

# **CHEROKEE COUNTY**

**South Carolina**



## **FINANCIAL STATEMENTS AND SCHEDULES**

**YEAR ENDED JUNE 30, 2021**

**CHEROKEE COUNTY, SOUTH CAROLINA**

**FINANCIAL STATEMENTS AND SCHEDULES**

**YEAR ENDED JUNE 30, 2021**

**PREPARED BY FINANCE DEPARTMENT**

**STEVE BRATTON, ADMINISTRATOR**

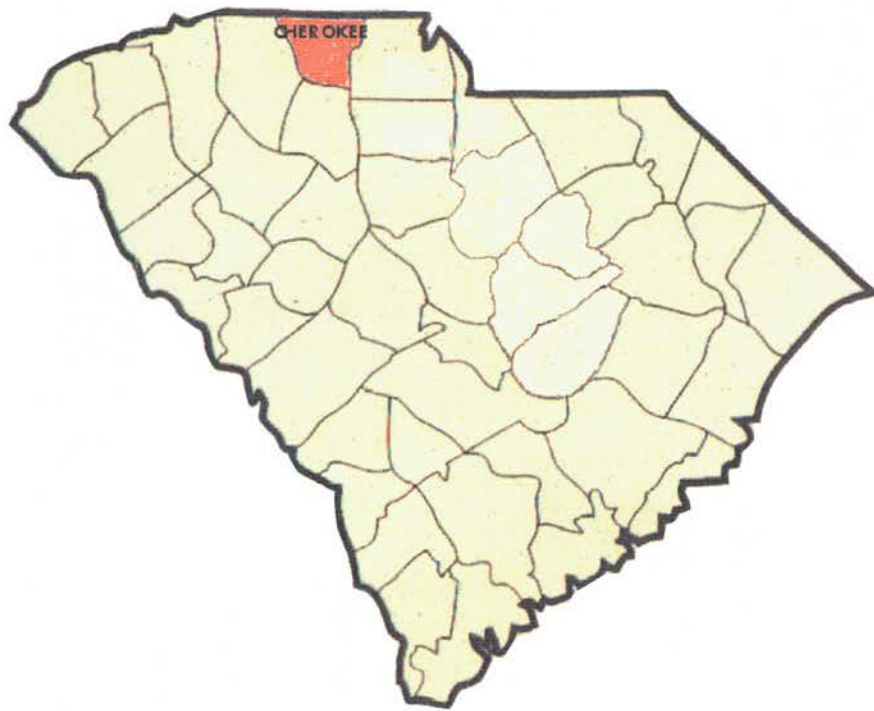
CHEROKEE COUNTY, SOUTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
List of Principal Officials	1
Organizational Chart	2
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	3-4
<b>Management's Discussion and Analysis (Required Supplementary Information)</b>	5-13
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements:</b>	<u>Exhibit</u>
Statement of Net Position	A 14
Statement Activities	B 15
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds	C 16
Reconciliation of the Total Governmental Funds Balance Sheet to The Statement of Net Position	D 17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	E 18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F 19
Statement of Fiduciary Net Position – Agency Funds	G 20
<b>Notes to Financial Statements – Index</b>	21
<b>Notes to Financial Statements</b>	22-60

## TABLE OF CONTENTS – Continued

	<u>Schedule</u>	<u>Page</u>
<b>Required Supplementary Information:</b>		
Budgetary Comparison Schedule – General Fund	1	61-62
Budgetary Comparison Schedule – Capital Project Fund	1	63
Budgetary Comparison Schedule – E 911 Tariff Fund	1	64
Schedule of County's Proportionate Share of the Collective Net Pension Liability and Contributions (SCRS)	2	65
Schedule of County's Proportionate Share of the Collective Net Pension Liability and Contributions (PORS)	3	66
Schedule of Changes in the County's Total OPEB Liability And Related Ratios	4	67
<b>Combining and Individual Nonmajor Fund Financial Statements and Schedules:</b>		
Combining Balance Sheet – Nonmajor Governmental Funds	5	68-75
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds	6	76-83
Combining Statement of Fiduciary Net Position– Agency Funds	7	84-86
Combining Statement of Changes in Fiduciary Net Position – Agency Funds	8	87-92
Capital Assets Used in the Operation of Governmental Funds: Schedule by Function and Activity	9	93
Capital Assets Used in the Operation of Governmental Funds: Schedule of Changes by Function and Activity	10	94
<b>Supplementary Information Required by State of South Carolina:</b>		
Summary Schedule of Court Fines and Fees, Assessments and Surcharges – Magistrate Court and General Session	11	95
Schedule of Revenues, Expenditures and Changes in Fund Balance – 9-1-1 Fund	12	96
<b>COMPLIANCE SECTION</b>		
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards		97-98



## INTRODUCTORY SECTION

CHEROKEE COUNTY, SOUTH CAROLINA  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2021

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  
Elliott Hughes  
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

Ryan Thomas  
Merv Bishop  
Brandy W. McBee  
Steve Mueller  
Dennis G. Fowler  
Joshua Queen  
Barry Barnette

Treasurer  
Auditor  
Clerk of Court  
Sheriff  
Coroner  
Probate Judge  
Solicitor

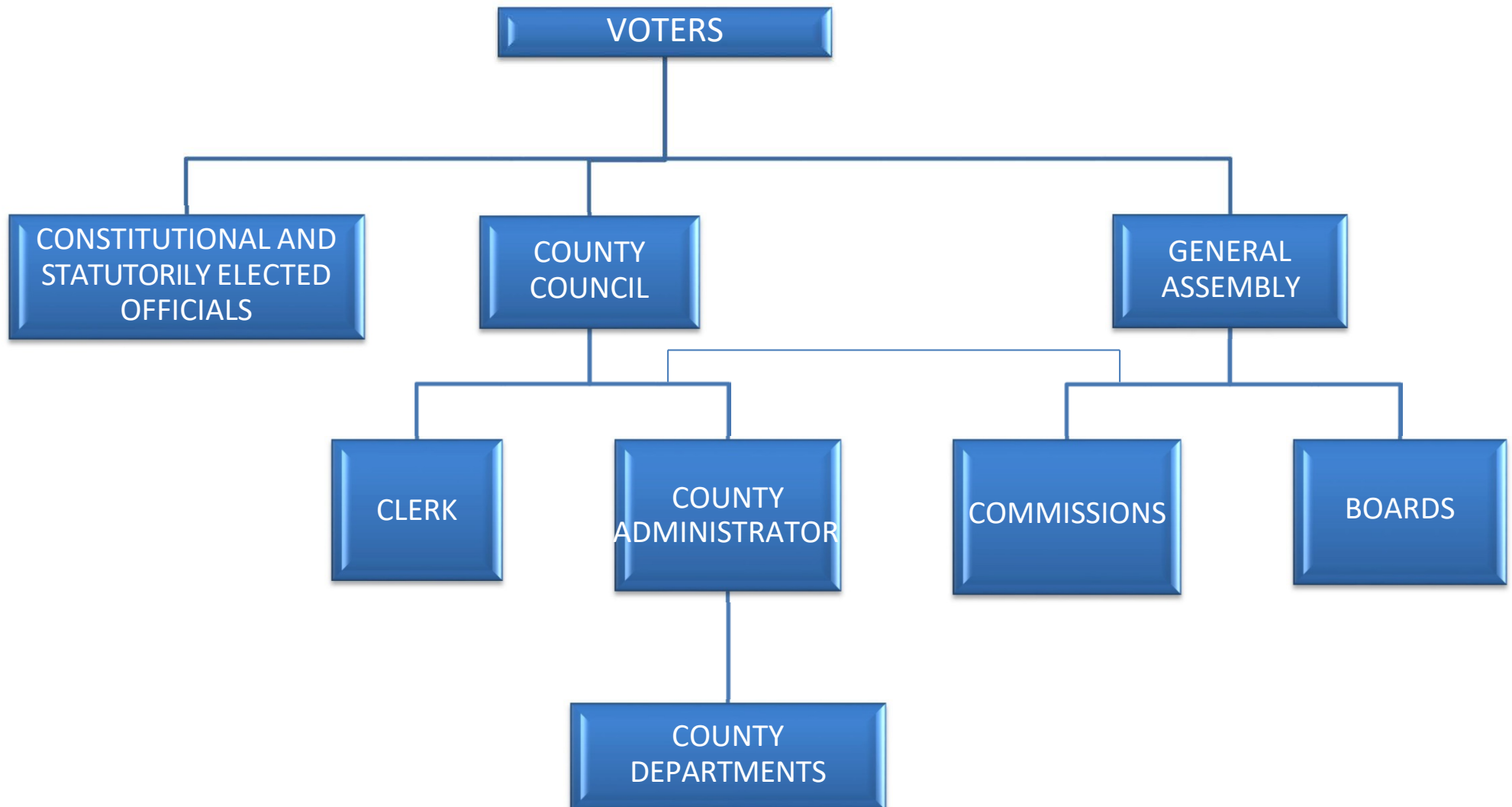
Appointed Official

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, 2021, 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, 2021, 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.

### ***Emphasis of Matter***

As discussed in Note 1E to the financial statements, in fiscal year 2021 the County adopted new accounting guidance, GASB No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

### **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*

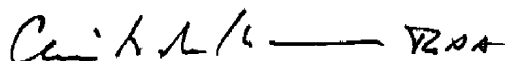
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cherokee County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and the compliance section 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, the Summary Schedule of Court Fines and Fees, Assessments and Surcharges, and the Schedule of Revenues, Expenditures and Changes in Fund Balance- 9-1-1 Fund 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 and the Schedule of Revenues, Expenditures and Changes in Fund Balance- 9-1-1 Fund 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 December 29, 2021, 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  
December 29, 2021

## 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, 2021. 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, 2021 by \$44,916,614 (net position). This amount is greater than net investment in capital assets by \$9,554,139. Net position categories show the portion that must be spent for specific purposes.
- The County's total net position decreased by \$627,778 from governmental activities.
- As of June 30, 2021, the County's governmental funds reported combined ending fund balances of \$44,229,322, an increase of \$1,933,039. Of the combined ending fund balances amount, \$19,708,895 is available for use at the County's discretion.
- At June 30, 2021, unassigned fund balance for the General Fund was \$19,708,895, or approximately 75 percent of total general fund expenditures and transfers out.
- The County's total long-term debt (excluding landfill closure costs, unfunded OPEB costs, net pension liability and compensated absences) decreased by \$528,980, or 9.58 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 over fifty 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, the E-911 Telephone Surcharge and the American Rescue Plan Funds, which are considered to be major funds. Data from the other 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, with 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 State and County's progress in funding obligations to provide Pension and OPEB benefits to County 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. In addition, supplementary information required by the State of South Carolina includes financial activity of the magistrate and general sessions courts and the 9-1-1 Fund for the current fiscal year.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Table 1**  
**Cherokee County's Net Position**

	Governmental Activities		Total Percentage Change
	2021	2020	2020-2021
Current and Other Assets	\$ 55,291,571	46,999,283	17.6%
Capital Assets	35,362,475	36,709,455	-3.7%
<b>Total Assets</b>	<b>90,654,046</b>	<b>83,708,738</b>	<b>10.8%</b>
Deferred Outflow of Resources			
Deferred Amounts Related to Pensions	5,385,188	4,255,577	26.5%
Deferred Amounts Related to OPEB	428,880	232,319	100%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>96,468,114</b>	<b>88,196,634</b>	<b>9.4%</b>
Current Liabilities	10,728,893	5,633,412	90.5%
Long-Term Liabilities	11,053,308	10,341,411	6.9%
Net OPEB Liability	3,571,700	3,291,100	8.5%
Net Pension Liability	25,279,741	22,644,112	11.6%
<b>Total Liabilities</b>	<b>50,633,642</b>	<b>41,910,035</b>	<b>20.8%</b>
Deferred Inflow of Resources			
Deferred Amounts Related to Pensions	629,458	469,016	34.2%
Deferred Amounts Related to OPEB	288,400	273,200	5.6%
<b>Total Liabilities and Deferred Outflows of Resources</b>	<b>51,551,500</b>	<b>42,652,251</b>	<b>20.9%</b>
Net Position			
Net Investment in Capital Assets	35,362,475	36,709,455	-3.7%
Restricted	12,165,368	10,147,565	19.9%
Unrestricted	(2,611,229)	(1,312,637)	98.9%
<b>Total Net Position</b>	<b>44,916,614</b>	<b>45,544,383</b>	<b>-1.4%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 96,468,114</b>	<b>88,196,634</b>	<b>9.4%</b>

**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 \$44,916,614, as of June 30, 2021. (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 \$627,769. 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
	2021	2020	2020-2021
Revenues:			
Program Revenues			
Charges for Services	\$ 3,305,406	2,752,808	20.1%
Operating Grants and Contributions	5,986,496	5,673,811	5.5%
Capital Grants and Contributions	-	-	0.0%
General Revenues:			
Property Taxes	23,272,654	21,196,344	9.8%
Other Taxes	198,478	465,579	-57.4%
Other	3,001,680	3,522,027	-14.8%
<b>Total Revenues</b>	<b>35,764,714</b>	<b>33,610,569</b>	<b>6.4%</b>
Expenses:			
General Government	13,360,868	10,243,839	30.4%
Public Safety	14,826,470	14,070,638	5.4%
Transportation	2,913,227	4,262,571	-31.7%
Health and Human Services	960,359	932,703	3.0%
Environmental and Housing	2,895,576	3,648,649	-20.6%
Culture and Recreation	1,077,577	1,148,962	-6.2%
Economic Development	212,604	25,089	747.4%
Unallocated Interest Expense	145,811	164,046	-11.1%
<b>Total Expenses</b>	<b>36,392,492</b>	<b>34,496,497</b>	<b>5.5%</b>
Increase (Decrease) in Net Position Before Transfers	(627,778)	(885,928)	-29.1%
<b>Change in Net Position</b>	<b>(627,778)</b>	<b>(885,928)</b>	<b>-29.1%</b>
<b>Beginning Net Position as Originally Stated</b>	<b>45,544,392</b>	<b>46,489,687</b>	<b>-2.0%</b>
<b>Reclassification</b>	<b>-</b>	<b>(59,367)</b>	
<b>Beginning Net Position, Restated</b>	<b>45,544,392</b>	<b>46,430,320</b>	<b>-1.9%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 44,916,614</b>	<b>45,544,392</b>	<b>-1.4%</b>

**Change in net position.** The County's total revenues increased by 6.4 percent to approximately \$35.8 million, primarily as a result of increased charges for services, operating grants and contributions and property taxes, partially offset by a decrease in other revenues (See Table 2).

