capital projects funds and economic development corporation, which are considered to be major funds. Data from the other fifty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with these budgets.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds, no operations but rather assets equal liabilities. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general fund and information concerning the County's progress in funding its obligation to provide OPEB benefits to its employees. The combining statements referred to earlier in connection with nonmajor governmental funds, fiduciary fund data, and capital asset data are presented following the required supplementary information section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1
Cherokee County's Net Position

	Governmental Activities		Total Percentage Change
	2019	2018	2018-2019
Current and Other Assets	\$ 48,734,543	47,820,727	1.9%
Capital Assets	38,417,525	40,389,558	-4.9%
Total Assets	87,152,068	88,210,285	-1.2%
Deferred Outflow of Resources			
Deferred Amounts Related to Pensions	4,948,368	4,420,251	11.9%
Deferred Amounts Related to OPEB	80,126	-	100%
Total Assets and Deferred Outflows of Resources	92,180,562	92,630,536	-0.5%
Current Liabilities	7,329,934	6,997,390	4.8%
Long-Term Liabilities	15,863,113	16,886,924	-6.1%
Net Pension Liability	22,004,603	20,286,846	8.5%
Total Liabilities	45,197,650	44,171,160	2.3%
Deferred Inflow of Resources			
Deferred Amounts Related to Pensions	183,625	126,980	44.6%
Deferred Amounts Related to OPEB	309,600	-	100.0%
Total Liabilities and Deferred Outflows of Resources	45,690,875	44,298,140	3.1%
Net Pension			
Net Investment in Capital Assets	32,130,525	35,489,558	-9.5%
Restricted	11,127,002	9,127,355	21.9%
Unrestricted	3,232,160	3,715,483	-13.0%
Total Net Pension	46,489,687	48,332,396	-3.8%
Total Liabilities and Net Pension	\$ 92,180,562	92,630,536	-0.5%

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$46,489,687, as of June 30, 2019. (See Table 1). The largest portion of the County's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure), less any related debt, to acquire those assets, still outstanding. These capital assets are used to provide services to citizens; consequently these assets are not available for future spending. It should be noted that the resources required to repay the related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors. The net position decreased by \$1,842,709. This decrease was partially due to governmental operating activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS – continued

Table 2
Changes in Cherokee County's Net Position

	Governmental Activities		Total Percentage Change
	2019	2018	2018-2019
Revenues:			
Program Revenues			
Charges for Services	\$ 2,777,255	2,638,391	5.3%
Operating Grants and Contributions	4,004,897	4,599,665	-12.9%
Capital Grants and Contributions	456,293	71,115	541.6%
General Revenues:			
Property Taxes	21,878,822	20,472,162	6.9%
Other Taxes	441,923	467,184	-5.4%
Other	2,821,853	2,835,574	-0.5%
Total Revenues	32,381,043	31,084,091	4.2%
Expenses:			
General Government	10,915,766	10,080,250	8.3%
Public Safety	13,694,020	14,073,648	-2.7%
Transportation	3,728,710	3,364,755	10.8%
Health and Human Services	1,032,445	858,253	20.3%
Environmental and Housing	3,623,575	3,734,591	-3.0%
Culture and Recreation	1,036,579	944,085	9.8%
Economic Development	4,657	8,206	-43.2%
Unallocated Interest Expense	188,000	184,375	2.0%
Total Expenses	34,223,752	33,248,163	2.9%
Increase (Decrease) in Net Position Before Transfers	(1,842,709)	(2,164,072)	-14.8%
Change in Net Position	(1,842,709)	(2,164,072)	-14.8%
Beginning Net Position	48,332,396	50,496,468	-4.3%
Total Liabilities and Net Pension	\$ 46,489,687	48,332,396	-3.8%

Change in net position. The County's total revenues increased by 4.2 percent to approximately \$32.4 million, primarily as a result of increased property tax revenues, partially offset by a decrease in operating grants and contributions (See Table 2).

GOVERNMENT-WIDE FINANCIAL ANALYSIS – continued

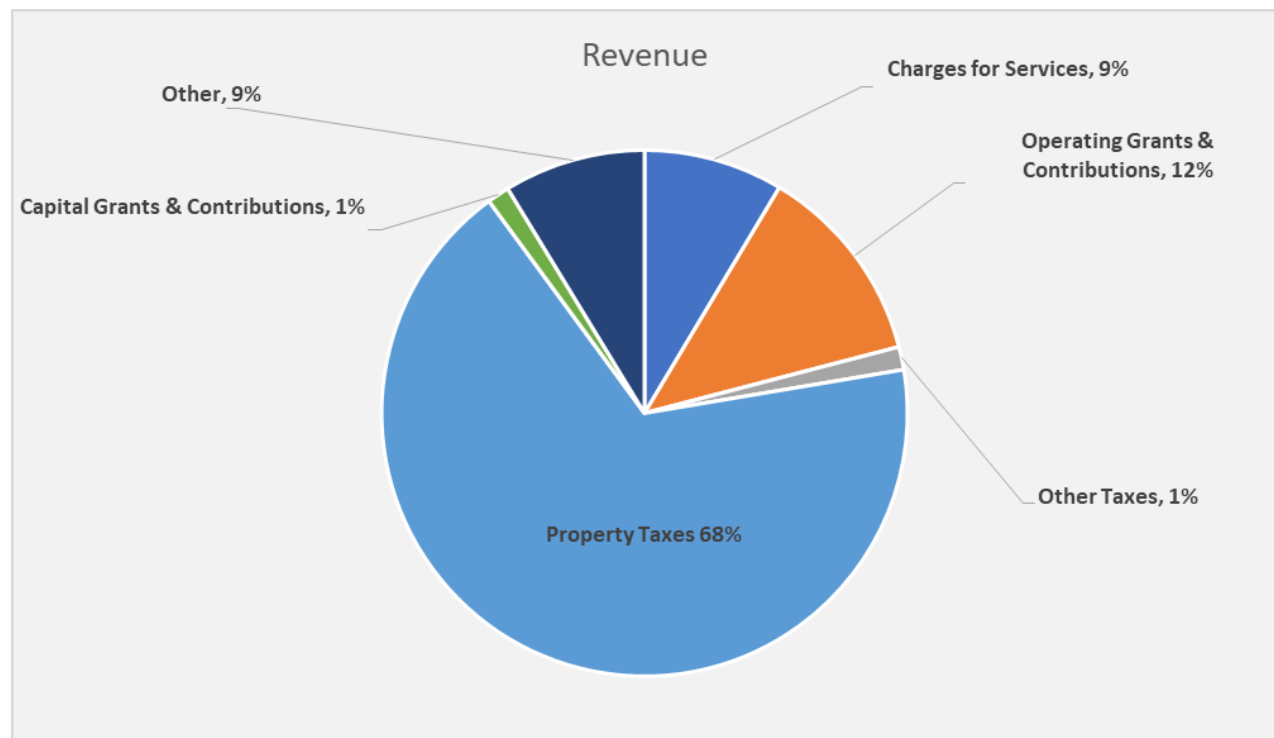
The County's total cost of all programs and services had an increase of 2.9 percent. This increase is due primarily to increases in payroll and benefits expense, public safety expenditures, and environmental and housing expenditures.

Governmental Activities

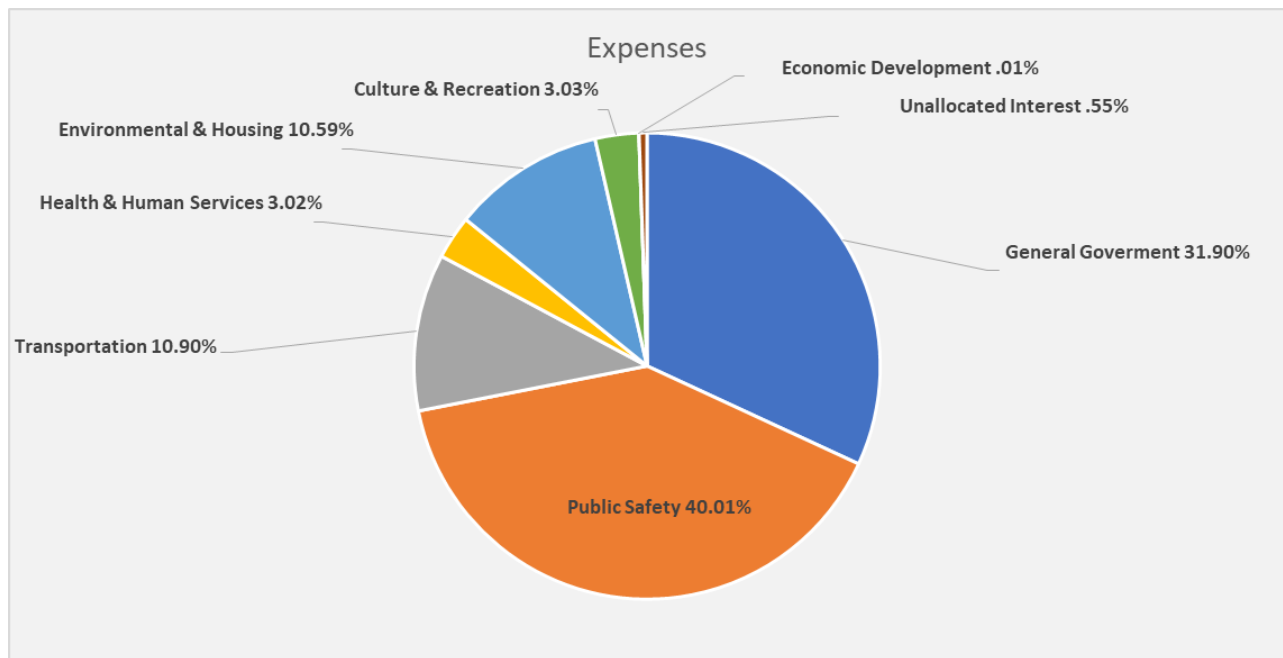
The County's governmental activities had net (expense) revenue of (\$26,985,307). However, these services are intended to be primarily funded by taxes, as opposed to charges for services and grants, and those taxes and other general revenues. Expenses did exceed total revenues by \$1,842,709.

Total revenues for the County's governmental activities increased by 4.2 percent, and total expenses increased 2.9 percent. Factors contributing to these results included:

- Increases in property taxes, due primarily to increased valuations resulting from construction and property purchases and an increase in millage levy.
- Increases in payroll and benefits costs across all functions.



GOVERNMENT-WIDE FINANCIAL ANALYSIS – continued



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of its fiscal year.

At June 30, 2019, the County's governmental funds reported combined ending fund balances of \$41,879,498, an increase of \$68,555 from the prior year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – continued

Approximately 54 percent of the combined fund balances (\$22,608,117) constitute unassigned fund balance, which is available for spending at the County's discretion. Nineteen percent of the combined fund balances (\$7,782,874) is assigned for various types of cultural, administrative and capital projects. The majority of the remaining balance is restricted (\$11,127,002) to indicate that it is not available for new spending because it has constraints established by parties outside the government or by enabling legislation. The remainder of the balance is nonspendable; which is comprised of prepaids (\$326,185).

The general fund is the chief operating fund of the County. At June 30, 2019, unassigned fund balance of the general fund was \$22,607,884 and total fund balance was \$28,049,328. As a measure of the general fund's liquidity, the unassigned fund balance represents approximately 83 percent of total general fund expenditures and transfers out.

The capital fund has a total fund balance of \$1,131,841, all of which is assigned for capital projects. The net increase in fund balance during the current fiscal year was \$170,864. Funds were primarily spent for capital assets and infrastructure improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

A budget and actual comparison schedule for the General Fund is provided in the Required Supplementary Information. The schedule shows the original adopted budget, the final budget, the actual results on GAAP basis, and the variance between budget and actual. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues.

Actual revenues were higher than the projected amounts by \$1,862,862 primarily due to increased intergovernmental revenues, increased tax revenues, and interest earnings. Actual expenditures were under budget by \$1,731,218 due to the continued implementation of cost control measures in the general government, environmental and housing and transportation (roads and bridges), partially offset by increases in salary and related employee benefit costs, primarily due to the continued implementation of a compensation adjustment based on years of service that resulted in an overall increase in salary and related benefit expense, and increased costs due to the number of inmates in our detention center.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2019, the County had \$79,249,036 invested in capital assets including police equipment, buildings, infrastructure, etc. (See following table). Capital assets for government activities increased by of \$937,543 or 1.2 percent, over last year.

	Governmental Activities		Total Percentage Change
	2019	2018	2018-2019
Land	\$ 1,688,895	1,688,895	0.0%
Construction in Progress	-	-	-
Buildings	27,787,549	26,920,737	3.2%
Other Improvements	241,561	628,928	-61.6%
Equipment	17,779,724	17,161,655	3.6%
Infrastructure	30,619,256	30,734,984	-0.4%
Books	1,132,051	1,176,294	-3.8%
Total Capital Assets	79,249,036	78,311,493	1.2%
Accumulated Depreciation	40,831,511	37,921,935	7.7%
Total Net Assets	\$ 38,417,525	40,389,558	-4.9%

Additional information on the County's capital assets can be found in Note 3(C) to the financial statements.

Long-term Debt

At year-end, the County had \$4,230,000 in outstanding general obligation bonds, compared to \$4,900,000 last year. That is a decrease of 11.7 percent as shown in the following table.

	Governmental Activities		Total Percentage Change
	2019	2018	2018-2019
General Obligation Bonds	\$ 4,230,000	4,900,000	-13.7%
	4,230,000	4,900,000	-13.7%

More detailed information about the County's long-term liabilities is presented in Note 3(F) to the financial statements. Also, included in Note 3(F) is information related to the \$2.1 million long-term loan payable of the affiliated Economic Development Corporation.

Other obligations of the County include accrued compensated absences, other post-employment benefits and landfill closure and post closure costs.

The state limit for amount of general obligation debt the County can issue is 8 percent of the assessed value of all taxable property within the County's legal limits. Outstanding debt is below this limit – which is currently \$14.4 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local, national and international economic factors influence the County's revenues. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction and assessed valuation.

There were several major industrial announcements of new project in the County during the fiscal year. All indications are that this may continue in the early part of the 19-20 fiscal year.

All of these factors were considered in the approval of the County's millage rate total property millage rate of 74.8 mills in 2018 and 74.8 mills in 2019.