## GOVERNMENT-WIDE FINANCIAL ANALYSIS – continued

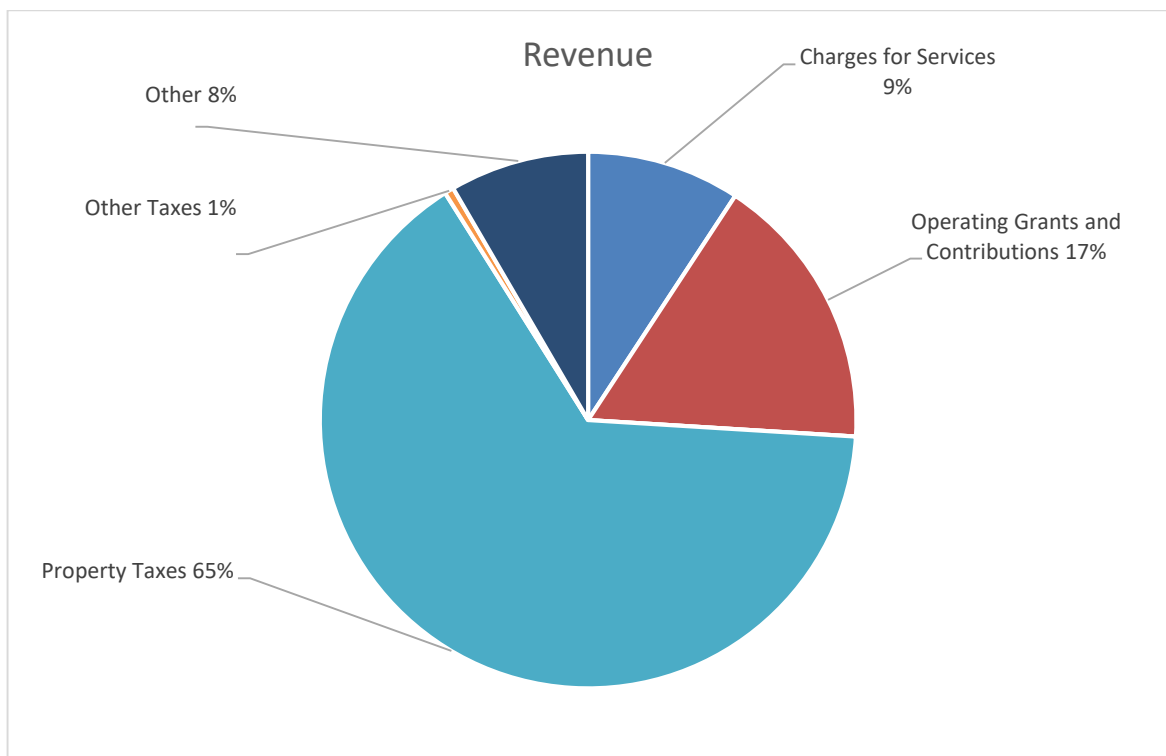
The County's total cost of all programs and services had an increase of 5.5 percent. This increase is due primarily to increases in payroll and benefits expense, public safety expenditures, and environmental and housing expenditures.

### Governmental Activities

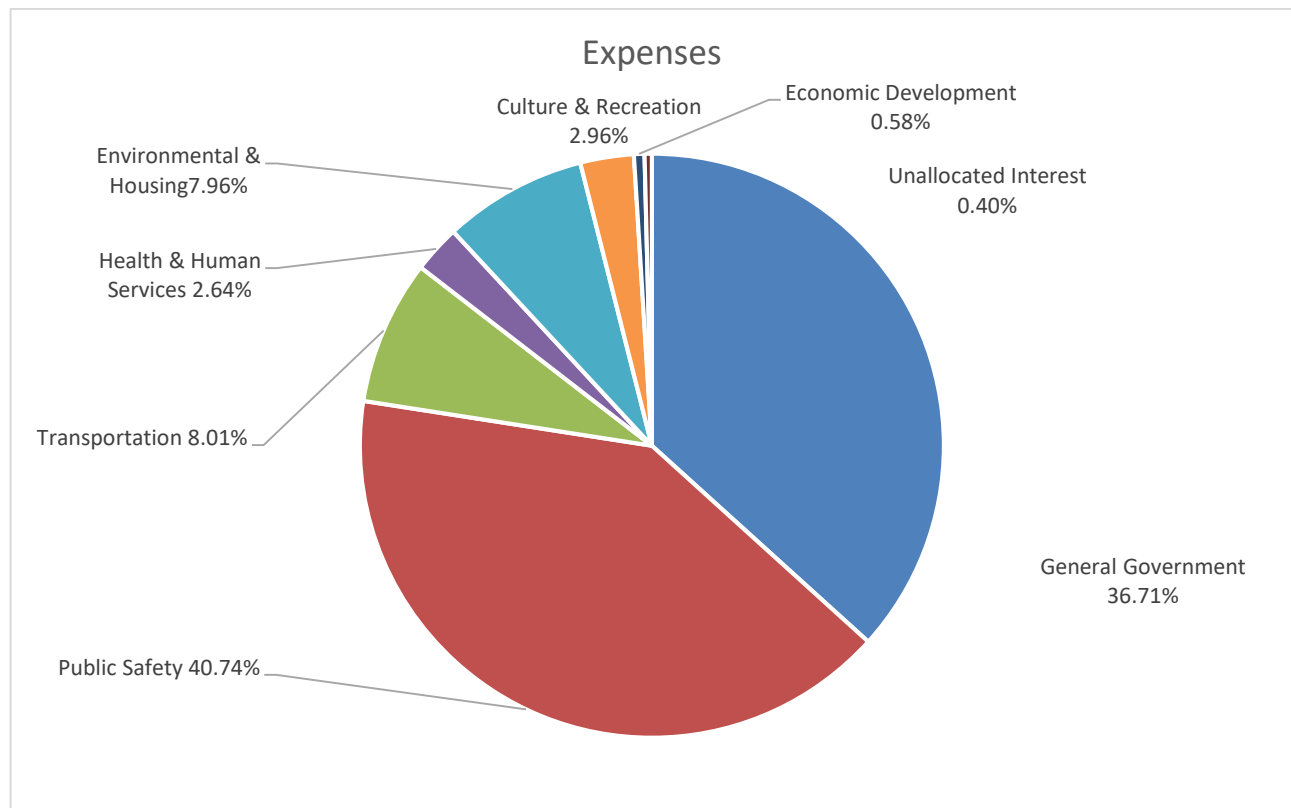
The County's governmental activities had net (expense) revenue of (\$27,100,590). However, these services are intended to be primarily funded by taxes, as opposed to charges for services and grants, and those taxes and other general revenues. Expenses did exceed total revenues by \$627,778.

Total revenues for the County's governmental activities increased by 6.4 percent, and total expenses increased 5.5 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, 2021, the County's governmental funds reported combined ending fund balances of \$44,229,323, an increase of \$1,933,040 from the prior year.



## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – continued**

Approximately 44 percent of the combined fund balances (\$19,612,787) constitute unassigned fund balance, which is available for spending at the County's discretion. Twenty-seven percent of the combined fund balances (\$11,905,245) is assigned and committed for various types of cultural, administrative and capital projects. The majority of the remaining balance is restricted (\$12,165,368) 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 (\$545,923).

The general fund is the chief operating fund of the County. At June 30, 2021, unassigned fund balance of the general fund was \$19,708,895 and total fund balance was \$29,176,051. As a measure of the general fund's liquidity, the unassigned fund balance represents approximately 75 percent of total general fund expenditures and transfers out.

The capital fund has a total fund balance of \$2,358,512, all of which is assigned for capital projects. The net decrease in fund balance during the current fiscal year was \$1,045,511. 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 \$3,340,683 primarily due to increased intergovernmental revenues, increased tax revenues, and other revenues. Actual expenditures were under budget by \$642,435 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, 2021, the County had \$82,316,377 invested in capital assets including police equipment, buildings, infrastructure, etc. (See following table). Capital assets for government activities increased by of \$1,612,120 or 2.0 percent, over last year.

	Governmental Activities		Total Percentage Change
	2021	2020	2020-2021
Land	\$ 1,688,895	1,688,895	0.0%
Construction in Progress	-	-	-
Buildings	27,795,915	27,792,935	0.0%
Other Improvements	241,561	241,561	0.0%
Vehicle & Equipment	20,856,843	19,245,849	8.4%
Infrastructure	30,619,256	30,619,256	0.0%
Books	1,113,908	1,115,761	-0.2%
<b>Total Capital Assets</b>	<b>82,316,377</b>	<b>80,704,257</b>	<b>2.0%</b>
<b>Accumulated Depreciation</b>	<b>46,953,902</b>	<b>43,994,802</b>	<b>6.7%</b>
<b>Total Net Assets</b>	<b>\$ 35,362,475</b>	<b>36,709,455</b>	<b>-3.7%</b>

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 \$2,815,000 in outstanding general obligation bonds, compared to \$3,535,000 last year. That is a decrease of 20.3 percent as shown in the following table.

	Governmental Activities		Total Percentage Change
	2021	2020	2020-2021
General Obligation Bonds	\$ 2,815,000	3,535,000	-20.4%
	2,815,000	3,535,000	-20.4%

More detailed information about the County's long-term liabilities is presented in Note 3(E) to the financial statements. Also, included in Note 3(E) is information related to the \$1.4 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 approximately \$6.2 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 21-22 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 2021 and 74.8 mills in 2022.

Budgeted 2022 operations expenditures are expected to increase by \$1,206,033, which is 4.5 percent above the final 2021 budget. This increase is primarily due to increase in various insurance premiums.

## **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, 2021

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 32,851,684
Investments	15,535,027
Accounts Receivable (Net)	2,998,275
Taxes Receivable (Net)	281,912
Assets Held for Sale	2,733,835
Prepaid Items	546,123
Inventory	62,312
Due from Recreation District	282,402
Capital Assets - Not Being Depreciated	1,688,895
Capital Assets - Net of Accumulated Depreciation	33,673,581
Total Assets	<u>90,654,046</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions Related Items	5,385,188
OPEB Related Items	428,880
Total Deferred Outflows of Resources	<u>5,814,068</u>
<b>LIABILITIES</b>	
Accounts Payable	1,237,103
Accrued Liabilities	310,237
Local Option Sales Tax - Property Tax Relief	2,956,222
Unearned Revenue	6,201,064
Accrued Interest Payable	24,267
Noncurrent Liabilities:	
Due Within One Year	1,340,017
Due in More than One Year	9,713,291
Net Pension Liability	25,279,741
OPEB Liability	3,571,700
Total Liabilities	<u>50,633,642</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions Related Items	629,458
OPEB Related Items	288,400
Total Deferred Inflows of Resources	<u>917,858</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	35,362,476
Restricted For:	
Public Safety	2,342,805
Debt Service	2,513,933
Capital Projects	1,934,456
Tourism	1,589,475
Transportation	2,727,747
Economic Development	500,000
Health and Welfare	272,519
Other Purposes	284,432
Unrestricted (Deficit)	(2,611,229)
Total Net Position	<u>\$ 44,916,614</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, 2021**

		Program Revenues			Net (Expense) Revenue and
		Charges	Operating	Capital	Changes in Net Position
	Expenses	for	Grants and	Grants and	Primary Government
		Services	Contributions	Contributions	Governmental Activities
<b>PRIMARY GOVERNMENT</b>					
Governmental Activities					
General Government	\$ 13,360,868	1,390,114	952,911	-	(11,017,843)
Public Safety	14,826,470	1,314,648	1,379,746	-	(12,132,076)
Transportation	2,913,227	-	2,422,277	-	(490,950)
Health and Human Services	960,359	86,669	486,107	-	(387,583)
Environmental and Housing	2,895,576	502,279	102,559	-	(2,290,738)
Culture and Recreation	1,077,577	11,696	116,392	-	(949,489)
Economic Development	212,604	-	526,504	-	313,900
Unallocated Interest Expense	145,811	-	-	-	(145,811)
Total Primary Government	<u>\$ 36,392,492</u>	<u>3,305,406</u>	<u>5,986,496</u>	<u>-</u>	<u>(27,100,590)</u>
		General Revenues			
		Property Taxes		\$	23,272,654
		Accommodations Tax			125,362
		Local Accommodations Tax			73,116
		Franchise Fee			288,329
		Unrestricted State Aid to Political Subdivisions			2,256,377
		Unrestricted Investment Earnings			69,081
		Donations			187,404
		Miscellaneous			200,489
		Total General Revenues			<u>26,472,812</u>
		Change in Net Position			(627,778)
		Net Position Beginning of Year			<u>45,544,392</u>
		Net Position End of Year		\$	<u>44,916,614</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, 2021