Budgeted 2020 operations expenditures are expected to decrease by \$174,571, which is 0.65 percent below the final 2019 budget. This decrease is primarily due to some expenditures being moved out of the General Fund and into Other Governmental Funds.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Administrator at 110 Railroad Avenue, Gaffney, South Carolina.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Cherokee County, South Carolina
Statement of Net Position
June 30, 2019

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 32,302,021
Investments	9,946,669
Accounts Receivable (Net)	1,723,810
Taxes Receivable (Net)	722,224
Due from State	713,498
Assets Held for Sale	2,700,595
Prepaid Items	326,385
Due from Recreation District	299,341
Capital Assets - Not Being Depreciated	1,688,895
Capital Assets - Net of Accumulated Depreciation	36,728,630
Total Assets	<u>87,152,068</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions Related Items	4,948,368
OPEB Related Items	80,126
Total Deferred Outflows of Resources	<u>5,028,494</u>
LIABILITIES	
Accounts Payable	2,182,972
Accrued Liabilities	704,944
Local Option Sales Tax - Property Tax Relief	2,998,051
Unearned Revenue	381,700
Accrued Interest Payable	24,267
Noncurrent Liabilities:	
Due Within One Year	1,038,000
Due in More than One Year	15,863,113
Net Pension Liability	22,004,603
Total Liabilities	<u>45,197,650</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions Related Items	183,625
OPEB Related Items	309,600
Total Deferred Inflows of Resources	<u>493,225</u>
NET POSITION	
Net Investment in Capital Assets	32,130,525
Restricted For:	
Transportation	921,806
Public Safety	3,874,885
Economic Development	2,296,742
Health and Human Services	224,207
Tourism	1,272,990
Other Purposes	570,157
Debt Service	1,946,765
Cultural and Recreation	
Expendable	19,450
Unrestricted (Deficit)	3,232,160
Total Net Position (Deficit)	<u>\$ 46,489,687</u>

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

Cherokee County, South Carolina
Statement of Activities
For the Year Ended June 30, 2019

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 10,915,766	1,573,581	690,793	-
Public Safety	13,694,020	617,662	837,756	64,030
Transportation	3,728,710	-	1,420,486	-
Health and Human Services	1,032,445	5,973	-	-
Environmental and Housing	3,623,575	549,918	925,282	392,263
Culture and Recreation	1,036,579	30,121	125,567	-
Economic Development	4,657	-	5,013	-
Unallocated Interest Expense	188,000	-	-	-
Total Primary Government	<u>\$ 34,223,752</u>	<u>2,777,255</u>	<u>4,004,897</u>	<u>456,293</u>
				<u>(26,985,307)</u>
General Revenues				
Property Taxes				\$ 21,878,822
Accommodations Tax				106,727
Local Accommodations Tax				84,469
Franchise Tax				250,727
Unrestricted State Aid to Political Subdivisions				2,135,318
Unrestricted Investment Earnings				473,951
Gain on Sale of Capital Assets				24,984
Miscellaneous				187,600
Total General Revenues				<u>25,142,598</u>
Change in Net Position				(1,842,709)
Net Position Beginning of Year				<u>48,332,396</u>
Net Position End of Year				<u>\$ 46,489,687</u>

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

FUND FINANCIAL STATEMENTS

Cherokee County, South Carolina
Balance Sheet - Governmental Funds
June 30, 2019

	General	Capital Project Fund	Economic Development Corporation	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 26,974,888	2,933,576	174,256	12,165,970	42,248,690
Taxes Receivable (Net)	799,206	58,065	-	187,007	1,044,278
Other Receivable (Net)	1,178,405	531	-	544,874	1,723,810
Due from Other Funds	7,123,272	210,150	-	3,333,136	10,666,558
Due from State	678,378	-	-	35,120	713,498
Prepaid Items	326,185	-	200	-	326,385
Due from Recreation District	-	299,341	-	-	299,341
Assets Held for Resale	-	-	2,700,595	-	2,700,595
Total Assets	<u>37,080,334</u>	<u>3,501,663</u>	<u>2,875,051</u>	<u>16,266,107</u>	<u>59,723,155</u>
LIABILITIES					
Accounts Payable	2,057,770	-	-	125,202	2,182,972
Due to Other Funds	2,608,197	2,320,397	578,109	5,159,855	10,666,558
Other Liabilities	667,452	-	-	37,492	704,944
Local Option Sales Tax - Property Tax Relief	2,998,051	-	-	-	2,998,051
Unearned Revenue	-	-	-	381,700	381,700
Total Liabilities	<u>8,331,470</u>	<u>2,320,397</u>	<u>578,109</u>	<u>5,704,249</u>	<u>16,934,225</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Property Taxes	<u>699,536</u>	<u>49,425</u>	<u>-</u>	<u>160,471</u>	<u>909,432</u>
FUND BALANCES					
Nonspendable	326,185	-	200	35,120	361,505
Restricted	-	-	2,296,742	8,830,260	11,127,002
Assigned	5,115,259	1,131,841	-	1,535,774	7,782,874
Unassigned	22,607,884	-	-	233	22,608,117
Total Fund Balances	<u>28,049,328</u>	<u>1,131,841</u>	<u>2,296,942</u>	<u>10,401,387</u>	<u>41,879,498</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 37,080,334</u>	<u>3,501,663</u>	<u>2,875,051</u>	<u>16,266,107</u>	<u>59,723,155</u>

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

Cherokee County, South Carolina
Reconciliation of Total Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2019

Fund Balances - Total Governmental Funds	\$	41,879,498
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 Governmental Funds.		38,417,525
Resources Received but Reflected as Unearned Revenues in Fund Statements.		587,378
Long-Term Liabilities, Including Bonds Payable, Are Not Due and Payable in the Current Period and Therefore Not Reported in the Governmental Funds.		
Other Post Employment Benefits	3,049,600	
General Obligation Bonds	4,230,000	
Loan Payable	2,057,000	
Compensated Absences	304,674	
Accrual for Landfill Closure	7,259,839	
Accrued Interest Payable	<u>24,267</u>	(16,925,380)
Pension Related Deferred Outflows		4,948,368
OPEB Related Deferred Outflows		80,126
Net Pension Liability		(22,004,603)
Pension Related Deferred Inflows		(183,625)
OPEB Related Deferred Inflows		<u>(309,600)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>46,489,687</u>

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

Cherokee County, South Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General	Capital Project Fund	Economic Development Corporation	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 16,476,403	1,193,345	-	3,212,887	20,882,635
Licenses and Permits	219,645	-	-	-	219,645
Intergovernmental	3,450,604	-	-	3,825,569	7,276,173
Charges for Services	1,150,900	-	-	30,121	1,181,021
Fines	661,001	-	-	-	661,001
Interest Income	461,051	12,812	-	89	473,952
Miscellaneous	405,175	-	5,013	1,307,980	1,718,168
Total Revenues	<u>22,824,779</u>	<u>1,206,157</u>	<u>5,013</u>	<u>8,376,646</u>	<u>32,412,595</u>
EXPENDITURES					
Current					
General Government	8,823,944	4,800	-	1,244,167	10,072,911
Public Safety	10,280,654	-	-	1,989,669	12,270,323
Transportation	1,364,259	-	-	1,081,766	2,446,025
Health and Human Services	923,568	-	-	37,494	961,062
Environmental and Housing	2,650,505	-	-	423,012	3,073,517
Culture and Recreation	408	-	-	927,421	927,829
Economic Development	-	-	4,657	-	4,657
Capital Outlay	962,773	157,596	-	262,848	1,383,217
Debt Service					
Principal Retirement	-	-	343,000	670,000	1,013,000
Interest and Fiscal Charges	-	-	24,960	166,539	191,499
Total Expenditures	<u>25,006,111</u>	<u>162,396</u>	<u>372,617</u>	<u>6,802,916</u>	<u>32,344,040</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,181,332)</u>	<u>1,043,761</u>	<u>(367,604)</u>	<u>1,573,730</u>	<u>68,555</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	2,177,377	-	-	1,575,456	3,752,833
Transfers Out	<u>(1,575,456)</u>	<u>(872,897)</u>	<u>-</u>	<u>(1,304,480)</u>	<u>(3,752,833)</u>
Total Other Financing Sources	<u>601,921</u>	<u>(872,897)</u>	<u>-</u>	<u>270,976</u>	<u>-</u>
Net Change in Fund Balances	(1,579,411)	170,864	(367,604)	1,844,706	68,555
Fund Balances - Beginning of Year	<u>29,628,739</u>	<u>960,977</u>	<u>2,664,546</u>	<u>8,556,681</u>	<u>41,810,943</u>
Fund Balances - End of Year	<u>\$ 28,049,328</u>	<u>1,131,841</u>	<u>2,296,942</u>	<u>10,401,387</u>	<u>41,879,498</u>

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

Cherokee County, South Carolina
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 In Fund Balances of Governmental Funds to the Statement of Activities
 For the year Ended June 30, 2019

Net Change in Fund Balance - Total Governmental Funds		\$ 68,555
Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because:		
Governmental Funds Report Capital Outlay 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. This is the Amount by Which Capital Outlay Exceeded Depreciation is the Current Period.		
Capital Outlay	1,456,431	
Depreciation Expense	<u>(3,416,008)</u>	(1,959,577)
In the Statement of Activities, Only the Gain on the Sale of Assets is Reported Whereas in the Governmental Funds, the Proceeds from the Sale Increase Financial Resources. Thus, the Change in Net Position Differs from the Change in Fund Balances by the Net Book Value of the Assets Sold or Contributed.		
Net Book Value of Asset Dispositions		(4,031)
Some expenses/revenues reported in the Statement of Activities do not require the use of current financial resources and are not reported as revenues/expenditures in the governmental funds. Net effect of various transactions that increased net assets.		
		114,550
Revenues in the Statement of Activities that Do Not Provide Current Financial Resources Are Not Reported as Revenues in the Funds.		
Property Taxes		(45,087)
Repayment of Debt Principal is an Expenditure in the Governmental Funds, but the Repayment Reduces Long-Term Liabilities in the Statement of Net Position		
Principal Repayments		
General Obligation Bonds		670,000
CCEDC Loan		343,000
Some Expenses Recorded in the Statement of Activities Do Not Require the Use of Current Financial Resources and, Therefore, are Not Reported as Expenditures in Governmental Funds.		
Change in Accrued Interest Payable	3,499	
Change in Compensated Absences	59,555	
Change in Unfunded OPEB Costs	237,200	
Change in Landfill Closure/Post Closure Costs	<u>145,386</u>	445,640
The Cost of Pension Benefits Earned Net of Employee Contributions is Reported in the Statement of Activities as an Element of Pension Expense. The Fund Financial Statements Report Pension Contributions as Expenditures.		
		<u>(1,475,759)</u>
Change in Net Position of Governmental Activities		<u>\$ (1,842,709)</u>

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

Cherokee County, South Carolina
Statement of Fiduciary Net Position
Agency Funds
For the Year Ended June 30, 2019

Assets

Cash	\$ 55,026,863
Other Receivables	1,238,182
Taxes Receivable (Net)	<u>1,613,762</u>
Total Assets	<u><u>57,878,807</u></u>

Liabilities

Due to Designated Recipients	<u>57,878,807</u>
Total Liabilities	<u><u>\$ 57,878,807</u></u>

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

NOTES TO FINANCIAL STATEMENTS

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cherokee County, South Carolina (the County) operates under Home Rule legislation effective July 1, 1976. The County operates under a Council-Administrator form of government and provides the following services as authorized by its charter: Public safety (police and fire), highway and street maintenance, sanitation, health and social services, culture-recreation, public improvements, and general administration services.

Cherokee County is a corporate government entity incorporated under the South Carolina Home Rule Act and is governed by an elected seven member County Council. These financial statements present the government as required by accounting principles generally accepted in the United States of America. As required by U.S. generally accepted accounting principles, these basic financial statements present the government and its component units, entities for which the government is considered to be financially accountable. A blended component unit, although a legally separate entity is, in substance, part of the County's operations, and data from the units are presented in the capital projects funds and economic development corporation entity within the County's governmental activities. The County has no discretely presented component units. The following entity is presented as a blended component unit:

Cherokee County Economic Development Corporation – The Corporation is a non-profit corporation established under State law, of which the County is the sole corporate member as identified in the corporation's bylaws. The Corporation is organized to develop and implement, for the specific benefit of the County, economic development strategies for commercial, industrial, residential and other development.

The County's comprehensive annual financial report includes the accounts of all County operations. The financial statements of Cherokee County, South Carolina, have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Basis of Presentation

The County's financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are three categories of funds: governmental, proprietary and fiduciary.

Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Continued

The statement of net position presents the financial condition of the governmental activities for the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program and function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods and services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and the interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, and all taxes, are presented as general revenues of the County, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

The County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The County reports the following governmental fund types:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Funds - The debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds - The capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Continued

The County has the following major capital projects funds:

1. Capital Projects Fund – is used to account for funds to be used for the acquisition or construction of capital facilities and other capital assets.
2. Economic Development Corporation Fund – is used to account for the acquisition and construction of facilities or infrastructure for the promotion of economic development within the County.

Additionally, the County reports the following fund type:

Fiduciary Fund - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The agency fund is custodial in nature (assets equals liabilities) and does not involve measurement of results of operations. The County's fiduciary fund category includes agency funds for education, clerk of court, family court, property taxes, magistrates, and others.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources management focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and liabilities associated with the operation of the County are included on the statement of net position.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus and Basis of Accounting, Continued

Fund Financial Statements

All governmental funds are accounted for using a flow of *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest are susceptible to accrual. Taxes collected and held by the state at year end on behalf of the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Agency funds have no measurement focus, but rather are custodial in nature (assets equal liabilities).

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus and Basis of Accounting, Continued

Revenue - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Unearned Revenue

The County reports unearned revenue on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, resources received that are "intended to finance" a future period are reported as unearned revenue. In subsequent periods, the liability for unearned revenue is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity Cash and Investments

Cash and Cash Equivalents

For purposes of the statements of cash flows for the enterprise funds and internal service funds, the City considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

The County pools the cash of substantially all special revenue funds into an internal cash pool that is available for use by all special revenue funds. Each individual fund's portion of the pool is displayed on the combined balance sheet as cash.

The Cherokee County Public Library and the Cherokee County Development Board maintain separate cash and investment accounts, generally in the form of cash in the bank and certificates of deposit.

Investments

Investments with a readily determined fair value are stated at fair value which approximates cost. State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its political subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposits collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer's Investment Pool

Receivables and Payables

All trade and property taxes receivable are shown net of an allowance for uncollectibles. Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges and services, including franchise fees and other fees and charges.

Intergovernmental Receivable

Amounts due from federal grants represent reimbursable costs, which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Reported prepaid items in the Governmental Fund Types are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized by governmental.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity Cash and Investments, Continued

Major outlays for capital assets and improvements are capitalized as projects are constructed. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40 - 45
Improvements other than buildings	5 - 10
Machinery and equipment	3 - 15
Infrastructure	20 - 40
Books	5 - 10

Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently has two types of deferred outflows of resources: (1) The County reports deferred pension charges in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The County reports deferred other postemployment benefits ("OPEB") charges in its Statements of Net Position in connection with its OPEB Plan. The deferred pension and OPEB charges are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County currently has three types of deferred inflows of resources: (1) The County reports unavailable revenue only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available. (2) The County reports deferred pension credits in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. The deferred pension credits are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP. (3) The County also reports deferred other postemployment benefits ("OPEB") credits in its Statement of Net Position in connection with its OPEB plan.