	Major Funds					
	General	Capital Project	E-911 Telephone Surcharge	American Rescue Plan	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 10,484,820	2,333,128	3,938,377	5,564,927	10,530,432	32,851,684
Investment	15,535,027	-	-	-	-	15,535,027
Taxes Receivable	224,548	20,554	-	-	36,811	281,913
Receivables (Net)						-
Intergovernmental	2,044,226	-	-	-	-	2,044,226
Other	521	11,458	100,762	-	841,310	954,051
Due from Other Funds	6,724,032	-	-	-	4,124,561	10,848,593
Prepaid Items	516,376	200	-	-	29,547	546,123
Inventory	62,312	-	-	-	-	62,312
Due from Recreation District	-	282,402	-	-	-	282,402
Assets Held for Resale	-	2,733,835	-	-	-	2,733,835
Total Assets	35,591,862	5,381,577	4,039,139	5,564,927	15,562,661	66,140,166
LIABILITIES						
Accounts Payable	367,476	-	-	-	22,418	389,894
Payroll Liabilities	248,019	-	-	-	-	248,019
Other Liabilities	847,208	-	-	-	62,218	909,426
Due to Other Funds	1,676,027	3,010,384	2,676,608	-	3,485,574	10,848,593
Local Option Sales Tax - Property Tax Relief	2,956,222	-	-	-	-	2,956,222
Unearned Revenue	-	-	-	5,564,927	636,138	6,201,065
Total Liabilities	6,094,952	3,010,384	2,676,608	5,564,927	4,206,348	21,553,219
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues - Property Taxes	320,859	12,681	-	-	24,084	357,624
FUND BALANCES						
Nonspendable	516,376	-	-	-	29,547	545,923
Restricted	-	1,934,456	1,362,531	-	8,868,381	12,165,368
Assigned	5,463,763	424,056	-	-	2,530,409	8,418,228
Committed	3,487,017	-	-	-	-	3,487,017
Unassigned	19,708,895	-	-	-	(96,108)	19,612,787
Total Fund Balances	29,176,051	2,358,512	1,362,531	-	11,332,229	44,229,323
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 35,591,862	5,381,577	4,039,139	5,564,927	15,562,661	66,140,166

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, 2021

Fund Balances - Total Governmental Funds	\$	44,229,323
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.		35,362,475
Resources Received but Reflected as Unearned Revenues in Fund Statements.		357,622
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	3,571,700	
General Obligation Bonds	2,815,000	
Loan Payable	1,371,000	
Capital Lease Obligations	805,193	
Compensated Absences	415,779	
Landfill Closure and Post Closure	5,646,336	
Accrued Interest Payable	<u>24,267</u>	(14,649,275)
Pension Related Deferred Outflows		5,385,188
OPEB Related Deferred Outflows		428,880
Net Pension Liability		(25,279,741)
Pension Related Deferred Inflows		(629,458)
OPEB Related Deferred Inflows		<u>(288,400)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>44,916,614</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, 2021**

	Major Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Project	E-911 Telephone Surcharge	American Rescue Plan		
<b>REVENUES</b>						
Taxes	\$ 18,217,336	1,314,659	-	-	2,205,933	21,737,928
Licenses and Permits	551,114	-	-	-	-	551,114
Intergovernmental	4,468,168	-	439,307	-	3,861,974	8,769,449
Charges for Services	1,173,852	-	-	-	460,633	1,634,485
Fines and Forfeits	446,315	-	-	-	-	446,315
Confiscated Money	-	-	-	-	121,866	121,866
Interest Income	57,623	11,458	-	-	2,244	71,325
Miscellaneous	1,149,899	187,404	-	-	866,926	2,204,229
Total Revenues	<u>26,064,307</u>	<u>1,513,521</u>	<u>439,307</u>	<u>-</u>	<u>7,519,576</u>	<u>35,536,711</u>
<b>EXPENDITURES</b>						
Current						
General Government	9,271,976	-	-	-	972,919	10,244,895
Public Safety	11,611,434	-	589,363	-	916,595	13,117,392
Transportation	1,312,594	-	-	-	345,000	1,657,594
Health and Human Services	707,402	-	-	-	157,426	864,828
Environmental and Housing	2,808,064	-	-	-	10,268	2,818,332
Culture and Recreation	221	-	-	-	944,194	944,415
Economic Development	-	-	-	-	212,606	212,606
Capital Outlay	208,507	2,724,471	-	-	135,840	3,068,818
Debt Service						
Principal Retirement	-	399,586	-	-	720,000	1,119,586
Interest and Fiscal Charges	-	25,621	-	-	120,190	145,811
Total Expenditures	<u>25,920,198</u>	<u>3,149,678</u>	<u>589,363</u>	<u>-</u>	<u>4,535,038</u>	<u>34,194,277</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>144,109</u>	<u>(1,636,157)</u>	<u>(150,056)</u>	<u>-</u>	<u>2,984,538</u>	<u>1,342,434</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Issuance of Capital Lease	-	590,606	-	-	-	590,606
Transfer In	391,331	-	-	-	215,240	606,571
Transfers Out	(195,000)	-	(20,240)	-	(391,331)	(606,571)
Total Other Financing Sources	<u>196,331</u>	<u>590,606</u>	<u>(20,240)</u>	<u>-</u>	<u>(176,091)</u>	<u>610,846</u>
Net Change in Fund Balances	<u>340,440</u>	<u>(1,045,551)</u>	<u>(170,296)</u>	<u>-</u>	<u>2,808,447</u>	<u>1,933,040</u>
Fund Balances - Beginning of Year	28,835,611	1,467,154	-	-	10,056,609	40,359,374
Reclassification	-	1,936,909	1,532,827	-	(1,532,827)	1,936,909
Fund Balances - Beginning of Year As Restated	<u>28,835,611</u>	<u>3,404,063</u>	<u>1,532,827</u>	<u>-</u>	<u>8,523,782</u>	<u>42,296,283</u>
Fund Balances - End of Year	<u>\$ 29,176,051</u>	<u>2,358,512</u>	<u>1,362,531</u>	<u>-</u>	<u>11,332,229</u>	<u>44,229,323</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, 2021

Net Change in Fund Balance - Total Governmental Funds \$ 1,933,040

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	1,964,278	
Depreciation Expense	<u>(3,305,501)</u>	(1,341,223)

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		(5,756)
--------------------------------------	--	---------

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.

89,592

Revenues in the Statement of Activities that Do Not Provide Current Financial Resources Are Not Reported as Revenues in the Funds.

Property Taxes		144,171
----------------	--	---------

The issuance of long-term debt provides current financial resources to governmental funds. Repayment of Debt Principal is an Expenditure in the Governmental Funds, but the Repayment Reduces Long-Term Liabilities in the Statement of Net Position

Proceeds from Capital Lease		(590,606)
Principal Repayments		
General Obligation Bonds	720,000	
CCEDC Loan	343,000	
Capital Lease	56,586	

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	-	
Change in Compensated Absences	(39,763)	
Change in Unfunded OPEB Costs	(99,239)	
Change in Landfill Closure/Post Closure Costs	<u>(81,528)</u>	(220,530)

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.

(1,756,052)

Change in Net Position of Governmental Activities		<u><u>\$ (627,778)</u></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, 2021

## Assets

Cash	\$ 54,008,691
Taxes Receivable (Net)	833,565
Other Receivables	<u>2,825,017</u>
Total Assets	<u><u>57,667,273</u></u>

## Liabilities

Due to Designated Recipients	<u>57,667,273</u>
Total Liabilities	<u><u>\$ 57,667,273</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, 2021

**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 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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021

**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, 2021, were distributed as follows:

	General Fund	Capital Project Fund	E-911 Telephone Surcharge	American Rescue Plan	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable						
Prepays	\$ 516,376	-	-	-	29,547	545,923
Restricted For						
Emergency Communications	-	-	1,362,531	-	2,000	1,364,531
Law Enforcement	-	-	-	-	259,493	259,493
Health and Welfare	-	-	-	-	257,303	257,303
Road Surface Repairs	-	-	-	-	34,408	34,408
Transportation	-	-	-	-	2,693,339	2,693,339
Culture and Recreation	-	-	-	-	13,140	13,140
Social Services	-	-	-	-	15,216	15,216
Public Safety	-	-	-	-	358,561	358,561
Economic Development	-	1,934,456	-	-	500,000	2,434,456
Solicitor	-	-	-	-	360,222	360,222
Tourism	-	-	-	-	1,589,475	1,589,475
Other Purposes	-	-	-	-	271,292	271,292
Debt Service	-	-	-	-	2,513,933	2,513,933
Assigned						
Unfunded OPEB	3,571,700	-	-	-	-	3,571,700
Road Surface Repairs	1,876,247	-	-	-	-	1,876,247
County Buildings	-	173,812	-	-	-	173,812
Airport	-	250,244	-	-	-	250,244
Scholarship SCC	15,816	-	-	-	-	15,816
Public Safety	-	-	-	-	674,020	674,020
Culture and Recreation	-	-	-	-	1,856,389	1,856,389
Committed						
Fund Balance (Budget)	3,487,017	-	-	-	-	3,487,017
Unassigned	19,708,895	-	-	-	(96,109)	19,612,786
Total Fund Balances	<u>\$ 29,176,051</u>	<u>2,358,512</u>	<u>1,362,531</u>	<u>-</u>	<u>11,332,229</u>	<u>44,229,323</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**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.

**E. New GASB Pronouncement Implementation**

In fiscal year 2021, the County implemented of Governmental Accounting Standard Board (GASB) Statement No. 84, *Fiduciary Activities*. This statement requires that the County reevaluate the accounting treatment of fiduciary activities. The new standard requires the County to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions of GASB Statements No. 84. No restatements were required in conjunction with the implementation of this statement.

**F. New Pronouncements – The GASB has issued the following statements:**

*Statement No. 87, "Leases."* The requirements of this Statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter.



CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**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, 2021, 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, 2021

**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, 2021 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, 2021, the County's deposits were as follows:

		<u>Bank Balance</u>	<u>Carrying Value</u>
Demand Deposits	Governmental	\$ 61,652,664	32,846,196
Demand Deposits	Fiduciary	<u>25,394,038</u>	<u>54,008,691</u>
Total		<u>\$ 87,046,702</u>	<u>86,854,887</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	\$ 11,833,336	
Cash and Cash Equivalents-Restricted	21,018,348	
Investments	<u>15,535,027</u>	
Total Statement of Net Assets		48,386,711
<u>Statement of Fiduciary Net Position</u>		
Cash and Cash Equivalents	54,008,691	
Total Statement of Fiduciary Net Assets		<u>54,008,691</u>
Total Cash, and Cash Equivalents		<u>102,395,402</u>
<u>Disclosure, Deposits and Investments</u>		
Carrying Value of Deposits		86,854,887
Cash on Hand		5,488
Investments		<u>15,535,027</u>
Total Disclosure, Deposits and Investments		<u>\$ 102,395,402</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**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, 2021, 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	\$ 15,535,027	Daily	N/A	N/A

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**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 15<sup>th</sup> 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 2020 levy was assessed at \$113,057,550, 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 2020 assessed value for personal property was \$76,878,643. The total assessed value was between 4% and 10.5% of the estimated value of \$3,388,402,799. The County tax rate is currently 95.7 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	\$ 527,887	303,339	224,548
Capital Fund	48,320	27,766	20,554
Debt Service Fund	45,622	26,216	19,406
Library Fund	38,163	20,758	17,405
	<u>659,992</u>	<u>378,079</u>	<u>281,913</u>
Agency Funds	<u>1,959,607</u>	<u>1,126,042</u>	<u>833,565</u>
	<u>\$ 2,619,599</u>	<u>1,504,121</u>	<u>1,115,478</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, 2021 the balance in this account, included in the general fund, was \$2,956,222.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**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, 2021 was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,688,895	-	-	1,688,895
Capital Assets Being Depreciated:				
Buildings	27,792,935	2,980	-	27,795,915
Improvements Other than Buildings	241,561	-	-	241,561
Machinery and Equipment	12,229,797	340,875	-	12,570,672
Vehicles	6,716,064	858,951	279,438	7,295,577
Assets Acquired Under Capital Lease	299,988	690,606	-	990,594
Infrastructure	30,619,256	-	-	30,619,256
Books	1,115,761	70,866	72,719	1,113,908
	<u>79,015,362</u>	<u>1,964,278</u>	<u>352,157</u>	<u>80,627,482</u>
Less Accumulated Depreciated:				
Buildings	12,416,182	625,629	-	13,041,811
Improvements Other than Buildings	182,102	8,668	-	190,770
Machinery and Equipment	9,439,673	832,550	-	10,272,223
Vehicles	5,467,332	591,396	273,683	5,785,046
Assets Acquired Under Capital Lease	24,316	65,753	-	90,069
Infrastructure	15,589,527	1,110,279	-	16,699,806
Books/Volumes	875,670	71,226	72,719	874,177
	<u>43,994,802</u>	<u>3,305,501</u>	<u>346,402</u>	<u>46,953,902</u>
Total Capital Assets Being Depreciated, Net	<u>35,020,560</u>	<u>(1,341,224)</u>	<u>5,756</u>	<u>33,673,581</u>
Total Capital Assets, Net	<u>\$ 36,709,455</u>	<u>(1,341,224)</u>	<u>5,756</u>	<u>35,362,476</u>

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

**Governmental Activities**

General Government	\$ 522,936
Public Safety	954,075
Health and Human Services	57,128
Environmental and Housing	406,820
Transportation	1,215,709
Culture and Recreation	<u>148,833</u>

Total \$ 3,305,501

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, 2021

**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, 2021, all of which are expected to be paid within one year:

<b>Interfund:</b>	<u>Due From</u>	<u>Due To</u>
Major Funds:		
General Fund		
Due from Special Revenue Fund	\$ 3,713,648	-
Due from Capital Projects Fund	3,010,384	-
Due to Debt Service Fund	-	1,676,027
Capital Projects Fund		
Due to General Fund	-	3,010,384
E-911 Telephone Surcharge		
Due to General Fund	-	2,676,608
Non-Major Governmental Funds		
Special Revenue Funds		
Due to General Fund	2,448,534	3,485,574
Debt Service Fund		
Due from General Fund	1,676,027	-
	<u>\$ 10,848,593</u>	<u>10,848,593</u>

The following is a summary of interfund transfers for the year ended June 30, 2021:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 391,331	195,000
E-911 Telephone Surcharge	-	20,240
Nonmajor Governmental Funds	<u>215,240</u>	<u>391,331</u>
	<u>\$ 606,571</u>	<u>606,571</u>

During the year, transfers were used to 1) move funds from the Capital Projects Fund to the General Fund as approved in the 2020-2021 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, 2021

**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, 2021:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental Activities					
Private Placement -					
General Obligation Bonds	\$ 3,535,000	-	720,000	2,815,000	745,000
Direct Placement -					
Loan Payable	1,714,000	-	343,000	1,371,000	343,000
Capital Lease	271,173	590,606	56,586	805,193	252,017
Landfill Closure and Post Closure Liability	5,564,808	81,528	-	5,646,336	-
Net OPEB Obligation	3,291,100	470,800	190,200	3,571,700	-
Net Pension Liability	22,644,112	6,421,328	3,785,699	25,279,741	-
Compensated Absences	376,016	371,428	331,665	415,779	-
	<u>\$ 37,396,209</u>	<u>7,935,690</u>	<u>5,427,150</u>	<u>39,904,749</u>	<u>1,340,017</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
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>\$ 2,815,000</u>	<u>227,460</u>	<u>3,042,460</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**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>
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>\$ 1,371,000</u>	<u>35,630</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 at June 30, 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, 2021

**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 2021.

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, 2021, calculated as follows:

	MSW	C&D Cells A, B, C & D	Total
Total Estimated Current Closure and Post Closure Care Cost	\$ 4,065,417	2,679,524	
Percentage of Landfill Capacity Used to Date	100%	59%	
Reported Liability for Closure and Post Closure Care Cost	<u>\$ 4,065,417</u>	<u>1,580,919</u>	<u>5,646,336</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>15.7</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, 2021. 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, 2021, demonstrating this sufficiently for SCDHEC with sufficient cash reserves and/or debt capacity.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

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

**G. Capital Leases**

Governmental funds – Capital leases payable at June 30, 2021 are comprised of one master lease for eleven vehicles as follows:

\$328,513 capital lease to Enterprise Fleet Management for vehicle equipment payable in monthly installments of principal and interest of \$5,365 through February 2025 at 1.30%; Secured by vehicle.	\$ 214,587
Less current portion	<u>55,154</u>
Long-term portion outstanding	<u><u>\$ 159,433</u></u>
 \$590,606 capital lease with Leasing 2, Inc. for landfill compactor equipment, payable in three annual installments of \$204,818.92 including interest at 2.68% per annum, secured by landfill equipment.	 \$ 590,606
Less current portion	<u>196,863</u>
Long-term portion outstanding	<u><u>\$ 393,743</u></u>

Annual requirements to amortize all capital leases outstanding as of June 30, 2021 are as follows:

Year Ending June 30	Enterprise Fleet Management			Leasing 2		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 55,154	9,227	64,381	\$ 196,863	7,956	204,819
2023	57,525	6,856	64,381	194,269	10,550	204,819
2024	59,999	4,382	64,381	199,474	5,345	204,819
2025	<u>41,909</u>	<u>1,506</u>	<u>43,415</u>			
	<u>\$ 214,587</u>	<u>21,971</u>	<u>236,558</u>	<u>\$ 590,606</u>	<u>23,851</u>	<u>614,457</u>

Year Ending June 30	Total		
	Principal	Interest	Total
2022	\$ 252,017	17,183	269,200
2023	251,794	17,406	269,200
2024	259,473	9,727	269,200
2025	<u>41,909</u>	<u>1,506</u>	<u>43,415</u>
	<u>\$ 805,193</u>	<u>45,822</u>	<u>851,015</u>

The gross amount of capital assets recorded under capital leases as of June 30, 2021 was \$990,594, with accumulated depreciation of \$90,069.

**H. Operating Leases**

The County leases miscellaneous equipment and buildings under cancelable operating leases. The total costs for these leases for the year ended June 30, 2021 were \$296,534.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**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, 2021, 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. This provision has lapsed during the current fiscal year and is no longer effective as of June 30, 2021.

*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 \$38.65 effective July 1, 2020. 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, 2021 was \$ 68,140.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**B. Commitments and Contingencies, Continued**

The County has also entered into an 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 the millage assessed in the Gaffney Fire Protection Area. The initial term of the agreement expired on December 31, 2010, and was extended for two successive five year terms, in accordance with the terms of the agreement. The total amount the County paid under this agreement for the fiscal year ended June 30, 2021 was \$936,984. During the year a public referendum authorized an increase in the millage for this Fire Protection Area to 16 mills, which was assessed, billed and collected with the tax notices that went out in the fall of 2020. A new agreement was entered into dated November 16, 2021 that provides for an initial ten year term beginning January 1, 2022, with additional successive five year terms with the agreement of both parties.

*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 2020, of the total payments made by taxpayers who were subject to this multicounty industrial park agreement, \$2,318,823 would have been received by the County but for the taxpayers' location within its multicounty industrial park. For the tax year 2020, payments-in-lieu of standard ad valorem tax payments from taxpayers within the County's multicounty industrial park totaled \$1,867,735, of which \$934,868 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 in its Agency fund.

*Other Contingencies*

Due to the COVID 19 Pandemic that has continued to develop, the County is continuing to evaluate what effect it will have on its operation 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.

**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, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**D. Pension and Retirement Plans**

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, 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. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for 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](http://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 State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

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, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**D. Pension and Retirement Plans, Continued**

Plan Descriptions, Continued

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

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.

State ORP - As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

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; be a coroner in a full-time permanent position; or be 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 the benefit terms for each system is presented below.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**D. Pension and Retirement Plans, Continued**

Benefits, Continued

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.

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.

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

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go in effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**D. Pension and Retirement Plans, Continued**

Contributions, Continued

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. 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 85 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 85 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 85 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 85 percent.

Effective July 1, 2020, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 15.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 15.41% 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, 2021, 2020, and 2019 were:

<u>Fiscal Year Ended</u>	<u>Retirement</u>		<u>Incidental Death</u>	
	<u>Rate</u>	<u>Contribution</u>	<u>Rate</u>	<u>Contribution</u>
2021	15.410%	\$ 967,243	0.15%	\$ 9,415
2020	15.410%	\$ 951,168	0.15%	\$ 9,259
2019	14.410%	\$ 875,158	0.15%	\$ 9,110

Effective July 1, 2019, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 18.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 17.84%, 0.20% for the incidental death benefit program, and 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, 2021, 2020, and 2019 were:

<u>Fiscal Year Ended</u>	<u>Retirement</u>		<u>Incidental Death</u>		<u>Accidental Death</u>	
	<u>Rate</u>	<u>Contribution</u>	<u>Rate</u>	<u>Contribution</u>	<u>Rate</u>	<u>Contribution</u>
2021	17.840%	\$ 871,041	0.20%	\$ 9,765	0.20%	\$ 9,765
2020	17.840%	\$ 836,100	0.20%	\$ 9,373	0.20%	\$ 9,373
2019	16.840%	\$ 740,301	0.20%	\$ 8,792	0.20%	\$ 8,792



CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**D. Pension and Retirement Plans, Continued**

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, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2019, 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, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, 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, 2020.

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

<sup>1</sup> 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, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**D. Pension and Retirement Plans, Continued**

Actuarial Assumptions and Methods, Continued

Assumptions used in the determination of the June 30, 2020, 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, 2020, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	County's Proportionate Share of NPL	County's Portion of NPL
SCRS	\$ 51,844,187,763	26,292,418,682	25,551,769,081	50.7%	0.556040%	14,207,796
SCRS- Library	-	-	-		0.003504%	895,315
PORS	8,046,386,629	4,730,174,642	3,316,211,987	58.8%	0.306875%	10,176,630
						<u>25,279,741</u>

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. 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, 2021, the County reported liabilities of \$15,103,111 and \$10,176,630 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2020. 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.

For the year ended June 30, 2021, the County recognized net pension expenses of \$2,111,365 and \$1,481,403 for SCRS and PORS, respectively.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**D. Pension and Retirement Plans, Continued**

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

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

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Deferred Outflows of Resources			
Difference between Expected and Actual Experience	\$ 174,270	216,274	390,544
Changes of Assumptions	18,505	124,188	142,693
Net difference between Projected and Actual Earnings on Pension Plan Investments	1,110,961	1,042,064	2,153,025
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	564,658	207,098	771,756
County Contributions Subsequent to the Measurement Date	<u>1,036,599</u>	<u>890,571</u>	<u>1,927,170</u>
<b>TOTAL</b>	<b><u>\$ 2,904,993</u></b>	<b><u>2,480,195</u></b>	<b><u>5,385,188</u></b>
Deferred Inflows of Resources			
Difference between Expected and Actual Experience	\$ 57,112	44,795	101,907
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	<u>347,499</u>	<u>180,053</u>	<u>527,552</u>
<b>TOTAL</b>	<b><u>\$ 404,611</u></b>	<b><u>224,848</u></b>	<b><u>629,458</u></b>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**D. Pension and Retirement Plans, Continued**

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

The \$1,036,599 and \$890,571 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date for SCRS and PORS, respectively, during the year ended June 30, 2021 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>SCRS</u>	<u>PORS</u>
2021	\$ 495,323	433,932
2022	405,751	313,831
2023	279,216	343,605
2024	283,493	273,408
2025	-	-
Thereafter	-	-

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return 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 2020 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.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**D. Pension and Retirement Plans, Continued**

Long-Term Expected Rate of Return, Continued

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

<u>Allocation/Exposure</u>		<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
<b>Global Equity</b>		<b>51.0%</b>		
Global Public Equity	1, 2	35.0%	7.81%	2.73%
Private Equity	2, 3	9.0%	8.91%	0.80%
Equity Options Strategies	1	7.0%	5.09%	0.36%
<b>Real Assets</b>		<b>12.0%</b>		
Real Estate (Private)	2, 3	8.0%	5.55%	0.44%
Real Estate (REITs)	2	1.0%	7.78%	0.08%
Infrastructure (Private)	2, 3	2.0%	4.88%	0.10%
Infrastructure (Public)	2	1.0%	7.05%	0.07%
<b>Opportunistic</b>		<b>8.0%</b>		
Global Tactical Asset Allocation	1	7.0%	3.56%	0.25%
Other Opportunistic Strategies		1.0%	4.41%	0.04%
<b>Credit</b>		<b>15.0%</b>		
High Yield Bonds/Bank Loans	1, 2	4.0%	4.21%	0.17%
Emerging Markets Debt		4.0%	3.44%	0.14%
Private Debt	2, 3	7.0%	5.79%	0.40%
<b>Rate Sensitive</b>		<b>14.0%</b>		
Core Fixed Income	1	13.0%	1.60%	0.21%
Cash and Short Duration (Net)		1.0%	0.56%	0.01%
Total Expected Return	4	<u>100.0%</u>		<u>5.80%</u>
Inflation for Actuarial Purposes				<u>2.25%</u>
				<u>8.05%</u>

1 Portable Alpha Strategies will be capped at 12% of total assets; Hedge funds (including all hedge funds used in portable alpha implementation) capped at 20% of total assets.

2 The target weights to Private Equity, Private Debt, Private Infrastructure and Private Real Estate will be equal to their actual weights as of prior month end. Private Equity and Public Equity combine for 44 percent of entire portfolio. Private Debt and High Yield/Bank Loans combine for 11 percent of the entire portfolio. Private Infrastructure and Public Infrastructure combine for 3 percent of the entire portfolio. Private Real Estate and Real Estate (REITs) combine for 9 percent of entire portfolio.

3 RSIC staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

4 The expected return for each of the Portable Alpha asset classes includes the expected return attributed to the Overlay Program. For benchmarking purposes there is a 10% weight assigned to Portable Alpha Hedge Funds in the Policy Benchmark.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**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.