Compensated Absences

The County's annual leave policy allows accumulation, with supervisor approval, of a maximum of four weeks vacation to be paid to employees upon termination. Sick leave can be accumulated, up to a maximum of sixty days, but it is not paid upon termination. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is recorded when accrued by the employee in the government-wide financial statements. The general fund is typically used to liquidate the liability for compensated absences.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity Cash and Investments, Continued

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position and Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) are legally or contractually required to be maintained intact. The County has classified assets held for resale, inventories, prepaid items, and long-term portions of receivables and advances as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current fiscal year.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources through either a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Committed - This classification includes amounts that can only be used for specific purposes pursuant to constraints determined by a formal action of the government's highest level of decision making authority. County Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Council or by an official or body to which the County Council delegates authority. County Council has delegated this authority to the Assistant County Administrator. This classification captures fund balance held to meet anticipated expenditures of budget carryforwards, except where other external constraints or Council ordinances require that the fund balance be classified as restricted or committed.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity Cash and Investments, Continued

Unassigned - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

The County would typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of those other classified funds.

Fund balances for all major and nonmajor governmental funds as of June 30, 2019, were distributed as follows:

	General Fund	Capital Project Fund	Economic Development Corporation	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Prepays	\$ 326,185	-	200	35,120	361,505
Restricted For					
Emergency Communications	-	-	-	2,152,535	2,152,535
Law Enforcement	-	-	-	210,630	210,630
Health and Welfare	-	-	-	5,261	5,261
Road Surface Repairs	-	-	-	20,102	20,102
Transportation	-	-	-	901,704	901,704
Culture and Recreation	-	-	-	19,450	19,450
Social Services	-	-	-	218,946	218,946
Public Safety	-	-	-	980,843	980,843
Economic Development	-	-	2,296,742	-	2,296,742
Solicitor	-	-	-	530,877	530,877
Tourism	-	-	-	1,272,990	1,272,990
Other Purposes	-	-	-	570,157	570,157
Debt Service	-	-	-	1,946,765	1,946,765
Assigned					
Unfunded OPEB	3,049,600	-	-	-	3,049,600
Road Surface Repairs	1,376,650	-	-	-	1,376,650
County Buildings	-	315,616	-	-	315,616
Airport	-	255,102	-	-	255,102
Capital Projects	-	561,123	-	-	561,123
Administration	20,250	-	-	-	20,250
C&D Landfill	25,000	-	-	-	25,000
Matching Grant	100,000	-	-	-	100,000
Scholarship SCC	43,759	-	-	-	43,759
Public Safety	-	-	-	(1,764)	(1,764)
Economic Development	500,000	-	-	-	500,000
Library	-	-	-	1,537,538	1,537,538
Unassigned	22,607,884	-	-	233	22,608,117
Total Fund Balances	<u>\$ 28,049,328</u>	<u>1,131,841</u>	<u>2,296,942</u>	<u>10,401,387</u>	<u>41,879,498</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity Cash and Investments, Continued

Net Position

The County's total assets and deferred outflows of resources less total liabilities and deferred inflows of resources represent net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Accounting Estimates

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenditures. Actual results could differ from these estimates.

Reclassifications

Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

Interfund Transactions

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements.

New Pronouncements – The GASB has issued the following statements:

- *Statement No. 84, "Fiduciary Activities."* The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.
- *Statement No. 87, "Leases."* The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

New Accounting Standards

During the year, the County implemented Statement of Governmental Accounting Standard (GASB Statement) No. 88, *Certain Disclosure Related to Debt, including Direct Borrowings and Direct Placements*. This statement improved the consistency of the information that is disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements, and it provides financial statement users with additional essential information about the County's debt.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Annual budgets are adopted for the general fund on the modified accrual basis.

The County Council follows these procedures in establishing the budget data reflected in the financial statements:

Prior to June 1, the Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes expenditures and the means of financing them for the upcoming year.

Public hearings are conducted at the County Administration Building to obtain taxpayer comment. Prior to June 30, the budget is legally enacted through passage of an ordinance.

The County Administrator is authorized to transfer budget amounts within departments in the general fund. The County Administrator may transfer funds between departments with the approval of County Council. The County Administrator may move funds between departments because it is at the total appropriation level that fiscal responsibility for budgets is enforced.

Formal budgetary integration is employed as a management control device during the year.

The County Council may authorize supplemental appropriations during the year.

B. Encumbrances

Under encumbrance accounting, outstanding purchase orders, if any, are recorded in order to reserve that portion of the applicable appropriation in the governmental fund types. Encumbrances outstanding at year end are carried forward and are reported as committed fund balance.

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2019, expenditures did not exceed appropriations.

NOTE 3 - DETAILED NOTES ON GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Cash Deposits and Investments

Deposits

Statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer's Investment Pool. The County has not adopted a formal deposit or investment policy. The State Treasurer's Investment Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

**NOTE 3 - DETAILED NOTES ON GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS,
Continued**

A. Cash Deposits and Investments - Continued

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. All of the County's deposits at June 30, 2019 were covered by federal depository insurance or by collateral held in the pledging financial institution's trust department in the County's name.

At June 30, 2019, the County's deposits were as follows:

		<u>Bank Balance</u>	<u>Carrying Value</u>
Demand Deposits	Governmental	\$ 41,939,265	42,248,698
Demand Deposits	Fiduciary	<u>53,960,380</u>	<u>55,026,863</u>
Total		<u>\$ 95,899,645</u>	<u>97,275,553</u>

The following schedule reconciles cash and cash equivalents as reported on the Statement of Net Position to footnote disclosure provided for deposits and investments.

<u>Statement of Net Position</u>		
Cash and Cash Equivalents	\$ 22,427,632	
Cash and Cash Equivalents-Restricted	9,874,389	
Investments	<u>9,946,669</u>	
Total Statement of Net Assets		42,248,690
<u>Statement of Fiduciary Net Position</u>		
Cash and Cash Equivalents	55,026,863	
Total Statement of Fiduciary Net Assets		<u>55,026,863</u>
Total Cash, and Cash Equivalents		<u>97,275,553</u>
<u>Disclosure, Deposits and Investments</u>		
Carrying Value of Deposits		87,326,565
Cash on Hand		2,319
Investments		<u>9,946,669</u>
Total Disclosure, Deposits and Investments		<u>\$ 97,275,553</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

**NOTE 3 - DETAILED NOTES ON GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS,
Continued**

A. Cash Deposits and Investments - Continued

Investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Money market mutual funds classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

South Carolina Local Government Investment Pool ("Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*, investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

Interest rate risk – The County does not have an investment policy for interest rate risk.

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

<u>Investment Type</u>	<u>Value</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value Hierarchy</u>
Local Government Investment Pool	\$ 9,946,669	Daily	N/A	N/A

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

**NOTE 3 - DETAILED NOTES ON GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS,
Continued**

B. Taxes Receivable

Property Tax Receivable

The County property tax is levied each fall (except automobiles which are annually assessed on the first day of the month the automobiles are registered) on the assessed valuations of property located in the County as of the preceding January 1. The books are open for collection September 30 with the first penalty, three percent, applicable to payments made after January 15, the due date. An additional seven percent penalty is added to payments made after February 1, and an additional 5 percent penalty plus costs is added after March 16. Property taxes attach as an enforceable lien, and are considered delinquent if not paid by March 16.

Property taxes on vehicles are billed by the 15th day of the month preceding the expiration date of South Carolina vehicle licenses, and are due by the last day of that month.

Assessed values for real estate are established annually by the County Tax Assessor at 4% of market value for legal residence and 6% of market value for rental and other real property. Real property in the County for the 2018 levy was assessed at \$110,779,220, representing 5% of estimated market value. Assessed values for personal property are established by the County Auditor and the South Carolina Department of Revenue at 10.5% of the estimated market value. The 2018 assessed value for personal property was \$68,615,159. The County tax rate is currently 70.9 mills. The following is a schedule of current and net delinquent taxes receivable by fund:

	Taxes Receivable	Allowance for Uncollectibles	Net Taxes Receivable
Governmental Funds			
General Fund	\$ 799,207	246,475	552,732
Capital Fund	58,065	17,907	40,158
Debt Service Fund	55,583	17,142	38,441
Library Fund	46,490	14,338	32,152
Fire Districts Funds	84,935	26,194	58,741
	<u>1,044,280</u>	<u>322,056</u>	<u>722,224</u>
Agency Funds	<u>2,333,375</u>	<u>719,613</u>	<u>1,613,762</u>
	<u><u>\$ 3,377,655</u></u>	<u><u>1,041,669</u></u>	<u><u>2,335,986</u></u>

Local Option Sales Tax - Property Tax Relief

In 2008, the Cherokee County voters approved a referendum to impose a one percent local option sales tax. This tax was imposed beginning May 2009. Of the revenues collected from this tax, 29% is available to the County to fund capital projects and 71% is being used as a credit against ad valorem taxes and vehicle taxes. This credit first appeared on ad valorem tax notices mailed in October 2009 and on vehicle tax notices beginning with those notices for January 2010.

The County has established a Local Option Sales Tax – Property Tax Relief account to account for the liability of local option sales tax collections in excess of local option sales tax credits applied on property tax notices. As of June 30, 2019 the balance in this account, included in the general fund, was \$2,998,051.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

**NOTE 3 - DETAILED NOTES ON GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS,
Continued**

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Reclassifications	Additions	Deletions	Balance June 30, 2019
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 1,688,895	-	-	-	1,688,895
Capital Assets Being Depreciated:					
Buildings	26,920,738	709,215	157,596	-	27,787,549
Improvements Other than Buildings	628,928	(386,582)	-	785	241,561
Machinery and Equipment	17,160,530	(206,904)	1,228,792	402,694	17,779,724
Infrastructure	30,736,106	(115,729)	-	1,121	30,619,256
Books	1,176,294	-	70,045	114,288	1,132,051
	<u>76,622,596</u>	<u>-</u>	<u>1,456,433</u>	<u>518,888</u>	<u>77,560,141</u>
Less Accumulated Depreciated:					
Buildings	10,625,746	523,778	636,427	-	11,262,173
Improvements Other than Buildings	398,335	(233,923)	8,845	-	407,180
Machinery and Equipment	12,686,841	(315,935)	1,544,875	392,306	13,839,410
Infrastructure	13,259,413	26,080	1,164,373	-	14,423,786
Books/Volumes	951,600	-	61,488	114,126	898,962
	<u>37,921,935</u>	<u>-</u>	<u>3,416,008</u>	<u>506,432</u>	<u>40,831,511</u>
Total Capital Assets Being Depreciated, Net	<u>38,700,661</u>				<u>36,728,630</u>
Total Capital Assets, Net	<u>\$ 40,389,556</u>				<u>38,417,525</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities

General Government	\$ 642,972
Public Safety	961,946
Health and Human Services	45,565
Environmental and Housing	383,581
Transportation	1,242,758
Culture and Recreation	<u>139,186</u>
Total	<u>\$ 3,416,008</u>

Certain reclassifications have been made to fixed asset categories to reflect more accurately the nature of the assets owned.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

**NOTE 3 - DETAILED NOTES ON GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS,
Continued**

D. Interfund Receivables, Payables and Transfers

During the course of its operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers.

Operating subsidies are also recorded as transfers. The classification of amounts recorded as subsidies, advances or equity contributions is determined by County management. To the extent that certain transactions between funds had not been paid or received as of year-end, balances of interfund amounts receivable or payable have been recorded.

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The following is a summary of interfund receivables and payables at June 30, 2019, all of which are expected to be paid within one year:

	<u>Receivable</u>	<u>Payable</u>
Major Governmental Funds:		
General Fund	\$ 7,123,272	2,608,197
Capital Projects Fund	210,150	2,320,397
Economic Development Corporation	-	578,109
Nonmajor Special Revenue Funds	3,333,136	5,159,855
	<u>\$ 10,666,558</u>	<u>10,666,558</u>

The following is a summary of interfund transfers for the year ended June 30, 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 2,177,377	1,575,456
Capital Projects Fund	-	872,897
Nonmajor Special Revenue Funds	1,575,456	1,304,480
	<u>\$ 3,752,833</u>	<u>3,752,833</u>

During the year, transfers were used to 1) move funds from the Capital Projects Fund to the General Fund as approved in the 2018-2019 Budget, 2) for routine transfers of funds to and from other funds, such as covering of certain expenditures from special revenue grants.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

**NOTE 3 - DETAILED NOTES ON GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS,
Continued**

E. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Governmental Activities					
Private Placement -					
General Obligation Bonds	\$ 4,900,000	-	670,000	4,230,000	695,000
Direct Placement -					
Loan Payable	2,400,000	-	343,000	2,057,000	343,000
Landfill Closure and					
Post Closure Liability	7,405,225	-	145,386	7,259,839	-
Net OPEB Obligation	3,286,800	206,300	443,500	3,049,600	-
Net Pension Liability	20,286,846	6,107,415	4,389,658	22,004,603	-
Compensated Absences	364,229	283,698	343,253	304,674	-
	<u>\$ 38,643,100</u>	<u>6,597,413</u>	<u>6,334,797</u>	<u>38,905,716</u>	<u>1,038,000</u>

Resources from the general fund and debt service funds have been used to liquidate the governmental activities debt and loan payable obligations. Accrued general leave liabilities have been liquidated primarily by the General Fund.

The County issued Private Placement General Obligation Bond Series 2011 through SunTrust Bank for the construction of an administration building. Annual installments of \$505,000 to \$795,000 plus interest at 3.40% are payable through May of 2025.

Future principal and interest payments of the Private Placement General Obligation Bonds are as follows:

Fiscal Year	Private Placement - General Obligation Bonds		
	Principal	Interest	Total
2020	\$ 695,000	143,820	838,820
2021	720,000	120,190	840,190
2022	745,000	95,710	840,710
2023	770,000	70,380	840,380
2024	795,000	44,200	839,200
2025	505,000	17,170	522,170
	<u>\$ 4,230,000</u>	<u>491,470</u>	<u>4,721,470</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

**NOTE 3 - DETAILED NOTES ON GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS,
Continued**

E. Long-term Debt, Continued

Loan Payable

During the year ended June 30, 2015, The Cherokee County Economic Development Corporation entered into a direct placement loan agreement with the South Carolina Public Service Authority to finance the purchase of land and designing and constructing an industrial speculative building in the Spartanburg-Cherokee Industrial Park. The loan is collateralized by real estate. This land and speculative building are reflected on the Governmental Funds balance sheet and Government-wide net position as assets held for resale at historical cost. The CCEDC made a \$1,600,000 payment in June 2018 and the loan was re-amortized for the remaining 7 year period, which concludes on June 16, 2025. Annual principal payments based on the re-amortization are \$343,000 and began in 2019. On June 17, 2018, the interest rate was determined. Future principal and interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 343,000	21,393	✓ (1)
2021	343,000	17,826	✓ (2)
2022	343,000	14,258	✓ (2)
2023	343,000	10,691	✓ (2)
2024	343,000	7,124	✓ (2)
2025	342,000	3,557	✓ (2)
	<u>\$ 2,057,000</u>		

(1) At or upon the fourth (4th) and fifth (5th) anniversary of this Agreement, the interest rate for any Outstanding Principal Balance shall be one-half (1/2) of the 10-year Insured Municipal Market Data (MMD) Index.