<u>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</u>			
<u>Plan</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
SCRS	\$ 17,608,820	14,207,796	11,367,899
SCRS- Library	1,109,633	895,315	716,357
PORS	13,472,145	10,176,630	7,530,543

Additional Financial and Actuarial Information

Information contained in this note was compiled from the Systems' audited financial statements for the fiscal year ending June 30, 2020, and the accounting valuation report as of June 30, 2020. Additional financial information supporting the preparation of the Schedules of Pension Amounts by Employers (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**E. Post Employment Health Insurance Benefits**

Employees covered by benefit terms. At July 1, 2020 (the valuation date) the following employees were covered by the benefit terms:

	Count	Total OPEB Liability
Inactive employees or beneficiaries currently receiving benefits	53	\$ 1,037,500
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	96	2,534,200
Total	<u>149</u>	<u>\$ 3,571,700</u>

**Plan Description**

*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, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**F. 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, 2021

**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, 2021 for the employer fiscal year and reporting period of July 1, 2020 to June 30, 2021. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2020 and the corresponding measurement period of July 1, 2019 to July 1, 2020. The measurement of the total OPEB liability is based on a valuation date of July 1, 2020.

**Actuarial Assumptions and Actuarial Methods**

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	2.45%
Salary Scale:	2.50%
Healthcare Cost Trend Rates:	5.52% for fiscal year end 2021 (to reflect actual experience), decreasing 0.33% per year to an ultimate rate of 4.00%
Mortality:	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020
Actuarial Cost Method:	Entry Age Actuarial Cost Method

**Expected Return on Assets:**

None

**Discount Rate:**

The discount rate has been set equal to 2.45% 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, 2021

**NOTE 4 - OTHER INFORMATION, Continued**

**E. Post Employment Health Insurance Benefits, Continued**

**Changes in the Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability/ (Asset) (a) - (b)</b>
<b>Balances at July 1, 2020</b>	\$ 3,291,100	-	3,291,100
<b>Changes for the Year:</b>			
Service Cost	77,800	-	77,800
Interest	104,300	-	104,300
Differences Between Expected and Actual Experience	(118,600)	-	(118,600)
Contributions - Employer	-	71,600	(71,600)
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(71,600)	(71,600)	-
Changes of Benefit Terms	-	-	-
Administrative Expense	-	-	-
Other Changes	288,700	-	288,700
<b>Net Changes</b>	<u>\$ 280,600</u>	<u>-</u>	<u>280,600</u>
 Balances at June 30, 2021*	 \$ 3,571,700	 -	 3,571,700

\*Measurement Date is July 1, 2020

*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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Employer's Net OPEB Liability/(Asset)	\$ 4,107,200	3,571,700	3,129,500

*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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Employer's Net OPEB Liability/(Asset)	\$ 3,484,700	3,571,700	3,667,000

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**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, 2021, under GASB 75 the employer OPEB expense is \$177,300. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2021 from various sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	273,600
Changes of Assumptions	347,300	14,800
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Employer Contributions After Measurement Date but Prior to Fiscal Year End	<u>81,580</u>	<u>-</u>
Total	<u>\$ 428,880</u>	<u>288,400</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>	
2022	\$ (10,900)
2023	(10,900)
2024	37,500
2025	42,600
2026	600
Thereafter	-

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2021

**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-six (26) 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 \$2,171,272 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 \$3,236,844 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, 2021

**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 \$92,397 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 \$67,902 to Cherokee County.

**NOTE 6 – RECLASSIFICATIONS**

During the fiscal year 2021, the Economic Development Corporation was consolidated with the Capital Project Fund and is presented as a major fund. Within this major fund, neither the Capital Building Fund nor the Economic Development Fund is budgeted. The E-911 Telephone Surcharge fund also met the definition of a major fund and therefore was reclassified from special revenue funds and it is presented as a major fund.

**NOTE 7 – SUBSEQUENT EVENTS**

Management has through December 29, 2021, 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, 2021, 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  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Various Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 17,110,500	17,110,500	18,217,336	1,106,836
Licenses and permits	240,000	240,000	551,114	311,114
Intergovernmental	2,912,924	2,912,924	4,468,168	1,555,244
Charges for services	949,450	949,450	1,173,852	224,402
Fines	616,000	616,000	446,315	(169,685)
Interest	120,000	120,000	57,623	(62,377)
Miscellaneous	774,750	774,750	1,149,899	375,149
Total Revenues	22,723,624	22,723,624	26,064,307	3,340,683
Expenditures				
Current				
General government				
Vehicle Maintenance	486,398	486,398	637,007	(150,609)
Pooled Vehicles	9,334	9,334	22,165	(12,831)
Administration	629,276	629,276	532,721	96,555
Finance	430,007	430,007	468,909	(38,902)
Human Resources	107,365	107,365	105,294	2,071
Information Technology	223,849	223,849	219,586	4,263
Risk Management	22,398	22,398	12,811	9,587
Central Purchasing	1,800	1,800	1,087	713
Central Services	2,815,899	2,815,899	2,532,670	283,229
County Buildings	138,656	138,656	126,022	12,634
Administrative Building Complex	333,602	333,602	310,638	22,964
Economic Development	277,012	277,012	55,435	221,577
Courthouse Complex	68,930	68,930	69,005	(75)
Delinquent Tax Collector	193,100	193,100	162,416	30,684
Treasurer	405,064	405,064	388,237	16,827
Auditor	296,215	296,215	255,333	40,882
Building Inspectors	320,172	320,172	303,908	16,264
Tax Assessor	476,291	476,291	440,589	35,702
GIS/Mapping	105,673	105,673	104,614	1,059
Election/Voter Registration	210,790	210,790	188,043	22,747
Poll Workers	130,304	130,304	140,638	(10,334)
Magistrate	712,022	712,022	674,918	37,104
Register of Deeds	229,417	229,417	225,440	3,977
Clerk of Court	292,471	292,471	326,601	(34,130)
Probate Court	285,495	285,495	279,284	6,211
Attorney/Judicial	98,558	98,558	82,628	15,930
Clerk of Court Support	295,379	295,379	241,214	54,165
Circuit Solicitor	229,755	229,755	222,126	7,629
Appalachian COG	40,055	40,055	40,055	-
Cherokee Defender Corp	218,004	218,004	218,004	-
Capital Outlay	-	-	-	-
	10,083,291	10,083,291	9,387,398	695,893
Public Safety				
Code Enforcement	120,214	120,214	119,090	1,124
Animal Control	160,350	160,350	148,527	11,823
Enhanced Communications/911	1,248,748	1,248,748	1,231,558	17,190
Fire Protection	575,000	575,000	588,878	(13,878)
Coroner	215,219	215,219	260,206	(44,987)
Law Enforcement Center	145,593	145,593	134,689	10,904
Victims Advocate	126,509	126,509	121,388	5,121
Sheriff	4,917,084	4,917,084	4,955,835	(38,751)
Detention Center	3,483,337	3,483,337	3,668,858	(185,521)
Emergency Management	193,367	193,367	184,379	8,988
Capital Outlay	-	-	235,066	(235,066)
	11,185,421	11,185,421	11,648,474	(463,053)

Cherokee County, South Carolina  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Budgeted Amounts			Various Positive
	Original	Final	Actual	(Negative)
Environmental and Housing				
Department of Public Works	\$ 77,014	77,014	86,473	(9,459)
Solid Waste Collections	1,792,025	1,792,025	1,626,106	165,919
C and D Landfill Solid Waste Disposal	424,435	424,435	448,744	(24,309)
Landfill Post closure	104,671	104,671	95,355	9,316
Recycling Center	632,617	632,617	578,931	53,686
Clemson Extension Service	1,800	1,800	-	1,800
Thicketty Creek Project	10,000	10,000	10,000	-
USDA Soil Conservation	18,500	18,500	18,500	-
Capital Outlay	-	-	-	-
	<u>3,061,062</u>	<u>3,061,062</u>	<u>2,864,109</u>	<u>196,953</u>
Health and Human Services				
Veterans Affairs	191,414	191,414	148,332	43,082
Alcohol and Drug Abuse	7,500	7,500	7,500	-
Health Department	33,760	33,760	33,760	-
Indigent Care	87,334	87,334	87,334	-
County Health and Human Services	292,096	292,096	292,096	-
Department of Social Services	29,200	29,200	6,296	22,904
Disabilities and Special Needs	50,000	50,000	50,000	-
Senior Center	35,000	35,000	35,000	-
Mental Health	35,000	35,000	32,084	2,916
Literacy Association	15,000	15,000	15,000	-
	<u>776,304</u>	<u>776,304</u>	<u>707,402</u>	<u>68,902</u>
Transportation				
Roads and Bridges	1,426,349	1,426,349	1,312,594	113,755
	<u>1,426,349</u>	<u>1,426,349</u>	<u>1,312,594</u>	<u>113,755</u>
Culture and Recreation				
SCC Cherokee Campus	30,000	30,000	-	30,000
Recreation District	206	206	221	(15)
	<u>30,206</u>	<u>30,206</u>	<u>221</u>	<u>29,985</u>
Total Expenditures	<u>26,562,633</u>	<u>26,562,633</u>	<u>25,920,198</u>	<u>642,435</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,839,009)</u>	<u>(3,839,009)</u>	<u>144,109</u>	<u>3,983,118</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	-	-
Transfers In	351,992	351,992	391,331	39,339
Transfers Out	-	-	(195,000)	(195,000)
	<u>351,992</u>	<u>351,992</u>	<u>196,331</u>	<u>(155,661)</u>
Net Change in Fund Balance	(3,487,017)	(3,487,017)	340,440	3,827,457
Fund Balance - Beginning of Year	<u>28,835,611</u>	<u>28,835,611</u>	<u>28,835,611</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 25,348,594</u>	<u>25,348,594</u>	<u>29,176,051</u>	<u>3,827,457</u>

Note: The County's budget reflected an expected use of fund balance of approximately \$3,487,017.



Cherokee County, South Carolina  
Capital Project Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Budgeted Amounts			Various Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,208,569	1,208,569	1,242,166	33,597
Interest	-	-	12,148	12,148
Total Revenues	<u>1,208,569</u>	<u>1,208,569</u>	<u>1,254,314</u>	<u>45,745</u>
Expenditures				
Current				
General Government				
Vehicle Maintenance	-	-	10,784	(10,784)
Information Technology	28,271	28,271	70,637	(42,366)
Administration	42,734	42,734	41,672	1,062
Building Inspector	21,814	21,814	66,513	(44,699)
Treasurer	6,572	6,572	-	6,572
Election/Voter Registration/Poll Workers	11,000	11,000	-	11,000
Animal Shelter	-	-	21,971	(21,971)
Public Safety				
Law Enforcement Center	30,459	30,459	28,367	2,092
Sheriff	352,743	352,743	346,257	6,486
Detention Center	84,054	84,054	23,178	60,876
Emergency Management	-	-	36,072	(36,072)
Transportation				
Road and Bridges	80,000	80,000	215,030	(135,030)
Airport	-	-	5,000	(5,000)
Public Works Campus	-	-	29,024	(29,024)
Environmental and Housing				
US Soil and Water Conservation	7,500	7,500	1,422	6,078
Solid Waste Collections	432,500	432,500	265,979	166,521
C&D Landfill	339,500	339,500	-	339,500
Recycling	5,627	5,627	23,888	(18,261)
Thicketty Creek Project	12,000	12,000	1,200	10,800
Debt Service				
Principal Retirement	-	-	28,815	(28,815)
Interest and Fiscal Charges	-	-	3,180	(3,180)
Total Expenditures	<u>1,454,774</u>	<u>1,454,774</u>	<u>1,218,989</u>	<u>235,785</u>
Excess (Deficiency) of Revenues Over Expenditures	(246,205)	(246,205)	35,325	281,530
Other Financing Sources (Uses) Proceeds from Capital Lease	<u>-</u>	<u>-</u>	<u>299,988</u>	<u>299,988</u>
Net Change in Fund Balance	(246,205)	(246,205)	335,313	581,518
Fund Balance - Beginning of Year	<u>1,467,154</u>	<u>1,467,154</u>	<u>1,131,841</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,220,949</u>	<u>1,220,949</u>	<u>1,467,154</u>	<u>581,518</u>

The capital building fund and the economic development fund are included with the capital project fund as a major fund, but are not budgeted and not included in this presentation.