(2) At or upon the sixth (6) anniversary, and on each subsequent anniversary, the interest rate for any Outstanding Principal Balance shall be the 10-year United States Treasury Rate.

Interest is estimated to be 1.04% per annum based on the first interest payment made June, 2019.

Default and Remedies

The general obligation debt of the county is backed by the full faith and credit and taxing authority of the district and as such no provision is made in State Law for default or remedy.

For the Cherokee County Economic Development Corporation (blended component unit) loan from the South Carolina Public Service Authority (CCEDC), events of default would include: failure of CCEDC to repay the Loan principal or interest in accordance with the provisions of the Loan Agreement, failure of the CCEDC to complete its obligations under the Loan Agreement, and any representation or warranty made by the CCEDC in the Loan Agreement which shall prove to have been untrue or incorrect as to any material aspect when made. Remedies would include and provide that the S.C. Public Service Authority without presentment, demand, protest or further notice of any kind, all of which are expressly waived by CCEDC, is entitled to apply for a remedy at law or in equity in accordance may declare the Outstanding Principal Balance and all accrued interest thereon due and payable with the terms of this Agreement.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 3 - DETAILED NOTES ON GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS, Continued

E. Long-term Debt, Continued

Conduit Debt Obligations

Industrial Revenue Bonds are issued to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. Such bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither Cherokee County, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. No Industrial Revenue Bonds were issued by the County in fiscal years 2003 through 2019.

The aggregate principal amount payable or the aggregate original issued amount for issues prior to July 1, 2002 could not be determined.

F. Landfill Closure and Post Closure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill sites when the sites stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closing.

The County has recorded a liability in the government-wide statement of net position for the total estimated closure and post-closure care costs for the portion of the landfills filled at June 30, 2019, calculated as follows:

	MSW	C&D Cells A, B & C	Total
Total Estimated Current Closure and Post Closure Care Cost	\$ 4,738,207	2,521,632	
Percentage of Landfill Capacity Used to Date	100%	100%	
Reported Liability for Closure and Post Closure Care Cost	<u>\$ 4,738,207</u>	<u>2,521,632</u>	<u>7,259,839</u>
Total Estimated Current Closure and Post Closure Care Cost Remaining to be Recognized	<u>\$ -</u>	<u>-</u>	
Landfill's Approximate Remaining Life in Years	<u>-</u>	<u>20</u>	

The estimated total current cost of the landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2019. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County is in compliance with the SC Department of Health and Environment Control (SCDHEC) financial assurance requirements at June 30, 2019, demonstrating this sufficiently for SCDHEC with sufficient cash reserves and/or debt capacity.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the State Budget and Control Board Office of Insurance Reserve Fund. The County pays premiums to the Fund for its general insurance coverage. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. Additionally, the County participates in a self-funded program to provide workers' compensation insurance through the South Carolina Association of Counties, which works in a similar way as the Insurance Reserve Fund.

The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

B. Commitments and Contingencies

Grant Programs

The County participates in a number of federal and state assisted grant programs. These programs are subject to audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2019, have not yet been conducted. Therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Library Services and Construction Act, Title II

The County received monies in the year 2000 from a federal grant to assist for payment of the construction costs for a new addition to the main library. These funds were received under the Library Services and Construction Act, Title II (LSCAII). The total amount of the award was \$200,000. Per Section 770.42 of (CAFR 34) of the Federal Register, if within 20 years of the receipt of this grant the County ceases to use the facility as a library, or the Library itself were to cease to be a public library, the amount the County may be obligated to repay is the amount that equals the funds received from the United States Government, or the fair market value of the facility allocated proportionally between the United States Government funds received and the local funds received.

Litigation

The County is party to a number of lawsuits arising in the course of operations. It is the opinion of management, in consultation with legal counsel, that it cannot be determined whether resolution of the other pending cases will have a material adverse effect on the financial condition of the County.

Contractual Commitments

The County has entered into a long-term agreement with the City of Gaffney whereby the County will house all adult male and female prisoners over which the City municipal court has jurisdiction, for a per day fee to be adjusted annually each July 1 based on actual cost of operation. The per day fee was adjusted to \$40.36 effective July 1, 2018. The agreement is for 25 years, and was initiated in November, 1997. The total amount paid to the County under this agreement for the fiscal year ended June 30, 2019 was \$105,178.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

B. Commitments and Contingencies, Continued

The County has also entered into a ten year agreement with the City of Gaffney whereby the City will provide fire protection in a defined fire protection area outside the City limits in exchange for the County providing monthly payments to the City for the cost of providing fire protection on a cost per call basis. The per call fee is to be adjusted annually based on actual cost of the previous fiscal year provided the maximum amount to be paid by the County to the City will not exceed the amount of taxes generated by twelve (12) mills in the Gaffney Fire Protection Area. The initial term of the agreement expired on December 31, 2010, and has been extended for two successive five year terms as provided for and, in accordance with the terms of the agreement.

Multicounty Industrial or Business Park

The County entered into a thirty year Joint County Industrial/Business Park agreement with Spartanburg County on July 2, 2001. The agreement provides that a taxpayer's property located in the multi-county industrial/business park will receive a property tax abatement and otherwise pay a fee-in-lieu of ad valorem taxes at a rate and in an amount negotiated between the taxpayer and the two parties to the agreement. Both counties are to share revenues and expenses of the park equally.

For tax year 2018, of the total payments made by taxpayers who were subject to this multicounty industrial park agreement, \$2,080,913 would have been received by the County but for the taxpayers' location within its multicounty industrial park. For the tax year 2018, payments-in-lieu of standard ad valorem tax payments from taxpayers within the County's multicounty industrial park totaled \$1,897,116, of which \$948,558 was due to Spartanburg County as their 50% share.

The County collects ad valorem taxes for the City of Gaffney, the City of Blacksburg, the Spartanburg School District 2, the Recreation District and Cherokee County School District One, as well as several fire districts and other special purpose tax districts, and accounts for these in its Agency and Special Revenue Funds.

C. Deferred Compensation Plans

Several optional deferred compensation plans are available to the County's employees. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k) and 403(b) are accounted for by the State of South Carolina. Employees may withdraw the current value of their contributions when they terminate employment. With approval of the State's Deferred Compensation Commission, employees may also withdraw the current value of their contributions prior to termination of employment if they meet certain requirements. These requirements differ among the three plans. Compensation deferred under the Section 457, 401(k) and 403(b) plans is placed in trust for the contributing employees. Neither the State nor the County has any liability for losses under the plans.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

D. Pension and Retirement Plans

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

D. Pension and Retirement Plans, Continued

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below.

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

D. Pension and Retirement Plans, Continued

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next ten years to a twenty year amortization period.

Effective July 1, 2018, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 14.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 14.41% and 0.15% for the incidental death benefit program. The County's actual retirement and incidental death benefit program contributions for participating employees to the SCRS for the years ended June 30, 2019, 2018, and 2017 were:

Fiscal Year Ended	Retirement		Incidental Death	
	Rate	Contribution	Rate	Contribution
2019	14.410%	\$ 875,158	0.15%	\$ 9,110
2018	13.410%	\$ 765,126	0.15%	\$ 8,558
2017	11.410%	\$ 576,811	0.15%	\$ 7,583

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

D. Pension and Retirement Plans, Continued

Effective July 1, 2018, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 17.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 16.84%, 0.20% for the incidental death benefit program, and a 0.20% for the accidental death program. The County's actual retirement, incidental death benefit program and accidental death program contributions to the PORS for the years ended June 30, 2019, 2018, and 2017 were:

Fiscal Year Ended	Retirement		Incidental Death		Accidental Death	
	Rate	Contribution	Rate	Contribution	Rate	Contribution
2019	16.840%	\$ 740,301	0.20%	\$ 8,792	0.20%	\$ 8,792
2018	15.840%	\$ 687,426	0.20%	\$ 8,680	0.20%	\$ 8,680
2017	13.840%	\$ 555,178	0.20%	\$ 8,023	0.20%	\$ 8,022

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2015.

The June 30, 2018, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the Systems' consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2018.

		SCRS	PORS
Actuarial Cost Method		Entry age normal	Entry age normal
Investment Rate of Return	1	7.25%	7.25%
Projected Salary Increases	1	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Benefit Adjustments		Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

1 Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

D. Pension and Retirement Plans, Continued

Assumptions used in the determination of the June 30, 2018, TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Net Pension Liability

The NPL is calculated separately for each system and represents that particular System's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2018, for SCRS and PORS are presented below.

Plan	Total Pension Liability	Plan Fiduciary Net Pension	Employers' Net Pension Liability (Asset)	Net Position as a Percentage of the Total Pension Liability	Cherokee County Portion
SCRS	\$ 48,821,730,067	26,414,916,370	22,406,813,697	54.1%	13,058,554
PORS	7,403,972,673	4,570,430,247	2,833,542,426	61.7%	8,946,049
					<u>22,004,603</u>

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the <http://www.peba.sc.gov/assets/financialsretirement.pdf>. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

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

At June 30, 2019, the Cherokee County reported liabilities of \$13,058,554 and \$8,946,049 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2018. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2018, the County's SCRS and PORS proportion was .054791% and .315720%, respectively.

For the year ended June 30, 2019, the County's recognized net pension expenses of \$1,751,429 and \$1,288,955 for SCRS and PORS, respectively.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

D. Pension and Retirement Plans, Continued

At June 30, 2019, the County's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS	PORS	Total
Deferred Outflows of Resources			
Difference between Expected and Actual Experience	\$ 39,277	275,642	314,919
Changes of Assumptions	518,091	589,857	1,107,948
Net difference between Projected and Actual Earnings on Pension Plan Investments	207,435	178,900	386,335
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	1,072,650	368,805	1,441,455
County Contributions Subsequent to the Measurement Date	939,826	757,885	1,697,711
TOTAL	\$ 2,777,279	2,171,089	4,948,368
Deferred Inflows of Resources			
Difference between Expected and Actual Experience	\$ 106,616	-	106,616
Changes of Assumptions	-	-	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	-	77,009	77,009
TOTAL	\$ 106,616	77,009	183,625

The \$939,826 and \$757,855 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date for SCRS and PORS, respectively, during the year ended June 30, 2019 will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	SCRS	PORS
2020	\$ 933,954	661,099
2021	713,369	462,646
2022	87,424	167,294
2023	(3,910)	45,156
2024	-	-
Thereafter	-	-
	\$ 1,730,837	1,336,195

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

D. Pension and Retirement Plans, Continued

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Global Equity	47.0%		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	10.0%		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	13.0%		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	345.00%	0.07%
Other Opportunistic Strategies	3.0%	5.09%	0.11%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	<u>100.0%</u>		<u>5.03%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.28%</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

D. Pension and Retirement Plans, Continued

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the 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 TPL.

Sensitivity Analysis

The following table presents the County's proportionate share of the SCRS and PORS net pension liability calculated using the discount rate of 7.25 percent, as well as what the County's respective NPL would be if it were calculated using a discount rate of 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
Plan	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 16,686,409	13,058,554	10,464,988
PORS	12,060,392	8,946,049	6,395,141

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using the discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
Plan	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 28,631,746,951	22,406,813,697	17,956,582,707
PORS	3,819,969,291	2,833,542,426	2,025,575,990

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' <http://www.peba.sc.gov/assets/financialsretirement.pdf> (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the http://www.peba.sc.gov/assets/06.30.2017-accounting-valuation-report_final-for-webpage.pdf.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

E. Post Employment Health Insurance Benefits

General Information About the OPEB Plan

Employees covered by benefit terms. At July 1, 2018 (the valuation date) the following employees were covered by the benefit terms:

	Count	Total OPEB Liability
Inactive employees or beneficiaries currently receiving benefits	62	\$ 1,149,800
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	96	1,899,800
Total	<u>158</u>	<u>\$ 3,049,600</u>

The following is our understanding of the plan provisions for retiree coverage. Where the following differs from the official plan rules, the valuation should be revised.

Eligibility Conditions

A retiring employee who is at least age 55 and has at least ten years of service with the County, the last five of which must be consecutive and in a full time, regular position, is eligible to elect post-retirement coverage. Pre-65 retirees who retire and do not elect to continue coverage through the County may elect coverage at age 65.

Covered Employees

All full time employees (must be covered by the active plan at time of retirement or disability). Only employees hired prior to July 20, 2009 are eligible to participate in this plan.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

E. Post Employment Health Insurance Benefits, Continued

<u>Type of Coverage</u>	<u>Employee</u>	<u>Spouse</u>
Life Insurance (Basic)	None	Not Applicable
Dental Coverage	Not valued - cost of this coverage is immaterial. Employee pays \$12 per month.	Not Applicable
Vision Coverage	Not valued - cost of this coverage is immaterial. Employee pays \$7 per month.	Not Applicable
Medical Coverage		
Pre-Medicare (for employees that have not yet reached Medicare eligibility)	Retiree pays 100% of regular group insurance premium until becoming Medicare eligible and then County contributes as outlined below.	Employee pays 100% of spousal premium
Post-Medicare (commencing at the time of first billing of retiree's coverage under a Medicare Supplement Plan)	For employees hired before July 20, 2009, County pays: — 100% of premium, up to \$200 per month for 30 years of service. — 75% of premium, up to \$200 per month for 20 years of service. — 50% of premium, up to \$200 per month for 10 years of service.	
Coverage Ceases	At death	Coverage stops at spouse death.
Disability Coverage	No post-retirement disability benefit is valued for Active employees. Disabled Retirees are recognized after they become eligible for Disability benefits.	Not Applicable
Long Term Care Coverage	No post-retirement long term care insurance is provided by the employer.	Not Applicable

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

E. Post Employment Health Insurance Benefits, Continued

Amendments

The Employer reserves the right to amend the Plan at any time subject to County Council action.

Employer Contributions

The funding policy of the plan sponsor is to contribute annually an amount sufficient to satisfy benefit payment requirements to participants.

Employee Contributions

None.

Net OPEB Liability

The employer's net OPEB liability is reported herein as of June 30, 2019 for the employer fiscal year and reporting period of July 1, 2018 to June 30, 2019. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2018 and the corresponding measurement period of July 1, 2017 to July 1, 2018. The measurement of the total OPEB liability is based on a valuation date of July 1, 2018.