Cherokee County, South Carolina  
E 911 Tariff Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Various Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 439,307	439,307	439,307	-
Tariff	122,402	122,402	-	(122,402)
Total Revenues	561,709	561,709	439,307	(122,402)
Expenditures				
Current				
General Government				
Vehicle Maintenance	-	-	-	-
Information Technology	-	-	-	-
Administration	-	-	-	-
Building Inspector	-	-	-	-
Treasurer	-	-	-	-
Election/Voter Registration/Poll Workers	-	-	-	-
Animal Shelter	-	-	-	-
Public Safety				
Law Enforcement Center	-	-	-	-
Sheriff	-	-	-	-
Detention Center	-	-	-	-
Emergency Management	574,498	574,498	589,363	(14,865)
Transportation				
Road and Bridges	-	-	-	-
Airport	-	-	-	-
Public Works Campus	-	-	-	-
Environmental and Housing				
US Soil and Water Conservation	-	-	-	-
Solid Waste Collections	-	-	-	-
C&D Landfill	-	-	-	-
Recycling	-	-	-	-
Thicketty Creek Project	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	574,498	574,498	589,363	(14,865)
Excess (Deficiency) of Revenues Over Expenditures	(12,789)	(12,789)	(150,056)	(137,267)
Other Financing Sources (Uses)				
Transfers Out	-	-	(20,240)	(20,240)
Net Change in Fund Balance	(12,789)	(12,789)	(170,296)	(157,507)
Fund Balance - Beginning of Year	1,532,827	1,532,827	1,532,827	-
Fund Balance - End of Year	\$ 1,520,038	1,520,038	1,362,531	(157,507)

**CHEROKEE COUNTY**  
Pension Plan Required Supplementary Information  
For the Year Ended June 30, 2021

**SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**

Year	County's Proportion of the Net Pension Liability	County Library's Proportion of the Net Pension Liability	County's Proportion of the Net Pension Liability	Covered Payroll During the Measurement Period	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2021	0.055604%	0.003504%	\$ 15,103,111	\$ 6,563,312	230.11%	50.70%
June 30, 2020	0.057512%	0.003614%	13,957,518	6,454,851	216.23%	54.40%
June 30, 2019	0.054791%	0.003489%	13,058,554	6,437,661	202.85%	54.10%
June 30, 2018	0.050195%	0.003672%	11,670,203	5,796,316	201.34%	53.34%
June 30, 2017	0.050507%	0.003640%	11,140,678	5,247,543	212.30%	52.91%
June 30, 2016	0.049787%	0.003689%	9,760,072	8,159,863	119.61%	56.99%
June 30, 2015	0.081311%	0.003339%	14,320,172	7,703,568	185.89%	59.92%

**Schedule of Employer Contribution**

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2021	\$ 1,036,599	\$ 1,036,599	-	\$ 6,276,721	16.51%
June 30, 2020	1,017,656	1,017,656	-	6,563,312	15.51%
June 30, 2019	936,231	936,231	-	6,454,851	14.50%
June 30, 2018	677,064	677,064	-	6,437,661	10.52%
June 30, 2017	670,054	670,054	-	5,796,316	11.56%
June 30, 2016	580,379	580,379	-	5,247,543	11.06%
June 30, 2015	889,424	889,424	-	8,159,863	10.90%

Note: This schedule will continue to build prospectively until a 10 year trend of data is compiled.

**CHEROKEE COUNTY**  
Pension Plan Required Supplementary Information  
For the Year Ended June 30, 2021

**POLICE OFFICERS RETIREMENT SYSTEM (PORS)**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**

Year	Proportion of the Net Pension Liability	Proportion of the Net Pension Liability	Covered Payroll During the Measurement Period	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2021	0.306875%	\$ 10,176,630	\$ 4,686,661	217.14%	58.80%
June 30, 2020	0.303097%	8,686,594	4,396,085	197.60%	62.70%
June 30, 2019	0.315720%	8,946,049	4,339,808	206.14%	61.70%
June 30, 2018	0.297870%	8,160,330	4,005,403	203.73%	60.90%
June 30, 2017	0.302910%	7,683,236	3,861,673	198.96%	60.44%
June 30, 2016	0.304780%	6,642,756	3,775,721	175.93%	64.57%
June 30, 2015	0.291680%	5,583,983	3,507,756	159.19%	67.55%

**Schedule of Employer Contribution**

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2021	\$ 890,571	\$ 890,571	-	\$ 4,882,517	18.24%
June 30, 2020	854,847	854,847	-	4,686,661	18.24%
June 30, 2019	757,885	757,885	-	4,396,085	17.24%
June 30, 2018	571,928	571,928	-	4,339,808	13.18%
June 30, 2017	570,369	570,369	-	4,005,403	14.24%
June 30, 2016	530,594	530,594	-	3,861,673	13.74%
June 30, 2015	506,342	506,342	-	3,775,721	13.41%

Note: This schedule will continue to build prospectively until a 10 year trend of data is compiled.

Cherokee County, South Carolina  
Schedule of Changes in County's Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2021

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service Cost	\$ 77,800	67,500	87,300	85,100
Interest	104,300	111,400	119,000	114,900
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(118,600)	(43,400)	(347,500)	-
Changes of Assumptions	288,700	186,100	(33,700)	-
Benefit Payments, Including Refunds of Employee Contributions	(71,600)	(80,100)	(62,300)	(112,000)
<b>Net Change in Total OPEB Liability</b>	280,600	241,500	(237,200)	88,000
Total OPEB Liability Beginning	3,291,100	3,049,600	3,286,800	3,198,800
Total OPEB Liability Ending	<u>3,571,700</u>	<u>3,291,100</u>	<u>3,049,600</u>	<u>3,286,800</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	71,600	80,100	62,300	112,000
Contributions - Employee	-	-	-	-
Net Investment Income	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(71,600)	(80,100)	(62,300)	(112,000)
Administrative Expenses	-	-	-	-
Other	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	-	-	-	-
<b>Plan Fiduciary Net Position - Beginning</b>	-	-	-	-
<b>Plan Fiduciary Net Position - Ending</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Employer's Net OPEB Liability - Ending</b>	<u>3,571,700</u>	<u>3,291,100</u>	<u>3,049,600</u>	<u>3,286,800</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	0.00%	0.00%	0.00%	0.00%
<b>Covered-Employee Payroll</b>	3,446,400	3,505,200	3,505,200	4,811,300
<b>Employer's Net OPEB Liability as a Percentage of Covered-Employee Payroll</b>	103.64%	93.89%	87.00%	68.31%
<b>Notes to Schedule:</b>				
None				
Actuarially Determined Contribution	71,600	80,100	62,300	62,300
Contributions in Relation to the Actuarially Determined Contribution	71,600	80,100	62,300	62,300
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expected Covered-Employee Payroll	\$ 3,446,400	3,505,200	3,505,200	4,811,300
Contributions as a Percentage of Covered-Employee Payroll	2.08%	2.29%	1.78%	2.33%

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**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							
	201	202	203	204	206	207	208	209
	Local County		Overmountain	E911 Telephone	Sheriff	Sheriff	Sheriff	Sheriff
	Accomodations Fee	Infrastructure	Endowment	Tariff	Confiscated	Drug	Jail Canteen	Inmate Telephone
Assets								
Cash	1,431,859	34,408	11,196	1,436,476	494,553	726	355,448	171,971
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	6,995	-	-	213	-	-	-	-
Due from Other Special Revenue Funds	-	-	-	-	-	1,947	-	-
Due from General Fund	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	156	-	-	-	-
	<u>1,438,854</u>	<u>34,408</u>	<u>11,196</u>	<u>1,436,845</u>	<u>494,553</u>	<u>2,673</u>	<u>355,448</u>	<u>171,971</u>
Liabilities								
Accounts Payable	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due to Other Special Revenue Funds	-	-	-	-	-	-	-	-
Due to General Fund	2,185	-	-	1,316,436	8,716	812	731	1,303
Unearned Revenue	-	-	-	-	636,138	-	-	-
	<u>2,185</u>	<u>-</u>	<u>-</u>	<u>1,316,436</u>	<u>644,854</u>	<u>812</u>	<u>731</u>	<u>1,303</u>
Deferred Inflows of Resources								
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	156	-	-	-	-
Restricted	1,436,669	34,408	11,196	-	-	1,861	-	-
Assigned	-	-	-	120,253	-	-	354,717	170,668
Unassigned	-	-	-	-	(150,301)	-	-	-
	<u>1,436,669</u>	<u>34,408</u>	<u>11,196</u>	<u>120,409</u>	<u>(150,301)</u>	<u>1,861</u>	<u>354,717</u>	<u>170,668</u>
	<u>1,438,854</u>	<u>34,408</u>	<u>11,196</u>	<u>1,436,845</u>	<u>494,553</u>	<u>2,673</u>	<u>355,448</u>	<u>171,971</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							
	210	211	212	213	214	215	216	217
	Transportation	Solicitor	Solicitor	Sheriff	Sheriff	Sheriff	Sheriff	Sheriff
	C-Funds	Gambling	Estreated Bond	Weekend Jail	Sex Offender	Hardship	Child Supp-DSS	Federal Drug
Assets								
Cash	2,572,707	271,873	49,565	28,382	88,744	7,926	20,454	143,055
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	128,238	-	-	-	-	-	709	-
Due from Other Special Revenue Funds	-	-	-	-	-	-	-	12,411
Due from General Fund	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
	<u>2,700,945</u>	<u>271,873</u>	<u>49,565</u>	<u>28,382</u>	<u>88,744</u>	<u>7,926</u>	<u>21,163</u>	<u>155,466</u>
Liabilities								
Accounts Payable	-	7,868	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due to Other Special Revenue Funds	-	-	-	-	-	-	-	-
Due to General Fund	7,606	-	453	-	2,161	-	-	30,622
Unearned Revenue	-	-	-	-	-	-	-	-
	<u>7,606</u>	<u>7,868</u>	<u>453</u>	<u>-</u>	<u>2,161</u>	<u>-</u>	<u>-</u>	<u>30,622</u>
Deferred Inflows of Resources								
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	2,693,339	264,005	49,112	-	86,583	7,926	21,163	124,844
Assigned	-	-	-	28,382	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
	<u>2,693,339</u>	<u>264,005</u>	<u>49,112</u>	<u>28,382</u>	<u>86,583</u>	<u>7,926</u>	<u>21,163</u>	<u>124,844</u>
	<u>2,700,945</u>	<u>271,873</u>	<u>49,565</u>	<u>28,382</u>	<u>88,744</u>	<u>7,926</u>	<u>21,163</u>	<u>155,466</u>



**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							
	218	219	220	221	222	223	224	225
	Sheriff	Law Enforcement	Sheriff	Electronic	Project	Rural	Project	Project
	Seized Gambling	Training Center	D.A.R.E.	Monitoring	Fortress	Infrastructure	Clari	Peach
Assets								
Cash	3,259	599	11,956	505,009	-	-	-	-
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Due from Other Special Revenue Funds	-	-	-	-	-	64,110	409,874	-
Due from General Fund	-	-	-	-	-	227,492	-	500
Prepaid Expenses	-	-	-	-	-	-	-	-
	<u>3,259</u>	<u>599</u>	<u>11,956</u>	<u>505,009</u>	<u>-</u>	<u>291,602</u>	<u>409,874</u>	<u>500</u>
Liabilities								
Accounts Payable	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due to Other Special Revenue Funds	-	9,009	-	-	-	271,500	-	-
Due to General Fund	-	5	2,560	412,081	-	-	394,198	-
Unearned Revenue	-	-	-	-	-	-	-	-
	<u>-</u>	<u>9,014</u>	<u>2,560</u>	<u>412,081</u>	<u>-</u>	<u>271,500</u>	<u>394,198</u>	<u>-</u>
Deferred Inflows of Resources								
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	3,259	-	9,396	92,928	-	20,102	15,676	500
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(8,415)	-	-	-	-	-	-
	<u>3,259</u>	<u>(8,415)</u>	<u>9,396</u>	<u>92,928</u>	<u>-</u>	<u>20,102</u>	<u>15,676</u>	<u>500</u>
	<u>3,259</u>	<u>599</u>	<u>11,956</u>	<u>505,009</u>	<u>-</u>	<u>291,602</u>	<u>409,874</u>	<u>500</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							
	226	227	228	229	230	232	233	234
	COVID 19	SC DHEC HPP Grant	DHEC Grant	Restitution	Incentive Child Support	Carolina Thread Trail	Veterans Affairs	Recycle Grant (Used Oil)
Assets								
Cash	-	-	-	-	-	-	-	-
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	7,268
Due from Other Special Revenue Funds	-	-	-	-	-	-	-	-
Due from General Fund	-	-	1	1,957	245,622	692	13,862	-
Prepaid Expenses	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1,957</u>	<u>245,622</u>	<u>692</u>	<u>13,862</u>	<u>7,268</u>
Liabilities								
Accounts Payable	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due to Other Special Revenue Funds	-	-	-	-	-	-	-	-
Due to General Fund	-	1,764	-	-	5,152	-	-	6,189
Unearned Revenue	-	-	-	-	-	-	-	-
	<u>-</u>	<u>1,764</u>	<u>-</u>	<u>-</u>	<u>5,152</u>	<u>-</u>	<u>-</u>	<u>6,189</u>
Deferred Inflows of Resources								
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	1	1,957	240,470	692	13,862	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(1,764)	-	-	-	-	-	1,079
	<u>-</u>	<u>(1,764)</u>	<u>1</u>	<u>1,957</u>	<u>240,470</u>	<u>692</u>	<u>13,862</u>	<u>1,079</u>
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1,957</u>	<u>245,622</u>	<u>692</u>	<u>13,862</u>	<u>7,268</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							
	235	236	237	238	239	240	241	242
	Recycle Grant	East Gaffney	Norfolk Southern	Body Worn	Victims Assistance	7th Circuit	School Resource	Adopt-A-Cop
	(Waste Tire)	Lighting Project	Sheriff Grant	Camera Award	Fund	Sol Renovations	Officer Grant	Program
Assets								
Cash	-	-	-	-	-	-	-	-
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	9,455	-	-	-	-	-	-	-
Due from Other Special Revenue Funds	-	-	-	-	-	-	-	-
Due from General Fund	154,247	5,000	3,000	13,017	166,826	16,548	49,258	290
Prepaid Expenses	-	-	-	-	-	-	-	-
	<u>163,702</u>	<u>5,000</u>	<u>3,000</u>	<u>13,017</u>	<u>166,826</u>	<u>16,548</u>	<u>49,258</u>	<u>290</u>
Liabilities								
Accounts Payable	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due to Other Special Revenue Funds	-	-	-	-	-	-	-	-
Due to General Fund	75,899	-	-	479	166,826	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
	<u>75,899</u>	<u>-</u>	<u>-</u>	<u>479</u>	<u>166,826</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources								
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	5,000	3,000	12,538	-	16,548	49,258	290
Assigned	-	-	-	-	-	-	-	-
Unassigned	87,803	-	-	-	-	-	-	-
	<u>87,803</u>	<u>5,000</u>	<u>3,000</u>	<u>12,538</u>	<u>-</u>	<u>16,548</u>	<u>49,258</u>	<u>290</u>
	<u>163,702</u>	<u>5,000</u>	<u>3,000</u>	<u>13,017</u>	<u>166,826</u>	<u>16,548</u>	<u>49,258</u>	<u>290</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							
	243	244	245	246	247	248	249	250
	Bullet Proof	Project	7th Circuit	7th Circuit Sol	Emergency	Emergency		
	Vests Grant	Lifesaver	Sol Restricted	Drug Forfeit	Management	Preparedness	Em/Co-Gen	Fire Insurance
								Tax
Assets								
Cash								
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	144,460
Due from Other Special Revenue Funds	-	-	-	-	-	-	-	-
Due from General Fund	8,900	103	-	30,736	17,174	57,462	2,000	-
Prepaid Expenses	-	-	-	-	-	-	-	-
	<u>8,900</u>	<u>103</u>	<u>-</u>	<u>30,736</u>	<u>17,174</u>	<u>57,462</u>	<u>2,000</u>	<u>144,460</u>
Liabilities								
Accounts Payable	-	-	7,410	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due to Other Special Revenue Funds	5,350	-	-	-	-	-	-	-
Due to General Fund	-	56	4,007	179	30,054	3,137	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
	<u>5,350</u>	<u>56</u>	<u>11,417</u>	<u>179</u>	<u>30,054</u>	<u>3,137</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources								
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	3,550	47	-	30,557	-	54,325	2,000	144,460
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	(11,417)	-	(12,880)	-	-	-
	<u>3,550</u>	<u>47</u>	<u>(11,417)</u>	<u>30,557</u>	<u>(12,880)</u>	<u>54,325</u>	<u>2,000</u>	<u>144,460</u>
	<u>8,900</u>	<u>103</u>	<u>-</u>	<u>30,736</u>	<u>17,174</u>	<u>57,462</u>	<u>2,000</u>	<u>144,460</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds								
	251 Canine K-9 Fund	252 Pandemic Influenza Planning	253 Hazmat	258 Regional Planning	259 Project Offsides	260 Project Kickstart	262 Project Sewer Study	263 Project Diamondback	264 Project Sweetwater
Assets									
Cash									
Taxes Receivable (net)	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	500,000	-
Due from Other Special Revenue Funds	-	-	-	-	-	301,500	-	-	-
Due from General Fund	620	2,970	48	-	407,676	-	30,000	-	230,014
Prepaid Expenses	-	-	-	-	-	-	-	-	-
	<u>620</u>	<u>2,970</u>	<u>48</u>	<u>-</u>	<u>407,676</u>	<u>301,500</u>	<u>30,000</u>	<u>500,000</u>	<u>230,014</u>
Liabilities									
Accounts Payable	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-
Due to Other Special Revenue Funds	-	-	-	-	407,676	66,308	30,000	-	-
Due to General Fund	-	-	-	1	-	235,192	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>407,676</u>	<u>301,500</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources									
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	620	2,970	48	-	-	-	-	500,000	230,014
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(1)	-	-	-	-	-
	<u>620</u>	<u>2,970</u>	<u>48</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>230,014</u>
	620	2,970	48	-	407,676	301,500	30,000	500,000	230,014