Actuarial Assumptions and Actuarial Methods

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.62%
Salary Scale:	2.50%
Healthcare Cost Trend Rates:	6.18%) for fiscal year end 2019, decreasing 0.33% per year to an ultimate rate of 4.00%
Mortality:	RP-2014 M01iality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2018
Actuarial Cost Method:	Entry Age Actuarial Cost Method

Expected Return on Assets:

None

Discount Rate:

The discount rate has been set equal to 3.62% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

E. Post Employment Health Insurance Benefits, Continued

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (a) - (b)
Balances at July 1, 2018	\$ 3,286,800	-	3,286,800
Changes for the Year:			
Service Cost	87,300	-	87,300
Interest	119,000	-	119,000
Differences Between Expected and Actual Experience	(347,500)	-	(347,500)
Contributions - Employer	-	62,300	(62,300)
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(62,300)	(62,300)	-
Changes of Benefit Terms	-	-	-
Administrative Expense	-	-	-
Other Changes	(33,700)	-	(33,700)
Net Changes	\$ (237,200)	-	(237,200)
Balances at June 30, 2019*	\$ 3,049,600	-	3,049,600

*Measurement Date is July 1, 2018

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability/(asset) of the employer as of the measurement date calculated using the discount rate, as well as what the employer's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Employer's Net OPEB Liability/(Asset)	\$ 3,478,500	3,049,600	2,693,900

Sensitivity of the net OPEB liability to changes in the Trend rate. The following presents the net OPEB liability/(asset) of the employer as of the measurement date calculated using the trend rate, as well as what the employer's net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Employer's Net OPEB Liability/(Asset)	\$ 3,153,100	3,049,600	3,049,600

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 4 - OTHER INFORMATION, Continued

E. Post Employment Health Insurance Benefits, Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Part 1)

For the year ended June 30, 2019, under GASB 75 the employer OPEB expense is \$139,600. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2019 from various sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	(282,200)
Changes of Assumptions	-	(27,400)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Employer Contributions After Measurement Date but Prior to Fiscal Year End	<u>80,126</u>	<u>-</u>
Total	<u><u>\$ 80,126</u></u>	<u><u>(309,600)</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	
2020	\$ 8,526
2021	(71,600)
2022	(71,600)
2023	(71,600)
2024	(23,200)

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 5 – TAX ABATEMENTS

The county utilizes an economic development program to attract businesses and industry to the County for the purposes of expanding and diversifying the local economy and creating jobs. This is the only program under which taxes are abated at the County. South Carolina law allows two primary mechanisms that the County may employ in order to improve its competitiveness with other jurisdictions, both in-state and out-of-state, and incentivize new or additional investment in the County. These mechanisms effectively allow the County to reduce the amount of ad valorem property taxes that will be paid on new business investments. These two mechanisms include: Fee in Lieu of Tax (FILOT) agreements and Special Source Revenue Credits (SSRC).

While these two mechanisms do not totally level the playing field, they do position the County to have its other attributes, geographic location, labor quality, etc. to be better evaluated in a company's decision process. These two mechanisms are key in making Cherokee County competitive with our neighboring states for quality economic development projects.

Companies that are located in South Carolina and classified as manufacturing facilities are subject to *ad valorem taxes*. The fair market value is multiplied by the assessment ratio, generally equal to 10.5%, to produce the assessed value and then multiplied by the millage rate. Cherokee County provides certain tax reductions through the following programs:

1. Fee in Lieu of Ad Valorem Tax
2. Special Source Revenue Credit

The *Fee in Lieu of Ad Valorem Tax* program is intended to encourage commercial and industrial investment in South Carolina. The property tax reduction is granted pursuant to Chapter 44 of Title 12 of the South Carolina Code of Laws of South Carolina 1976 as amended. Taxpayers are eligible to receive a reduction in property taxes, through reduced assessed values and locked millage rates, if they enter into an agreement with Cherokee County and invest at least \$2.5 million in taxable property (or some other negotiated investment floor) in Cherokee County within a 5 year period. Under the *Fee in Lieu of Ad Valorem Tax* program, if a taxpayer does not make the required investment within the 5 year period, then the reduced property taxes terminate and the taxpayer must repay Cherokee County the difference between the abated taxes received and what the taxpayer would have paid had it not had the benefit of the *Fee in Lieu of Ad Valorem Tax* program.

Cherokee County has twenty-two (23) taxpayers that have entered into an agreement with Cherokee County under the *Fee in Lieu of Ad Valorem Tax* program. In the aggregate, these taxpayers, without the benefit of the program would pay \$2,959,587 to Cherokee County in *ad valorem* tax. However, due to the benefit provided by the *Fee in Lieu of Ad Valorem Tax* program, the taxpayers paid an aggregate of \$2,834,103 to Cherokee County in the most recent fiscal year.

The *Special Source Revenue Credit* program is intended to encourage investment into infrastructure serving Cherokee County or infrastructure serving a commercial or manufacturing enterprise in Cherokee County. The property tax reduction is granted pursuant to Chapter 1 of Title 4 of the South Carolina Code of Laws of South Carolina 1976, as amended. All property that is located in an MCIP, *Multi-County Industrial Park*, is exempt from property taxes, but property owners must pay an amount equivalent to the property taxes that would otherwise be due. The companies that make an agreement with the county based on this option are based on infrastructure credits or credits based on investments /money spent to improve a facility. Taxpayers are eligible to receive a percentage reduction off their total property tax liability if the taxpayer is located in a multicounty park, enters into an agreement with Cherokee County and agrees to make an investment in taxable property in Cherokee County and create jobs. If the taxpayer does not meet its investment or job commitments, the taxpayer must repay a portion of the reduction.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2019

NOTE 5 – TAX ABATEMENTS – Continued

Cherokee County has three (3) taxpayers that have entered into an agreement with Cherokee County under the Special Source Revenue Credit program. In the aggregate, these taxpayers, without the benefits of the program would pay \$30,642 to Cherokee County in ad valorem tax in the most recent fiscal year. However, due to the benefit provided by the *Special Source Revenue Credit* program, the taxpayers pay an aggregate of \$18,991 to Cherokee County.

NOTE 6 - SUBSEQUENT EVENTS

Due to the COVID 19 Pandemic that materialized subsequent to the balance sheet date, June 30, 2019, the County is evaluating what effect it will have on the operation of the county with respect to revenues, the collectability of receivables including timing concessions, the ability to obtain necessary materials and supplies, the health and stability of the workforce, and the ability to be mobile, access service locations, and continue to provide essential services at an appropriate level, all within the guidelines and mandates of federal, state and local governments and officials. At this time, as of the date of this report, it is management's opinion that the County will experience minimal effect on its ongoing operations, or the value of its assets and obligations long term.

Management has through June 26^{lease}, 2020, the date the financial statements were available to be issued, considered whether events have occurred or circumstances exist subsequent to the date of the financial statements, June 30, 2019, that would have materially significant effect on the carrying amounts of assets or liabilities, including estimates, and no such items have been identified.

REQUIRED SUPPLEMENTARY INFORMATION

Cherokee County, South Carolina
Schedule of the County's Proportionate Share of the Collective Net Pension Liability
South Carolina Retirement System (SCRS)
Last Ten Fiscal Years*

	2019	2018	2017	2016	2015
County's Proportion of the Collective Net Pension Liability	0.054791%	0.050195%	0.050507%	0.049787%	0.081311%
County's Proportionate Share of the Collective Net Pension Liability	\$ 12,276,852	\$11,299,702	\$10,788,221	\$9,442,344	\$13,999,059
County's Covered-Employee Payroll	\$6,076,136	\$5,425,815	\$4,895,086	\$7,842,135	\$7,382,455
County's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	202.05%	208.26%	220.39%	120.41%	189.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.1%	53.34%	52.91%	56.99%	59.92%

* The amounts presented were determined as of the prior fiscal year ending June 30.

Cherokee County, South Carolina
Schedule of the County's Contributions
South Carolina Retirement System (SCRS)
Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily Required Contributions	\$ 884,268	631,636	627,224	541,397	854,792
Contributions in Relation to the Statutorily Required Contributions	<u>884,268</u>	<u>631,636</u>	<u>627,224</u>	<u>541,397</u>	<u>854,792</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
County's Covered-Employee Payroll	\$ 6,073,272	6,076,136	5,425,815	4,895,086	7,842,135
Contributions as a Percentage of Covered-Employee Payroll	14.56%	10.40%	11.56%	11.06%	10.90%

Notes to Schedule:

June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

Cherokee County, South Carolina
Schedule of the County's Proportionate Share of the Collective Net Pension Liability
South Carolina Police Officers Retirement System (PORS)
Last Ten Fiscal Years*

	2019	2018	2017	2016	2015
County's Proportion of the Collective Net Pension Liability	0.315720%	0.297870%	0.302910%	0.304780%	0.291680%
County's Proportionate Share of the Collective Net Pension Liability	\$8,946,049	\$8,160,330	\$7,683,236	\$6,642,756	\$5,583,983
County's Covered-Employee Payroll	4,339,808	\$4,005,403	\$3,775,721	\$3,775,721	\$3,507,756
County's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered-Employee Payroll	206.14%	203.73%	203.49%	175.93%	159.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.70%	60.90%	60.44%	64.57%	67.55%

* The amounts presented were determined as of the prior fiscal year ending June 30.

Cherokee County, South Carolina
Schedule of the County's Contributions
South Carolina Police Officers Retirement System (PORS)
Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily Required Contributions	\$ 757,885	571,928	570,369	530,594	506,342
Contributions in Relation to the Statutorily Required Contributions	<u>757,885</u>	<u>571,928</u>	<u>570,369</u>	<u>530,594</u>	<u>506,342</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
County's Covered-Employee Payroll	\$ 4,396,085	4,339,808	4,005,403	3,861,673	3,775,721
Contributions as a Percentage of Covered-Employee Payroll	17.24%	13.18%	14.24%	13.74%	13.00%

Notes to Schedule:

June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

Cherokee County, South Carolina
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Various Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 15,269,000	16,132,195	16,476,403	344,208
Licenses and permits	240,000	240,000	219,645	(20,355)
Intergovernmental	2,380,072	2,380,072	3,450,604	1,070,532
Charges for services	820,200	820,200	1,150,900	330,700
Fines	615,000	615,000	661,001	46,001
Interest	-	-	461,051	461,051
Miscellaneous	774,450	774,450	405,175	(369,275)
Total Revenues	20,098,722	20,961,917	22,824,779	1,862,862
Expenditures				
Current				
General government				
Vehicle Maintenance	241,584	241,584	188,400	53,184
Pooled Vehicles	8,539	8,539	12,745	(4,206)
Administration	591,465	591,465	564,977	26,488
Finance	442,954	442,954	515,069	(72,115)
Human Resources	108,525	108,525	106,757	1,768
Information Technology	275,598	275,598	258,850	16,748
Risk Management	63,507	63,507	54,508	8,999
Central Purchasing	1,800	1,800	104,486	(102,686)
Central Services	1,767,741	3,067,741	1,924,067	1,143,674
County Buildings	218,660	218,660	204,367	14,293
Administrative Building Complex	268,672	268,672	222,418	46,254
Economic Development	360,370	360,370	261,243	99,127
Courthouse	82,913	82,913	57,775	25,138
Delinquent Tax Collector	159,366	159,366	152,991	6,375
Treasurer	365,745	365,745	349,091	16,654
Auditor	263,115	263,115	227,599	35,516
Building Inspectors	295,657	295,657	290,353	5,304
Tax Assessor	442,294	442,294	452,795	(10,501)
GIS/Mapping	99,845	99,845	99,536	309
Addressing	71,803	71,803	71,373	430
Election/Voter Registration/Poll Workers	246,123	246,123	250,865	(4,742)
Magistrate - Gaffney	664,763	664,763	655,726	9,037
Register of Deeds	213,736	213,736	215,093	(1,357)
Clerk of Court	306,446	306,446	319,905	(13,459)
Probate Court	280,695	280,695	264,098	16,597
Attorney/Judicial	84,145	84,145	105,539	(21,394)
Clerk of Court Support	280,312	280,312	227,988	52,324
Circuit Solicitor	228,476	228,476	229,406	(930)
Appalachian COG	38,370	38,370	38,370	-
Cherokee Defender Corp	140,000	140,000	140,000	-
	8,613,219	9,913,219	8,566,390	1,346,829
Public Safety				
Code Enforcement	107,700	107,700	119,310	(11,610)
Animal Control	150,179	150,179	143,629	6,550
Communications	544,881	544,881	709,923	(165,042)
Enhanced Communications/911	1,216,367	1,216,367	1,096,458	119,909
Fire Protection	186,500	-	186,500	(186,500)
Coroner	210,907	210,907	232,263	(21,356)
Law Enforcement Center	121,385	121,385	127,689	(6,304)
Victims Advocate	122,185	122,185	115,493	6,692
Sheriff	4,569,337	4,569,337	4,614,849	(45,512)
Detention Center	3,100,280	3,100,280	3,525,386	(425,106)
Emergency Management	163,477	163,477	161,801	1,676
	\$ 10,493,198	10,306,698	11,033,301	(726,603)

Cherokee County, South Carolina
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budgeted Amounts			Various Positive
	Original	Final	Actual	(Negative)
Environmental and Housing				
Department of Public Works	\$ 157,299	157,299	101,196	56,103
Solid Waste Collections	2,088,788	2,088,788	1,779,131	309,657
C and D Landfill	406,118	406,118	422,683	(16,565)
Landfill Post closure	77,662	77,662	78,340	(678)
Recycling Center	603,044	603,044	521,050	81,994
Clemson Extension Service	28,394	28,394	26,026	2,368
Thicketty Creek Project	22,000	22,000	10,000	12,000
USDA Soil Conservation	13,500	13,500	13,500	-
	<u>3,396,805</u>	<u>3,396,805</u>	<u>2,951,926</u>	<u>444,879</u>
Health and Human Services				
Veterans Affairs	188,701	188,701	185,382	3,319
Alcohol and Drug Abuse	7,500	7,500	-	7,500
Health Department	33,760	33,760	33,760	-
Indigent Care	204,306	204,306	143,182	61,124
County Health and Human Services	297,938	297,938	397,064	(99,126)
Department of Social Services	29,200	29,200	29,180	20
Disabilities and Special Needs	50,000	50,000	50,000	-
Senior Center	35,000	35,000	35,000	-
Regional Mental Health	35,000	35,000	35,000	-
Literacy Association	15,000	15,000	15,000	-
	<u>896,405</u>	<u>896,405</u>	<u>923,568</u>	<u>(27,163)</u>
Transportation				
Roads and Bridges	1,465,494	1,465,494	1,530,518	(65,024)
	<u>1,465,494</u>	<u>1,465,494</u>	<u>1,530,518</u>	<u>(65,024)</u>
Culture and Recreation				
SC Cherokee Campus	30,000	30,000	-	30,000
Recreation District	2,105	2,105	408	1,697
	<u>32,105</u>	<u>32,105</u>	<u>408</u>	<u>31,697</u>
Total Expenditures	<u>24,897,226</u>	<u>26,010,726</u>	<u>25,006,111</u>	<u>1,004,615</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,187,504)</u>	<u>(5,624,309)</u>	<u>(2,181,332)</u>	<u>3,442,977</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	-	-
Transfers In	5,184,504	5,184,504	2,177,377	(3,007,127)
Transfers Out	(389,000)	(389,000)	(1,575,456)	(1,186,456)
	<u>5,187,504</u>	<u>4,795,504</u>	<u>601,921</u>	<u>(4,193,583)</u>
Net Change in Fund Balance	-	(828,805)	(1,579,411)	(750,606)
Fund Balance - Beginning of Year	<u>29,628,739</u>	<u>29,628,739</u>	<u>29,628,739</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 29,628,739</u>	<u>28,799,934</u>	<u>28,049,328</u>	<u>(750,606)</u>