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds								
	266 Elections Center for Civic Life	267 Title IV-D DSS	273 EMS Grant	280 OHSJP Coronavirus Emergency Funding	<b>Total Special Revenue Fund</b>	Debt Service	Library	Development Board	<b>Total Non-Major Governmental Funds</b>
<b>Assets</b>									
Cash					<b>7,640,166</b>	830,746	1,894,551	164,969	10,530,432
Taxes Receivable (net)	-	-	-	-	-	19,406	17,405	-	36,811
Other Receivables	-	29,254	-	-	<b>826,592</b>	-	14,718	-	841,310
Due from Other Special Revenue Funds	-	-	-	-	<b>789,842</b>	-	-	-	789,842
Due from General Fund	1,225	761,192	-	102	<b>2,448,534</b>	1,676,027	-	-	4,124,561
Prepaid Expenses	-	-	-	-	<b>156</b>	-	29,391	-	29,547
	<u>1,225</u>	<u>790,446</u>	<u>-</u>	<u>102</u>	<u><b>11,705,290</b></u>	<u>2,526,179</u>	<u>1,956,065</u>	<u>164,969</u>	<u><b>16,352,502</b></u>
<b>Liabilities</b>									
Accounts Payable	-	-	-	-	<b>15,278</b>	-	7,140	-	22,418
Accrued Expenses	-	-	-	-	-	-	50,055	12,163	62,218
Due to Other Special Revenue Funds	-	-	-	-	<b>789,843</b>	-	-	-	789,842
Due to General Fund	1,225	775,230	-	315	<b>3,485,574</b>	-	-	-	3,485,574
Unearned Revenue	-	-	-	-	<b>636,138</b>	-	-	-	636,138
	<u>1,225</u>	<u>775,230</u>	<u>-</u>	<u>315</u>	<u><b>4,926,833</b></u>	<u>-</u>	<u>57,195</u>	<u>12,163</u>	<u><b>4,996,190</b></u>
<b>Deferred Inflows of Resources</b>									
Unavailable Revenues- Property Taxes	-	-	-	-	-	12,246	11,838	-	24,084
<b>Fund Balances</b>									
Nonspendable	-	-	-	-	<b>156</b>	-	29,391	-	29,547
Restricted	-	15,216	-	-	<b>6,200,390</b>	2,513,933	1,252	152,806	8,868,381
Assigned	-	-	-	-	<b>674,020</b>	-	1,856,389	-	2,530,409
Unassigned	-	-	-	(213)	<b>(96,109)</b>	-	-	-	(96,109)
	<u>-</u>	<u>15,216</u>	<u>-</u>	<u>(213)</u>	<u><b>6,778,457</b></u>	<u>2,513,933</u>	<u>1,887,032</u>	<u>152,806</u>	<u>11,332,228</u>
	<u>1,225</u>	<u>790,446</u>	<u>-</u>	<u>102</u>	<u><b>11,705,290</b></u>	<u>2,526,179</u>	<u>1,956,065</u>	<u>164,969</u>	<u><b>16,352,502</b></u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	201	202	203	204	205	206	207	208	209
	Local County		Overmountain	E911 Tele	E911 Tele	Sheriff	Sheriff	Sheriff	Sheriff
	Accomodations Fee	Infrastructure	Endowment	Tariff	Surcharge	Confiscated	Drug	Jail Canteen	Inmate Telephone
Revenues									
Taxes	73,117	34,408	-	-		-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	102,160		-	-	123,123	113,283
Confiscated Money	-	-	-	-		-	-	-	-
Interest	2,226	-	1	-		-	-	-	-
Miscellaneous	-	-	10,354	-		-	-	-	-
	75,343	34,408	10,355	102,160	-	-	-	123,123	113,283
Expenditures									
Current									
General Government	1,861	-	10	-		-	-	-	-
Public Safety	-	-	-	93,667	-	47	16,635	43,858	99,769
Transportation	-	-	-	-		-	-	-	-
Health and Human Services	-	-	-	-		-	-	-	-
Environmental and Housing	-	-	-	-		-	-	-	-
Culture and Recreation	-	-	-	-		-	-	-	-
Economic Development	-	-	-	-		-	-	-	-
Capital outlay	-	-	-	-		-	-	-	-
Debt service	-	-	-	-		-	-	-	-
Principal Retirement	-	-	-	-		-	-	-	-
Interest and Fiscal Charges	-	-	-	-		-	-	-	-
	1,861	-	10	93,667	-	47	16,635	43,858	99,769
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	73,482	34,408	10,345	8,493	-	(47)	(16,635)	79,265	13,514
Other Financing Sources (Uses)									
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	20,240	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	20,240	-	-	-	-	-
Net Change in Fund Balances	73,482	34,408	10,345	28,733	-	(47)	(16,635)	79,265	13,514
Fund Balances - Beginning of Year	1,363,187	-	851	91,676	1,532,827	(150,254)	18,496	275,453	157,154
Reclassification	-	-	-	-	(1,532,827)	-	-	-	-
Fund Balances - Beginning of Year As Restated	1,363,187	-	851	91,676	-	(150,254)	18,496	275,453	157,154
Fund Balances - End of Year	2,799,856	34,408	12,047	212,085	-	(300,555)	20,357	630,171	327,822

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	210	211	212	213	214	215	216	217	218
	Transportation	Solicitor	Solicitor	Sheriff	Sheriff	Sheriff	Sheriff	Sheriff	Sheriff
	C-Funds	Gambling	Estreated Bnd	Weekend Jail	Sex Offender	Hardship	Child Supp-DSS	Federal Drug	Siezed Gambling
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	2,422,278	-	-	-	-	-	5,874	-	-
Charges for Services	-	-	-	2,275	26,712	-	-	-	-
Confiscated Money	-	14,599	-	-	-	-	-	107,267	-
Interest	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	2,080	-	-	1,300	-	-	-
	2,422,278	14,599	2,080	2,275	26,712	1,300	5,874	107,267	-
Expenditures									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	97,028	601	5,256	41,057	3,181	7,175	122,585	18
Transportation	345,000	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	48,872	-
Debt service	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
	345,000	97,028	601	5,256	41,057	3,181	7,175	171,457	18
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	2,077,278	(82,429)	1,479	(2,981)	(14,345)	(1,881)	(1,301)	(64,190)	(18)
Other Financing Sources (Uses)									
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	2,077,278	(82,429)	1,479	(2,981)	(14,345)	(1,881)	(1,301)	(64,190)	(18)
Fund Balances - Beginning of Year	616,062	346,435	47,632	31,363	100,928	9,807	22,465	189,034	3,277
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Restated	616,062	346,435	47,632	31,363	100,928	9,807	22,465	189,034	3,277
Fund Balances - End of Year	3,309,402	610,441	96,743	59,745	187,511	17,733	43,629	313,878	6,536



CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	219 Law Enforcement Training Cntr.	220 Sheriff D.A.R.E.	221 Electronic Monitoring	222 Project Fortress	223 Rural Infrastructure	224 Project Clari	225 Project Peach	226 COVID 19	227 SC DHEC Hpp Grant
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	200,000	-	-	-	98,094	-
Charges for Services	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Miscellaneous	5,970	-	323,278	-	-	-	-	-	-
	5,970	-	323,278	200,000	-	-	-	98,094	-
Expenditures									
Current									
General Government	-	-	-	421,500	-	359,198	-	-	-
Public Safety	11,355	100	150,190	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	107,539	-
Environmental and Housing	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
	11,355	100	150,190	421,500	-	359,198	-	107,539	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,385)	(100)	173,088	(221,500)	-	(359,198)	-	(9,445)	-
Other Financing Sources (Uses)									
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	60,000	-	-	-
Transfers out	-	-	(156,052)	(60,000)	-	-	-	-	-
Total other financing sources (uses)	-	-	(156,052)	(60,000)	-	60,000	-	-	-
Net Change in Fund Balances	(5,385)	(100)	17,036	(281,500)	-	(299,198)	-	(9,445)	-
Fund Balances - Beginning of Year	(3,030)	9,496	75,891	281,500	20,102	314,874	500	9,445	(1,764)
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Restated	(3,030)	9,496	75,891	281,500	20,102	314,874	500	9,445	(1,764)
Fund Balances - End of Year	(11,445)	18,892	168,818	281,500	40,204	330,550	1,000	9,445	(3,528)

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds									
	228 Dhec Grant	229 Restitution	230 Incentive Child Support	232 Carolina Thread Trail	233 Veterans Affairs	234 Recycle Grant (Used Oil)	235 Recycle Grant (Waste Tire)	236 East Gaffney Lighting Project	237 Norfolk Southern Sheriff Grant	238 Body Worn Camera Award
Revenues										
Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	36,454	-	5,478	7,268	70,292	-	-	60,190
Charges for Services	-	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
	-	-	36,454	-	5,478	7,268	70,292	-	-	60,190
Expenditures										
Current										
General Government	-	-	-	-	350	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	7,624
Transportation	-	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	7,656	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	7,268	3,000	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	25,925	-	-	-	-	-	-	40,261
Debt service	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
	-	-	33,581	-	350	7,268	3,000	-	-	47,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,873	-	5,128	-	67,292	-	-	12,305
Other Financing Sources (Uses)										
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	2,873	-	5,128	-	67,292	-	-	12,305
Fund Balances - Beginning of Year	1	1,957	237,597	692	8,734	1,079	20,512	5,000	3,000	233
Reclassification	-	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Restated	1	1,957	237,597	692	8,734	1,079	20,512	5,000	3,000	233
Fund Balances - End of Year	2	3,914	478,067	1,384	22,596	2,158	108,316	10,000	6,000	12,771

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds							
	239	240	241	242	243	244	245	246
	Victims Assistance Fund	7th Circuit Sol Renovations	School Resource Officer Grant	Adopt-A-Cop Program	Bullet Proof Vests Grat	Project Lifesaver	7th Circuit Sol Restricted	7th Circuit Sol Drug Forfeit
Revenues								
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	935
Charges for Services	81,384	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	65,000	-
	81,384	-	-	-	-	-	65,000	935
Expenditures								
Current								
General Government	-	-	-	-	-	769	91,237	6,190
Public Safety	1,253	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
	1,253	-	-	-	-	769	91,237	6,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,131	-	-	-	-	(769)	(26,237)	(5,255)
Other Financing Sources (Uses)								
Proceeds from Capital Lease	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(88,239)	-	-	-	-	-	-	-
Total other financing sources (uses)	(88,239)	-	-	-	-	-	-	-
Net Change in Fund Balances	(8,108)	-	-	-	-	(769)	(26,237)	(5,255)
Fund Balances - Beginning of Year	8,108	16,548	49,258	290	3,550	816	14,819	35,812
Reclassification	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Restated	8,108	16,548	49,258	290	3,550	816	14,819	35,812
Fund Balances - End of Year	8,108	33,096	98,516	580	7,100	863	3,401	66,369