Cherokee County, South Carolina
Capital Project Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Various Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,165,547	1,165,547	1,193,345	27,798
Interest	-	-	12,812	12,812
Total Revenues	1,165,547	1,165,547	1,206,157	40,610
Expenditures				
Current				
General Government				
Vehicle Maintenance	17,000	17,000	-	17,000
Information Technology	83,000	83,000	-	83,000
Administration	60,849	60,849	4,800	56,049
Public Safety				
Law Enforcement Center	5,000	5,000	-	5,000
Sheriff	353,730	353,730	-	353,730
Detention Center	27,000	27,000	-	27,000
Emergency Management	5,000	5,000	-	5,000
Transportation				
Road and Bridges	127,600	127,600	-	127,600
Environmental and Housing				
US Soil and Water Conservation	7,500	7,500	-	7,500
Solid Waste Collections	258,735	258,735	-	258,735
Recycling	4,800	4,800	-	-
Thicketty Creek Project	12,000	12,000	-	12,000
Capital Outlay	-	-	157,596	(157,596)
Total Expenditures	962,214	962,214	162,396	795,018
Excess (Deficiency) of Revenues Over Expenditures	203,333	203,333	1,043,761	840,428
Other Financing Sources (Uses)				
Transfers Out	-	-	(872,897)	(872,897)
Net Change in Fund Balance	203,333	203,333	170,864	(32,469)
Fund Balance - Beginning of Year	960,977	960,977	960,977	-
Fund Balance - End of Year	\$ 1,164,310	1,164,310	1,131,841	(32,469)

Cherokee County, South Carolina
Schedule of Changes in County's Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2019

	2019	2018
Total OPEB Liability		
Service Cost	\$ 87,300	85,100
Interest	119,000	114,900
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(347,500)	-
Changes of Assumptions	(33,700)	-
Benefit Payments, Including Refunds of Employee Contributions	(62,300)	(112,000)
Net Change in Total OPEB Liability	(237,200)	88,000
Total OPEB Liability Beginning	3,286,800	3,198,800
Total OPEB Liability Ending	3,049,600	3,286,800
Plan Fiduciary Net Position		
Contributions - Employer	62,300	112,000
Contributions - Employee	-	-
Net Investment Income	-	-
Benefit Payments, Including Refunds of Employee Contributions	(62,300)	(112,000)
Administrative Expenses	-	-
Other	-	-
Net Change in Plan Fiduciary Net Position	-	-
Plan Fiduciary Net Position - Beginning	-	-
Plan Fiduciary Net Position - Ending	-	-
Employer's Net OPEB Liability - Ending	3,049,600	3,286,800
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
Covered-Employee Payroll	3,505,200	4,811,300
Employer's Net OPEB Liability as a Percentage of Covered-Employee Payroll	68.31%	87.00%
Notes to Schedule:		
None		
Actuarially Determined Contribution	62,300	112,000
Contributions in Relation to the Actuarially Determined Contribution	62,300	112,000
Contribution Deficiency (Excess)	\$ -	-
Expected Covered-Employee Payroll	\$ 3,505,200	4,811,300
Contributions as a Percentage of Covered-Employee Payroll	2.33%	1.78%

Notes to Schedules: The employer has elected to make an annual contribution equal to the benefits payments. The employer share of net benefits is the difference between the expected benefit payments and the retiree contributions. It is sometimes referred to as "pay-as-you-go."

The expected benefit payments are actuarially determined to reflect the age difference between the overall covered group and the retiree group.

Actuarially determined contributions, which are based on the "pay-as-you-go" cost, and actual contributions are from the measurement periods ending June 30 of the year prior to the year-end of the reporting periods shown.

**COMBINING AND INDIVIDUAL NONMAJOR FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Cherokee County, South Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds											
	Local County Accom Fees	Rural Infrastructure	Project Offsides	Project Kickstart	Project Sewer Study	Over Mtn. Endowment	SC DHEC HPP Grant	DHEC Grant	Restitution	Title IV-D Family Court	Title IV-D Incentives	911 Telephone
Assets												
Cash	\$ 75,967	227,492	418,881	(233,692)	30,000	6,476	(1,999)	-	1,957	560,239	218,059	1,188,806
Taxes Receivable (Net)	-	-	-	-	-	-	-	-	-	-	-	-
Other Receivables	8,567	-	-	-	-	-	-	-	-	39,182	-	-
Due from Other Funds	1,188,456	64,110	-	301,500	-	-	235	-	-	-	1,633	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-	-	-	-
	<u>1,272,990</u>	<u>291,602</u>	<u>418,881</u>	<u>67,808</u>	<u>30,000</u>	<u>6,476</u>	<u>(1,764)</u>	<u>-</u>	<u>1,957</u>	<u>599,421</u>	<u>219,692</u>	<u>1,188,806</u>
Liabilities												
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	271,500	-	64,110	30,000	-	-	-	-	599,421	746	1,188,806
Escrow Funds	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>271,500</u>	<u>-</u>	<u>64,110</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,421</u>	<u>746</u>	<u>1,188,806</u>
Deferred Inflows of Resources												
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	1,272,990	20,102	418,881	3,698	-	6,476	-	-	1,957	-	218,946	-
Assigned	-	-	-	-	-	-	(1,764)	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
	<u>1,272,990</u>	<u>20,102</u>	<u>418,881</u>	<u>3,698</u>	<u>-</u>	<u>6,476</u>	<u>(1,764)</u>	<u>-</u>	<u>1,957</u>	<u>-</u>	<u>218,946</u>	<u>-</u>
	<u>\$ 1,272,990</u>	<u>291,602</u>	<u>418,881</u>	<u>67,808</u>	<u>30,000</u>	<u>6,476</u>	<u>(1,764)</u>	<u>-</u>	<u>1,957</u>	<u>599,421</u>	<u>219,692</u>	<u>1,188,806</u>

Cherokee County, South Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds												
	E911 Surcharge	Victory Trail Fund	Carolina Thread Trail	Veteran Affairs	Used Oil	Waste Tire	East Gaffney Lighting Project	Drug Enforce Agent	Sheriff Confiscated Funds	Body Worn Camera	Victim Assistance	Solicitor Renovations	School Resource Officer Grant
Assets													
Cash	\$ 4,139,932	11,030	692	5,261	1,193	75,899	5,000	36,183	390,352	233	170,304	16,548	49,258
Taxes Receivable (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receivables	157,910	-	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	335,542	-	-	-	873	-	-	-	150	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>4,633,384</u>	<u>11,030</u>	<u>692</u>	<u>5,261</u>	<u>2,066</u>	<u>75,899</u>	<u>5,000</u>	<u>36,183</u>	<u>390,502</u>	<u>233</u>	<u>170,304</u>	<u>16,548</u>	<u>49,258</u>
Liabilities													
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	2,482,849	-	-	-	2,066	75,899	-	36,183	8,867	-	170,304	-	-
Escrow Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	381,700	-	-	-	-
	<u>2,482,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,066</u>	<u>75,899</u>	<u>-</u>	<u>36,183</u>	<u>390,567</u>	<u>-</u>	<u>170,304</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources													
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances													
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	2,150,535	11,030	692	5,261	-	-	5,000	-	(65)	-	-	16,548	49,258
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	233	-	-	-
	<u>2,150,535</u>	<u>11,030</u>	<u>692</u>	<u>5,261</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(65)</u>	<u>233</u>	<u>-</u>	<u>16,548</u>	<u>49,258</u>
	<u>\$ 4,633,384</u>	<u>11,030</u>	<u>692</u>	<u>5,261</u>	<u>2,066</u>	<u>75,899</u>	<u>5,000</u>	<u>36,183</u>	<u>390,502</u>	<u>233</u>	<u>170,304</u>	<u>16,548</u>	<u>49,258</u>

Cherokee County, South Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds										
	Adopt-A Cop	Sheriff Drug	Jail Canteen	Inmate Telephone	Bulletproof Vests	Project Lifesaver	"C" Funds	Restrict Solicitor	Solicitor Drug Forfeiture	7th Circuit Solicitor - Gambling	Estreated Bonds
Assets											
Cash	\$ 185	(18,874)	246,801	82,551	8,900	816	808,241	(52,280)	17,351	549,595	50,023
Taxes Receivable (Net)	-	-	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	5,942	9,197	-	-	101,069	105,611	-	-	-
Due from Other Funds	105	326	-	-	-	-	50	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-	-	-
	<u>290</u>	<u>(18,548)</u>	<u>252,743</u>	<u>91,748</u>	<u>8,900</u>	<u>816</u>	<u>909,360</u>	<u>53,331</u>	<u>17,351</u>	<u>549,595</u>	<u>50,023</u>
Liabilities											
Accounts Payable	-	-	62	-	-	-	-	-	-	105,611	-
Due to Other Funds	-	607	92	435	5,350	-	7,656	337	-	-	454
Escrow Funds	-	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>607</u>	<u>154</u>	<u>435</u>	<u>5,350</u>	<u>-</u>	<u>7,656</u>	<u>337</u>	<u>-</u>	<u>105,611</u>	<u>454</u>
Deferred Inflows of Resources											
Unavailable Revenues - Property Taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	290	(19,155)	252,589	91,313	3,550	816	901,704	52,994	17,351	443,984	49,569
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
	<u>290</u>	<u>(19,155)</u>	<u>252,589</u>	<u>91,313</u>	<u>3,550</u>	<u>816</u>	<u>901,704</u>	<u>52,994</u>	<u>17,351</u>	<u>443,984</u>	<u>49,569</u>
	<u>\$ 290</u>	<u>(18,548)</u>	<u>252,743</u>	<u>91,748</u>	<u>8,900</u>	<u>816</u>	<u>909,360</u>	<u>53,331</u>	<u>17,351</u>	<u>549,595</u>	<u>50,023</u>

Cherokee County, South Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds										
	Emergency Management	Weekend Jail	Emergency Preparedness	Emergency Mgmt./CoGen	Fire Insurance	Sex Offender	Canine K9 Fund	Sheriff Hardship	Sheriff DSS	Federal Drug	Sheriff Seized Gambling Monies
Assets											
Cash	\$ 27,515	32,805	41,525	2,000	-	88,898	100	9,807	37,221	100,252	3,276
Taxes Receivable (Net)	-	-	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	114,381	-	-	-	1,353	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	5,350	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-	-	-
	<u>27,515</u>	<u>32,805</u>	<u>41,525</u>	<u>2,000</u>	<u>114,381</u>	<u>88,898</u>	<u>100</u>	<u>9,807</u>	<u>38,574</u>	<u>105,602</u>	<u>3,276</u>
Liabilities											
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	27,515	-	1,622	-	-	288	-	-	-	32,579	-
Escrow Funds	-	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-
	<u>27,515</u>	<u>-</u>	<u>1,622</u>	<u>-</u>	<u>-</u>	<u>288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,579</u>	<u>-</u>
Deferred Inflows of Resources											
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Fund Balances											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	32,805	39,903	2,000	114,381	88,610	100	9,807	38,574	73,023	3,276
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>32,805</u>	<u>39,903</u>	<u>2,000</u>	<u>114,381</u>	<u>88,610</u>	<u>100</u>	<u>9,807</u>	<u>38,574</u>	<u>73,023</u>	<u>3,276</u>
	<u>\$ 27,515</u>	<u>32,805</u>	<u>41,525</u>	<u>2,000</u>	<u>114,381</u>	<u>88,898</u>	<u>100</u>	<u>9,807</u>	<u>38,574</u>	<u>105,602</u>	<u>3,276</u>

Cherokee County, South Carolina
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds											
	Pandemic Flu Planning	Law Enforcement Training	Hazmat	Sheriff Cops Program	Dare	Electronic Monitoring	Other	Library	Development Board	Fire Districts	Debt Service	TOTALS
Assets												
Cash	\$ 2,724	1,968	48	105	12,797	212,068	17,877	1,504,655	152,203	-	830,746	12,165,970
Taxes Receivable (Net)	-	-	-	-	-	-	-	46,490	-	84,934	55,583	187,007
Other Receivables	-	460	-	-	-	-	-	86	-	635	481	544,874
Due from Other Funds	-	572	-	-	-	-	231	57,346	-	268,985	1,107,672	3,333,136
Prepaid Expenses	-	-	-	-	-	-	-	35,120	-	-	-	35,120
	<u>2,724</u>	<u>3,000</u>	<u>48</u>	<u>105</u>	<u>12,797</u>	<u>212,068</u>	<u>18,108</u>	<u>1,643,697</u>	<u>152,203</u>	<u>354,554</u>	<u>1,994,482</u>	<u>16,266,107</u>
Liabilities												
Accounts Payable	-	-	-	-	-	17,226	-	2,303	-	-	-	125,202
Due to Other Funds	-	327	-	105	2,560	116,653	18,108	-	-	14,416	-	5,159,855
Escrow Funds	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	27,577	9,915	-	-	37,492
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-	381,700
	<u>-</u>	<u>327</u>	<u>-</u>	<u>105</u>	<u>2,560</u>	<u>133,879</u>	<u>18,108</u>	<u>29,880</u>	<u>9,915</u>	<u>14,416</u>	<u>-</u>	<u>5,704,249</u>
Deferred Inflows of Resources												
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	39,907	-	72,847	47,717	160,471
Fund Balances												
Nonspendable	-	-	-	-	-	-	-	35,120	-	-	-	35,120
Restricted	2,724	2,673	48	-	10,237	78,189	-	1,252	142,288	267,291	1,946,765	8,830,260
Assigned	-	-	-	-	-	-	-	1,537,538	-	-	-	1,535,774
Unassigned	-	-	-	-	-	-	-	-	-	-	-	233
	<u>2,724</u>	<u>2,673</u>	<u>48</u>	<u>-</u>	<u>10,237</u>	<u>78,189</u>	<u>-</u>	<u>1,573,910</u>	<u>142,288</u>	<u>267,291</u>	<u>1,946,765</u>	<u>10,401,387</u>
	<u>\$ 2,724</u>	<u>3,000</u>	<u>48</u>	<u>105</u>	<u>12,797</u>	<u>212,068</u>	<u>18,108</u>	<u>1,643,697</u>	<u>152,203</u>	<u>354,554</u>	<u>1,994,482</u>	<u>16,266,107</u>

Cherokee County, South Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue Funds												
	Local County Accom Fees	Green Tech Solutions	Rural Infrastructure	Regional Planning	Project Offsides	Project Kickstart	Steel Creek Galvanizing	Over Mtn. Endowment	SC DHEC HPP Grant	DHEC Grant	Restitution	Title IV-D Family Court	Title IV-D Incentives
Revenues													
Taxes	\$ -	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	392,263	-	50,000	260,000	-	490,000	-	-	(11,054)	-	206,287	25,428
Interest	66	-	-	-	-	-	-	1	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	84,468	-	-	-	-	-	50,000	-	-	-	170	-	-
	<u>84,534</u>	<u>392,263</u>	<u>-</u>	<u>50,000</u>	<u>260,000</u>	<u>-</u>	<u>540,000</u>	<u>1</u>	<u>-</u>	<u>(11,054)</u>	<u>170</u>	<u>206,287</u>	<u>25,428</u>
Expenditures													
Current													
General Government	-	-	-	50,000	79,077	233,692	540,000	120	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-	-	-	8,137	20,318
Environmental and Housing	-	392,263	-	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	1,764	-	-	3,956	6,461
Debt Service													
Principal Retirement	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>392,263</u>	<u>-</u>	<u>50,000</u>	<u>79,077</u>	<u>233,692</u>	<u>540,000</u>	<u>120</u>	<u>1,764</u>	<u>-</u>	<u>-</u>	<u>12,093</u>	<u>26,779</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>84,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,923</u>	<u>(233,692)</u>	<u>-</u>	<u>(119)</u>	<u>(1,764)</u>	<u>(11,054)</u>	<u>170</u>	<u>194,194</u>	<u>(1,351)</u>
Other Financing Sources (Uses)													
Transfers In	1,188,456	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	(194,194)	-
Total Other Financing Sources (Uses)	<u>1,188,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(194,194)</u>	<u>-</u>
Net Change in Fund Balances	1,272,990	-	-	-	180,923	(233,692)	-	(119)	(1,764)	(11,054)	170	-	(1,351)
Fund Balances - Beginning of Year	-	-	20,102	-	237,958	237,390	-	6,595	-	11,054	1,787	-	220,297
Fund Balances - End of Year	<u>\$ 1,272,990</u>	<u>-</u>	<u>20,102</u>	<u>-</u>	<u>418,881</u>	<u>3,698</u>	<u>-</u>	<u>6,476</u>	<u>(1,764)</u>	<u>-</u>	<u>1,957</u>	<u>-</u>	<u>218,946</u>

Cherokee County, South Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue Funds											
	911 Telephone	E911 Surcharge	Victory Trail Fund	Carolina Thread Trail	Veterans Affairs	Solid Waste	Used Oil	Waste Tire	EMS Grant	East Gaffney Lighting Project	Sheriff Confiscated Funds	Body Worn Camera
Revenues												
Taxes	\$ -	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	527,976	-	-	48,316	21,087	6,662	20,507	9,039	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	162,328	-	-	-	-	-	-	-	-	-	-	-
	162,328	527,976	-	-	48,316	21,087	6,662	20,507	9,039	-	-	-
Expenditures												
Current												
General Government	120	-	-	-	2,695	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	9,039	-	-	-
Environmental and Housing	-	-	-	-	-	21,087	6,662	3,000	-	-	-	-
Culture and Recreation	-	-	20,000	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	40,360	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-	-
	120	-	20,000	-	43,055	21,087	6,662	3,000	9,039	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	162,208	527,976	(20,000)	-	5,261	-	-	17,507	-	-	-	-
Other Financing Sources (Uses)												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	(162,570)	(623,324)	-	-	-	-	(2,066)	(17,444)	-	-	-	-
Total Other Financing Sources (Uses)	(162,570)	(623,324)	-	-	-	-	(2,066)	(17,444)	-	-	-	-
Net Change in Fund Balances	(362)	(95,348)	(20,000)	-	5,261	-	(2,066)	63	-	-	-	-
Fund Balances - Beginning of Year	362	2,245,883	31,030	692	-	-	2,066	(63)	-	5,000	(65)	233
Fund Balances - End of Year	\$ -	2,150,535	11,030	692	5,261	-	-	-	-	5,000	(65)	233

Cherokee County, South Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue Funds										
	Victims Assistance	Solicitor Renovations	School Resource Officer	Adopt-A Cop	Sheriff Drug	Jail Canteen	Inmate Telephone	Bulletproof Vest	Project Life Saver	"C" Funds	Restrict Solicitor
Revenues											
Taxes	\$ -	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	145,533	-	-	-	-	-	-	1,420,486	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	(726)	-	-	-	-	-	-
Miscellaneous	91,718	-	-	-	-	105,838	99,302	500	500	-	60,000
	<u>91,718</u>	<u>-</u>	<u>145,533</u>	<u>-</u>	<u>(726)</u>	<u>105,838</u>	<u>99,302</u>	<u>500</u>	<u>500</u>	<u>1,420,486</u>	<u>60,000</u>
Expenditures											
Current											
General Government	-	-	-	-	-	-	-	-	-	-	112,702
Public Safety	-	-	-	-	48,199	17,244	73,238	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	1,081,766	-
Health and Human Services	-	-	-	-	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	1,614	8,273	57,962	-	-	-	-
Debt Service											
Principal Retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,813</u>	<u>25,517</u>	<u>131,200</u>	<u>-</u>	<u>-</u>	<u>1,081,766</u>	<u>112,702</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>91,718</u>	<u>-</u>	<u>145,533</u>	<u>-</u>	<u>(50,539)</u>	<u>80,321</u>	<u>(31,898)</u>	<u>500</u>	<u>500</u>	<u>338,720</u>	<u>(52,702)</u>
Other Financing Sources (Uses)											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	(91,718)	-	(145,533)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(91,718)</u>	<u>-</u>	<u>(145,533)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	(50,539)	80,321	(31,898)	500	500	338,720	(52,702)
Fund Balances - Beginning of Year	-	16,548	49,258	290	31,384	172,268	123,211	3,050	316	562,984	105,696
Fund Balances - End of Year	<u>\$ -</u>	<u>16,548</u>	<u>49,258</u>	<u>290</u>	<u>(19,155)</u>	<u>252,589</u>	<u>91,313</u>	<u>3,550</u>	<u>816</u>	<u>901,704</u>	<u>52,994</u>

Cherokee County, South Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Solicitor	7th Circuit Solicitor Gambling	Estreated Bonds	Emergency Management	Weekend Jail	Emergency Preparedness	Emergency Mgmt./CoGen	Fire Insurance	Sex Offender	Canine K9 Fund	Sheriff Hardship	Sheriff DSS
Revenues												
Taxes	\$ -	-	-	-	-	-	-	14,614	-	-	-	-
Intergovernmental	-	-	-	65,048	-	-	-	-	18,853	-	-	10,461
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	-
Confiscated Money	-	1,189	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	17,410	-	8,250	15,000	-	99,767	-	-	-	-
	-	1,189	17,410	65,048	8,250	15,000	-	114,381	18,853	-	-	10,461
Expenditures												
Current												
General Government	4,500	-	-	2,549	-	-	-	-	-	-	-	-
Public Safety	-	105,611	2,050	-	9,119	14,995	-	115,264	1,354	-	-	3,360
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	2,739	-	-	95,726	13,506	24,482	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-	-
	7,239	105,611	2,050	98,275	22,625	39,477	-	115,264	1,354	-	-	3,360
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,239)	(104,422)	15,360	(33,227)	(14,375)	(24,477)	-	(883)	17,499	-	-	7,101
Other Financing Sources (Uses)												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(7,949)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(7,949)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(7,239)	(104,422)	15,360	(41,176)	(14,375)	(24,477)	-	(883)	17,499	-	-	7,101
Fund Balances - Beginning of Year	24,590	548,406	34,209	41,176	47,180	64,380	2,000	115,264	71,111	100	9,807	31,473
Fund Balances - End of Year	\$ 17,351	443,984	49,569	-	32,805	39,903	2,000	114,381	88,610	100	9,807	38,574

Cherokee County, South Carolina
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue Funds											
	Federal Drug	Sheriff Seized Gambling Monies	Pandemic Flu Planning	Law Enforcement Training	Hazmat	Dare	Electronic Monitoring	Library	Development Board	Fire Districts	Debt Service	TOTALS
Revenues												
Taxes	\$ -	-	-	-	-	-	-	900,749	-	1,229,970	1,067,554	3,212,887
Intergovernmental	-	-	-	-	-	-	-	118,677	-	-	-	3,825,569
Interest	-	-	-	-	-	-	-	-	22	-	-	89
Charges for Services	-	-	-	-	-	-	-	30,121	-	-	-	30,121
Confiscated Money	55,999	-	-	-	-	-	-	-	-	-	-	56,462
Miscellaneous	-	-	-	6,645	-	4,522	217,710	6,890	220,500	-	-	1,251,518
	<u>55,999</u>	<u>-</u>	<u>-</u>	<u>6,645</u>	<u>-</u>	<u>4,522</u>	<u>217,710</u>	<u>1,056,437</u>	<u>220,522</u>	<u>1,229,970</u>	<u>1,067,554</u>	<u>8,376,646</u>
Expenditures												
Current												
General Government	-	-	-	-	-	-	-	-	218,712	-	-	1,244,167
Public Safety	11,021	-	-	5,985	-	10,619	87,120	-	-	1,484,490	-	1,989,669
Transportation	-	-	-	-	-	-	-	-	-	-	-	1,081,766
Health and Human Services	-	-	-	-	-	-	-	-	-	-	-	37,494
Environmental and Housing	-	-	-	-	-	-	-	-	-	-	-	423,012
Culture and Recreation	-	-	-	-	-	-	-	907,421	-	-	-	927,421
Capital Outlay	-	-	-	-	-	-	-	6,005	-	-	-	262,848
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-	670,000	670,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	166,539	166,539
	<u>11,021</u>	<u>-</u>	<u>-</u>	<u>5,985</u>	<u>-</u>	<u>10,619</u>	<u>87,120</u>	<u>913,426</u>	<u>218,712</u>	<u>1,484,490</u>	<u>836,539</u>	<u>6,802,916</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>44,978</u>	<u>-</u>	<u>-</u>	<u>660</u>	<u>-</u>	<u>(6,097)</u>	<u>130,590</u>	<u>143,011</u>	<u>1,810</u>	<u>(254,520)</u>	<u>231,015</u>	<u>1,573,730</u>
Other Financing Sources (Uses)												
Transfers In	-	-	-	-	-	-	-	-	-	387,000	-	1,575,456
Transfers Out	-	-	-	-	-	-	(59,682)	-	-	-	-	(1,304,480)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,682)</u>	<u>-</u>	<u>-</u>	<u>387,000</u>	<u>-</u>	<u>270,976</u>
Net Change in Fund Balances	44,978	-	-	660	-	(6,097)	70,908	143,011	1,810	132,480	231,015	1,844,706
Fund Balances - Beginning of Year	<u>28,045</u>	<u>3,276</u>	<u>2,724</u>	<u>2,013</u>	<u>48</u>	<u>16,334</u>	<u>7,281</u>	<u>1,430,899</u>	<u>140,478</u>	<u>134,811</u>	<u>1,715,750</u>	<u>8,556,681</u>
Fund Balances - End of Year	<u>\$ 73,023</u>	<u>3,276</u>	<u>2,724</u>	<u>2,673</u>	<u>48</u>	<u>10,237</u>	<u>78,189</u>	<u>1,573,910</u>	<u>142,288</u>	<u>267,291</u>	<u>1,946,765</u>	<u>10,401,387</u>

Cherokee County, South Carolina
Agency Funds
Combining Statement of Fiduciary Net Position
June 30, 2019

	Special Revenue Funds		Support Office	Clerk of Court			Magistrates Cash Bonds	Tax Collector
	Cherokee No. 1	Spartanburg No. 2		Out of Town Surety Bonds	Bondsmen	Finance Officer		
Assets								
Cash	\$ 48,723,064	128,416	186,531	5,732	75,884	75,832	4,035,167	1,132,068
Other Receivables	1,191,710	328	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-
Taxes Receivable (Net)	1,154,645	282,374	-	-	-	-	-	-
	<u>51,069,419</u>	<u>411,118</u>	<u>186,531</u>	<u>5,732</u>	<u>75,884</u>	<u>75,832</u>	<u>4,035,167</u>	<u>1,132,068</u>
Liabilities								
Due to Other Designated Recipients	51,069,419	411,118	186,531	5,732	75,884	75,832	4,035,167	1,132,068
	<u>51,069,419</u>	<u>411,118</u>	<u>186,531</u>	<u>5,732</u>	<u>75,884</u>	<u>75,832</u>	<u>4,035,167</u>	<u>1,132,068</u>

Cherokee County, South Carolina
Agency Funds
Combining Statement of Fiduciary Net Position
June 30, 2019

	Cherokee Tech	City of Chesnee	Sheriff's Drug Fund	Inmate Trust Funds	Recreation District	CCCADA - Mini Bottle Tax	Town of Blacksburg	Macedonia	City of Gaffney	TOTALS
Assets										
Cash	\$ 88,895	1,301	48,171	33,173	39,026	35,284	63,237	199,848	-	55,026,863
Other Receivables	256	11	-	-	384	44,040	197	124	1,132	1,238,182
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
Taxes Receivable (Net)	18,724	55	-	-	28,960	-	30,341	5,648	93,015	1,613,762
	<u>107,875</u>	<u>1,367</u>	<u>48,171</u>	<u>33,173</u>	<u>68,370</u>	<u>79,324</u>	<u>93,775</u>	<u>205,620</u>	<u>94,147</u>	<u>57,878,807</u>
Liabilities										
Due to Other Designated Recipients	107,875	1,367	48,171	33,173	68,370	79,324	93,775	205,620	94,147	57,878,807
	<u>\$ 107,875</u>	<u>1,367</u>	<u>48,171</u>	<u>33,173</u>	<u>68,370</u>	<u>79,324</u>	<u>93,775</u>	<u>205,620</u>	<u>94,147</u>	<u>57,878,807</u>

Cherokee County, South Carolina
Agency Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
School District - Cherokee No. 1				
Assets				
Cash	\$ 38,277,974	115,546,060	105,100,970	48,723,064
Taxes Receivable (Net)	1,180,057	1,826,625	1,852,037	1,154,645
Other Receivables	-	1,191,710	-	1,191,710
Due from Other Funds	-	-	-	-
	<u>39,458,031</u>	<u>118,564,395</u>	<u>106,953,007</u>	<u>51,069,419</u>
Liabilities				
Due to Other Designated Recipients	<u>39,458,031</u>	<u>118,564,395</u>	<u>106,953,007</u>	<u>51,069,419</u>
School District - Sptbg. No.1				
Assets				
Cash	-	128,416	-	128,416
Taxes Receivable (Net)	236,479	466,909	421,013	282,375
Other Receivables	-	328	-	328
Due from Other Funds	45,455	-	45,455	-
	<u>281,934</u>	<u>595,653</u>	<u>466,468</u>	<u>411,119</u>
Liabilities				
Due to Other Designated Recipients	<u>281,934</u>	<u>595,653</u>	<u>466,468</u>	<u>411,119</u>
Support Office				
Assets				
Cash	<u>169,744</u>	<u>16,787</u>	<u>-</u>	<u>186,531</u>
Liabilities				
Due to Other Designated Recipients	<u>169,744</u>	<u>16,787</u>	<u>-</u>	<u>186,531</u>
Clerk of Court - Out of Town Surety Bond				
Assets				
Cash	<u>2,192</u>	<u>3,540</u>	<u>-</u>	<u>5,732</u>
Liabilities				
Due to Other Designated Recipients	<u>2,192</u>	<u>3,540</u>	<u>-</u>	<u>5,732</u>
Clerk of Court - Bondsmen				
Assets				
Cash	<u>75,861</u>	<u>23</u>	<u>-</u>	<u>75,884</u>
Liabilities				
Due to Other Designated Recipients	<u>75,861</u>	<u>23</u>	<u>-</u>	<u>75,884</u>
Clerk of Court - Finance Officer				
Assets				
Cash	<u>85,832</u>	<u>-</u>	<u>10,000</u>	<u>75,832</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 85,832</u>	<u>-</u>	<u>10,000</u>	<u>75,832</u>

Cherokee County, South Carolina
Agency Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Magistrate Cash Bonds				
Assets				
Cash	\$ 159,198	-	3,964	155,234
Liabilities				
Due to Other Designated Recipients	159,198	-	3,964	155,234
Tax Collector				
Assets				
Cash	1,198,630	3,158,639	3,225,201	1,132,068
Due from Other Funds	-	-	-	-
	<u>1,198,630</u>	<u>3,158,639</u>	<u>3,225,201</u>	<u>1,132,068</u>
Liabilities				
Due to Other Designated Recipients	1,198,630	3,158,639	3,225,201	1,132,068
Cherokee Tech				
Assets				
Cash	-	88,895		88,895
Taxes Receivable (Net)	18,023	30,097	29,396	18,724
Other Receivables	-	256	-	256
Due from Other Funds	14,183	-	14,183	-
	<u>32,206</u>	<u>119,248</u>	<u>43,579</u>	<u>107,875</u>
Liabilities				
Due to Other Designated Recipients	32,206	119,248	43,579	107,875
City of Chesnee				
Assets				
Cash	-	1,301	-	1,301
Taxes Receivable (Net)	-	73	18	55
Other Receivables	-	11	-	11
Due from Other Funds	2,955	-	2,955	-
	<u>2,955</u>	<u>1,385</u>	<u>2,973</u>	<u>1,367</u>
Liabilities				
Due to Other Designated Recipients	2,955	1,385	2,973	1,367
Sheriff's Drug fund				
Assets				
Cash	48,171	-	-	48,171
Liabilities				
Due to Other Designated Recipients	48,171	-	-	48,171
Inmate Trust Fund				
Assets				
Cash	10,706	22,467	-	33,173
Liabilities				
Due to Other Designated Recipients	\$ 10,706	22,467	-	33,173

Cherokee County, South Carolina
Agency Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Recreation District				
Assets				
Cash	-	39,026	-	39,026
Taxes Receivable (Net)	\$ 28,884	46,454	46,378	28,960
Other Receivables	-	384		384
Due from Other Funds	21,746	-	21,746	-
	<u>50,630</u>	<u>85,864</u>	<u>68,124</u>	<u>68,370</u>
Liabilities				
Due to Other Designated Recipients	50,630	85,864	68,124	68,370
	<u>50,630</u>	<u>85,864</u>	<u>68,124</u>	<u>68,370</u>
Duke / Fluor Daniel Escrow				
Assets				
Cash	21,948	4,035,146	21,927	4,035,167
Liabilities				
Due to Other Designated Recipients	21,948	4,035,146	21,927	4,035,167
	<u>21,948</u>	<u>4,035,146</u>	<u>21,927</u>	<u>4,035,167</u>
2016-CP-11-795				
Assets				
Cash	11,200	-	11,200	-
Liabilities				
Due to Other Designated Recipients	11,200	-	11,200	-
	<u>11,200</u>	<u>-</u>	<u>11,200</u>	<u>-</u>
CCCADA - Mini Bottle Tax				
Assets				
Cash	15,906	19,378	-	35,284
Other Receivable	83,496	44,040	83,496	44,040
	<u>99,402</u>	<u>63,418</u>	<u>83,496</u>	<u>79,324</u>
Liabilities				
Due to Other Designated Recipients	99,402	63,418	83,496	79,324
	<u>99,402</u>	<u>63,418</u>	<u>83,496</u>	<u>79,324</u>
Town of Blacksburg - Bonds				
Assets				
Cash	-	51,296	-	51,296
Liabilities				
Due to Other Designated Recipients	-	51,296	-	51,296
	<u>-</u>	<u>51,296</u>	<u>-</u>	<u>51,296</u>
Town of Blacksburg				
Assets				
Cash	-	11,941	-	11,941
Taxes Receivable (Net)	29,369	46,135	45,163	30,341
Other Receivables	-	197	-	197
	<u>29,369</u>	<u>58,273</u>	<u>45,163</u>	<u>42,479</u>
Liabilities				
Due to Other Designated Recipients	\$ 29,369	58,273	45,163	42,479
	<u>29,369</u>	<u>58,273</u>	<u>45,163</u>	<u>42,479</u>

Cherokee County, South Carolina
Agency Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Macedonia				
Assets				
Cash	-	199,848		199,848
Taxes Receivable (Net)	\$ 6,969	9,133	10,454	5,648
Other Receivables	-	124	-	124
Due from Other Funds	193,615	-	193,615	-
	<u>200,584</u>	<u>209,105</u>	<u>204,069</u>	<u>205,620</u>
Liabilities				
Due to Other Designated Recipients	200,584	209,105	204,069	205,620
City of Gaffney				
Assets				
Taxes Receivable (Net)	-	119,234	26,221	93,013
Other Receivables	-	1,132	-	1,132
	<u>-</u>	<u>120,366</u>	<u>26,221</u>	<u>94,145</u>
Liabilities				
Due to Other Designated Recipients	-	120,366	26,221	94,145
Total - All Agency Funds				
Assets				
Cash	40,077,362	123,322,763	108,373,262	55,026,863
Other Receivables	83,496	1,238,182	83,496	1,238,182
Taxes Receivable (Net)	1,499,781	2,544,660	2,430,679	1,613,762
Due from Other Funds	277,954	-	277,954	-
	<u>41,938,593</u>	<u>127,105,605</u>	<u>111,165,391</u>	<u>57,878,807</u>
Liabilities				
Due to Other Designated Recipients	\$ 41,938,593	127,105,605	111,165,392	57,878,807

Cherokee County, South Carolina
Special Revenue Funds - Fire Districts
Combining Balance Sheet
June 30, 2019

	Buffalo Fire District	Antioch Fire District	Cherokee Creek Fire District	Corinth Fire District	Gaffney Area Fire District	CKC Fire District	Grassy Pond Fire District	DMW Fire District	Goucher White Plains Fire District	TOTALS
Assets										
Taxes Receivable (Net)	\$ 9,166	3,898	30,826	3,459	16,186	4,928	10,008	2,784	3,679	84,934
Other Receivables	15	14	58	22	184	60	121	56	105	635
Due from Other Funds	<u>12,773</u>	<u>106,462</u>	<u>-</u>	<u>23,622</u>	<u>-</u>	<u>17,904</u>	<u>22,926</u>	<u>14,545</u>	<u>70,753</u>	<u>268,985</u>
	<u><u>21,954</u></u>	<u><u>110,374</u></u>	<u><u>30,884</u></u>	<u><u>27,103</u></u>	<u><u>16,370</u></u>	<u><u>22,892</u></u>	<u><u>33,055</u></u>	<u><u>17,385</u></u>	<u><u>74,537</u></u>	<u><u>354,554</u></u>
Liabilities										
Due to Other Funds	<u>-</u>	<u>-</u>	<u>13,585</u>	<u>-</u>	<u>831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,416</u>
Deferred Inflows of Resources										
Unavailable Revenues - Property Taxes	<u>8,732</u>	<u>3,602</u>	<u>29,919</u>	<u>2,362</u>	<u>14,188</u>	<u>4,330</u>	<u>4,369</u>	<u>2,447</u>	<u>2,898</u>	<u>72,847</u>
Fund Balances										
Fund Balances	<u>13,222</u>	<u>106,772</u>	<u>(12,620)</u>	<u>24,741</u>	<u>1,351</u>	<u>18,562</u>	<u>28,686</u>	<u>14,938</u>	<u>71,639</u>	<u>267,291</u>
	<u><u>\$ 21,954</u></u>	<u><u>110,374</u></u>	<u><u>30,884</u></u>	<u><u>27,103</u></u>	<u><u>16,370</u></u>	<u><u>22,892</u></u>	<u><u>33,055</u></u>	<u><u>17,385</u></u>	<u><u>74,537</u></u>	<u><u>354,554</u></u>

Cherokee County, South Carolina
Special Revenue Funds - Fire Districts
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019

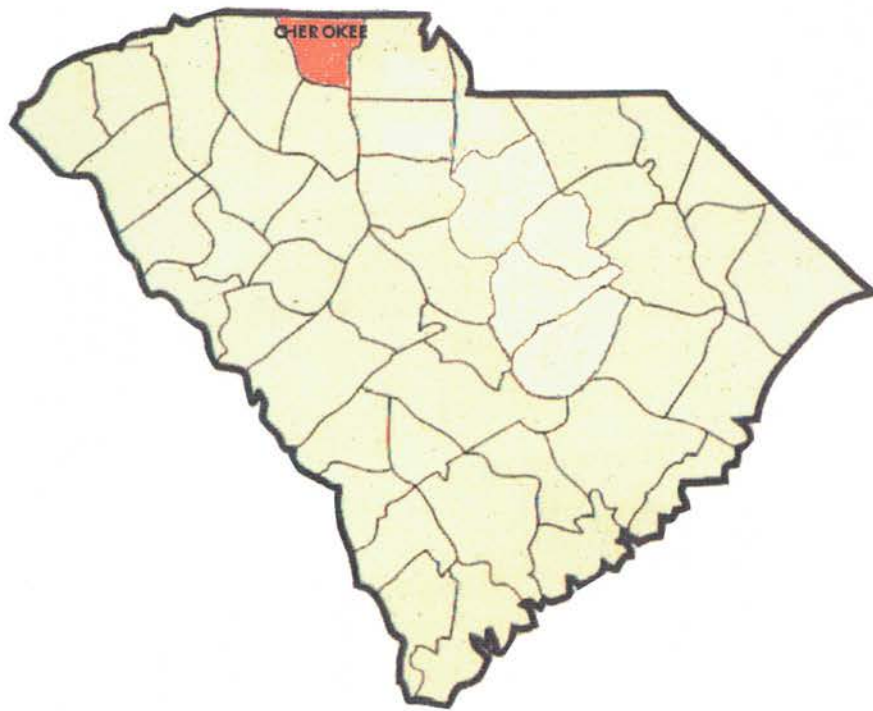
	Buffalo Fire District	Antioch Fire District	Cherokee Creek Fire District	Corinth Fire District	Gaffney Area Fire District	CKC Fire District	Grassy Pond Fire District	DMW Fire District	Goucher White Plains Fire District	TOTALS
Revenues										
Taxes	\$ 29,698	60,606	207,773	51,966	609,301	47,217	122,193	23,873	77,343	1,229,970
Expenditures										
Current										
Public Safety	<u>77,460</u>	<u>10,775</u>	<u>271,697</u>	<u>103,456</u>	<u>630,953</u>	<u>99,012</u>	<u>165,690</u>	<u>70,109</u>	<u>55,338</u>	<u>1,484,490</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(47,762)</u>	<u>49,831</u>	<u>(63,924)</u>	<u>(51,490)</u>	<u>(21,652)</u>	<u>(51,795)</u>	<u>(43,497)</u>	<u>(46,236)</u>	<u>22,005</u>	<u>(254,520)</u>
Other Financing Sources Transfers In	<u>46,500</u>	<u>46,500</u>	<u>46,500</u>	<u>46,500</u>	<u>15,000</u>	<u>46,500</u>	<u>46,500</u>	<u>46,500</u>	<u>46,500</u>	<u>387,000</u>
Net Change in Fund Balance	(1,262)	96,331	(17,424)	(4,990)	(6,652)	(5,295)	3,003	264	68,505	132,480
Fund Balance - Beginning of Year	<u>14,484</u>	<u>10,441</u>	<u>4,804</u>	<u>29,731</u>	<u>8,003</u>	<u>23,857</u>	<u>25,683</u>	<u>14,674</u>	<u>3,134</u>	<u>134,811</u>
Fund Balance - End of Year	<u>\$ 13,222</u>	<u>106,772</u>	<u>(12,620)</u>	<u>24,741</u>	<u>1,351</u>	<u>18,562</u>	<u>28,686</u>	<u>14,938</u>	<u>71,639</u>	<u>267,291</u>

Cherokee County, South Carolina
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2019

Function and Activity	Construction In Progress	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Books	TOTAL
General Government	\$ -	395,886	13,391,975	106,756	2,934,219	-	-	16,828,836
Public Safety	-	254,958	9,910,734	23,332	8,000,753	-	-	18,189,777
Transportation	-	-	139,221	-	1,580,771	30,619,256	-	32,339,248
Health and Human Services	-	107,500	893,715	-	325,692	-	-	1,326,907
Environmental and Housing	-	715,026	738,235	73,288	4,298,010	-	-	5,824,559
Culture and Recreation	-	215,526	2,713,669	38,185	640,277	-	1,132,052	4,739,709
	<u>\$ -</u>	<u>1,688,896</u>	<u>27,787,549</u>	<u>241,561</u>	<u>17,779,722</u>	<u>30,619,256</u>	<u>1,132,052</u>	<u>79,249,036</u>

Cherokee County, South Carolina
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 June 30, 2019

Function and Activity	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
General Government	\$ 16,663,114	242,543	302,428	16,603,229
Public Safety	17,475,614	742,590	33,748	18,184,456
Transportation	32,223,831	-	67,200	32,156,631
Health and Human Services	1,326,908	182,617	-	1,509,525
Environmental and Housing	5,651,388	288,683	115,512	5,824,559
Culture and Recreation	4,970,636	-	-	4,970,636
Total	<u>78,311,491</u>	<u>1,456,433</u>	<u>518,888</u>	<u>79,249,036</u>
Construction In Progress	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>



COMPLIANCE SECTION

**SUPPLEMENTARY INFORMATION REQUIRED
BY STATE OF SOUTH CAROLINA**

Cherokee County
Magistrate Court and General Session
Summary Schedule of Court Fines and Fees, Assessments and Surcharges
June 30, 2019

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	191,358	1,100,328		1,291,686
Court fines and assessments remitted to State Treasurer	57,822	433,531		491,352
Total Court Fines and Assessments retained	133,537	666,797		800,334
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	29,940	14,081	-	44,022
Assessments retained	7,929	47,478	-	55,406
Total Surcharges and Assessments retained for victim services	37,869	61,559	-	99,428

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC):

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	-	-	-
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	-	55,406	55,406
Victim Service Surcharges Retained by City/County Treasurer	-	36,093	36,093
Interest Earned	-	-	-
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	-	91,499	91,499
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	-	91,499	91,499
Operating Expenditures	-	-	-
Victim Service Contract(s):			
(1) Entity's Name			
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)	-	91,499	91,499
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	-	0	0