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds							
	247 Emergency Management	248 Emergency Preparedness	249 Em/Co-Gen	250 Fire Insurance Tax	251 Canine K-9 Fund	252 Pandemic Influenza Planning	253 Hazmat	258 Regional Planning
Revenues								
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	77,412	-	-	-	-	-	-	50,000
Charges for Services	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	15,000	-	144,460	520	-	-	-
	77,412	15,000	-	144,460	520	-	-	50,000
Expenditures								
Current								
General Government	-	-	-	-	-	-	-	50,001
Public Safety	70,280	5,991	-	129,886	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	(246)	-	-
Environmental and Housing	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Capital outlay	19,143	1,639	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
	89,423	7,630	-	129,886	-	(246)	-	50,001
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,011)	7,370	-	14,574	520	246	-	(1)
Other Financing Sources (Uses)								
Proceeds from Capital Lease	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(12,011)	7,370	-	14,574	520	246	-	(1)
Fund Balances - Beginning of Year	(869)	46,956	2,000	129,886	100	2,724	48	-
Reclassification	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Restated	(869)	46,956	2,000	129,886	100	2,724	48	-
Fund Balances - End of Year	(13,749)	101,282	4,000	274,346	720	5,694	96	(1)

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	259 Project Offsides	260 Project Kickstart	262 Project Sewer Study	263 Project Diamondback	264 Project Sweetwater	266 Elections Center for Civic Life	267 Title IV-D DSS	273 EMS Grant	280 OHSJP Coronavirus Emer Funding
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	500,000	-	-	195,330	9,039	9,190
Charges for Services	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	230,014	40,195	-	-	-
	-	-	-	500,000	230,014	40,195	195,330	9,039	9,190
Expenditures									
Current									
General Government	-	-	-	-	-	40,195	-	-	-
Public Safety	-	-	-	-	-	-	-	9,039	-
Transportation	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	33,074	-	9,403
Environmental and Housing	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	40,195	33,074	9,039	9,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	500,000	230,014	-	162,256	-	(213)
Other Financing Sources (Uses)									
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(147,040)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(147,040)	-	-
Net Change in Fund Balances	-	-	-	500,000	230,014	-	15,216	-	(213)
Fund Balances - Beginning of Year	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Restated	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	-	-	-	500,000	230,014	-	15,216	-	(213)

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	<b>Total Non-Major Special Revenue Funds</b>	<b>Debt Service</b>	<b>Library</b>	<b>Development Board</b>	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>					
Taxes	107,525	1,152,554	945,854	-	2,205,933
Intergovernmental	3,747,834	-	114,140	-	3,861,974
Charges for Services	448,937	-	11,696	-	460,633
Confiscated Money	121,866	-	-	-	121,866
Interest	2,227	-	-	17	2,244
Miscellaneous	838,171	-	2,252	26,503	866,926
	<b>5,266,560</b>	<b>1,152,554</b>	<b>1,073,942</b>	<b>26,520</b>	<b>7,519,576</b>
<b>Expenditures</b>					
Current					
General Government	971,311	-	-	1,608	972,919
Public Safety	916,595	-	-	-	916,595
Transportation	345,000	-	-	-	345,000
Health and Human Services	157,426	-	-	-	157,426
Environmental and Housing	10,268	-	-	-	10,268
Culture and Recreation	-	-	944,194	-	944,194
Economic Development	-	-	-	212,604	212,604
Capital outlay	135,840	-	-	-	135,840
Debt service	-	-	-	-	-
Principal Retirement	-	720,000	-	-	720,000
Interest and Fiscal Charges	-	120,190	-	-	120,190
	<b>2,536,440</b>	<b>840,190</b>	<b>944,194</b>	<b>214,212</b>	<b>4,535,036</b>
Excess (Deficiency) of Revenues	-	-	-	-	-
Over (Under) Expenditures	<b>2,730,120</b>	<b>312,364</b>	<b>129,748</b>	<b>(187,692)</b>	<b>2,984,540</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Capital Lease	-	-	-	-	-
Transfers in	80,240	-	-	195,000	275,240
Transfers out	(451,331)	-	-	-	(451,331)
Total other financing sources (uses)	<b>(371,091)</b>	<b>-</b>	<b>-</b>	<b>195,000</b>	<b>(176,091)</b>
Net Change in Fund Balances	<b>2,359,029</b>	<b>312,364</b>	<b>129,748</b>	<b>7,308</b>	<b>2,808,446</b>
Fund Balances - Beginning of Year	<b>5,952,258</b>	<b>2,201,569</b>	<b>1,757,284</b>	<b>145,498</b>	<b>10,056,609</b>
Reclassification	<b>(1,532,827)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,532,827)</b>
Fund Balances - Beginning of Year As Restated	<b>4,419,431</b>	<b>2,201,569</b>	<b>1,757,284</b>	<b>145,498</b>	<b>8,523,782</b>
Fund Balances - End of Year	<b>9,665,064</b>	<b>4,715,502</b>	<b>3,644,316</b>	<b>298,304</b>	<b>11,332,229</b>

Cherokee County, South Carolina  
 Agency Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2021

	Cherokee No. 1	Spartanburg No. 2	Clerk of Court					Magistrates Cash Bonds	Tax Collector
			Support Office	Out of Town Surety Bonds	Bondsmen	Condemnation Suits	Escrow	Finance Officer	
Assets									
Cash	\$ 49,310,900	34,728	84,832	11,954	75,931	2,596,819	4,618	75,876	233,501
Taxes Receivable (Net)	661,049	17,686	-	-	-	-	-	-	-
Other Receivables	2,749,496	1,119	-	-	-	-	-	-	-
	<u>52,721,445</u>	<u>53,533</u>	<u>84,832</u>	<u>11,954</u>	<u>75,931</u>	<u>2,596,819</u>	<u>4,618</u>	<u>75,876</u>	<u>233,501</u>
Liabilities									
Due to Other Designated Recipients	52,721,445	53,533	84,832	11,954	75,931	2,596,819	4,618	75,876	233,501
	<u>52,721,445</u>	<u>53,533</u>	<u>84,832</u>	<u>11,954</u>	<u>75,931</u>	<u>2,596,819</u>	<u>4,618</u>	<u>75,876</u>	<u>233,501</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2021

	Cherokee Tech. College	City of Chesnee	Sheriff's Drug Fund	Inmate Trust Funds	Recreation District	CCCADA - Mini Bottle Tax	Town of Blacksburg	Macedonia Fire District	City of Gaffney	Spartanburg 1% Fee In Lieu
Assets										
Cash	\$ (14,264)	6,450	46,756	55,944	(22,273)	15,906	4,422	(4,026)	81,641	-
Taxes Receivable (Net)	9,671	(3,715)	-	-	14,855	-	23,465	6,940	60,036	768
Other Receivables	-	-	-	-	407	73,471	-	118	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
	<u>(4,593)</u>	<u>2,735</u>	<u>46,756</u>	<u>55,944</u>	<u>(7,011)</u>	<u>89,377</u>	<u>27,887</u>	<u>3,032</u>	<u>141,677</u>	<u>768</u>
Liabilities										
Due to Other Designated Recipients	(4,593)	2,735	46,756	55,944	(7,011)	89,377	27,887	3,032	141,677	768
	<u>\$ (4,593)</u>	<u>2,735</u>	<u>46,756</u>	<u>55,944</u>	<u>(7,011)</u>	<u>89,377</u>	<u>27,887</u>	<u>3,032</u>	<u>141,677</u>	<u>768</u>



Cherokee County, South Carolina  
 Agency Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2021

	Cherokee Creek Fire District	Gaffney Area Fire District	Grassy Pond Fire District	CKC Fire District	Buffalo Fire District	Corinth Fire District	Antioch Fire District	DMW Fire District	Goucher White Plains FD	Library	TOTALS
Assets											
Cash	\$ 25,734	3,275	(1,470)	(391)	(103)	(451)	(610)	16	(3,213)	(55,807)	54,008,691
Taxes Receivable (Net)	6,524	7,377	2,492	2,091	1,938	1,361	1,791	1,579	1,421	16,233	833,565
Other Receivables	-	-	-	-	-	-	-	-	-	406	2,825,017
	<u>32,258</u>	<u>10,652</u>	<u>1,022</u>	<u>1,700</u>	<u>1,835</u>	<u>910</u>	<u>1,181</u>	<u>1,595</u>	<u>(1,792)</u>	<u>(39,168)</u>	<u>57,667,273</u>
Liabilities											
Due to Other Designated Recipients	<u>32,258</u>	<u>10,652</u>	<u>1,022</u>	<u>1,700</u>	<u>1,835</u>	<u>910</u>	<u>1,181</u>	<u>1,595</u>	<u>(1,792)</u>	<u>(39,168)</u>	<u>57,667,273</u>
	<u>\$ 32,258</u>	<u>10,652</u>	<u>1,022</u>	<u>1,700</u>	<u>1,835</u>	<u>910</u>	<u>1,181</u>	<u>1,595</u>	<u>(1,792)</u>	<u>(39,168)</u>	<u>57,667,273</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
<b>School District - Cherokee No. 1</b>				
Assets				
Cash	\$ 42,542,412	100,482,080	93,713,592	49,310,900
Taxes Receivable (Net)	692,215	2,422,471	2,453,637	661,049
Other Receivables	1,644,378	2,689,925	1,584,807	2,749,496
	<u>44,879,005</u>	<u>105,594,476</u>	<u>97,752,036</u>	<u>52,721,445</u>
Liabilities				
Due to Other Designated Recipients	<u>44,879,005</u>	<u>105,594,476</u>	<u>97,752,036</u>	<u>52,721,445</u>
<b>School District - Sptbg. No.1</b>				
Assets				
Cash	164,381	39,155	168,808	34,728
Taxes Receivable (Net)	18,519	64,811	65,644	17,686
Other Receivables	1,119			1,119
	<u>184,019</u>	<u>103,966</u>	<u>234,452</u>	<u>53,533</u>
Liabilities				
Due to Other Designated Recipients	<u>184,019</u>	<u>103,966</u>	<u>234,452</u>	<u>53,533</u>
<b>Support Office</b>				
Assets				
Cash	<u>51,850</u>	<u>32,982</u>		<u>84,832</u>
Liabilities				
Due to Other Designated Recipients	<u>51,850</u>	<u>32,982</u>	<u>-</u>	<u>84,832</u>
<b>Clerk of Court - Out of Town Surety Bond</b>				
Assets				
Cash	<u>7,909</u>	<u>4,045</u>	<u>-</u>	<u>11,954</u>
Liabilities				
Due to Other Designated Recipients	<u>7,909</u>	<u>4,045</u>	<u>-</u>	<u>11,954</u>
<b>Clerk of Court - Bondsmen</b>				
Assets				
Cash	<u>75,908</u>	<u>23</u>	<u>-</u>	<u>75,931</u>
Liabilities				
Due to Other Designated Recipients	<u>75,908</u>	<u>23</u>	<u>-</u>	<u>75,931</u>
<b>Condemnation Suits</b>				
Assets				
Cash	<u>3,709,529</u>	<u>-</u>	<u>1,112,710</u>	<u>2,596,819</u>
Liabilities				
Due to Other Designated Recipients	<u>3,709,529</u>	<u>-</u>	<u>1,112,710</u>	<u>2,596,819</u>
<b>Clerk of Court - Escrow</b>				
Assets				
Cash	<u>-</u>	<u>4,618</u>	<u>-</u>	<u>4,618</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ -</u>	<u>4,618</u>	<u>-</u>	<u>4,618</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
<b>Clerk of Court - Finance Officer</b>				
Assets				
Cash	<u>75,832</u>	<u>44</u>	<u>-</u>	<u>75,876</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 75,832</u>	<u>44</u>	<u>-</u>	<u>75,876</u>
<b>Magistrate Cash Bonds</b>				
Assets				
Cash	<u>\$ 134,488</u>	<u>99,013</u>	<u>-</u>	<u>233,501</u>
Liabilities				
Due to Other Designated Recipients	<u>134,488</u>	<u>99,013</u>	<u>-</u>	<u>233,501</u>
<b>Tax Collector</b>				
Assets				
Cash	<u>944,783</u>	<u>2,351,369</u>	<u>1,854,156</u>	<u>1,441,996</u>
Liabilities				
Due to Other Designated Recipients	<u>944,783</u>	<u>2,351,369</u>	<u>1,854,156</u>	<u>1,441,996</u>
<b>Cherokee Tech</b>				
Assets				
Cash	(10,035)		4,229	(14,264)
Taxes Receivable (Net)	10,127	35,439	35,895	9,671
Other Receivables	-	-	-	-
	<u>92</u>	<u>35,439</u>	<u>40,124</u>	<u>(4,593)</u>
Liabilities				
Due to Other Designated Recipients	<u>92</u>	<u>35,439</u>	<u>40,124</u>	<u>(4,593)</u>
<b>City of Chesnee</b>				
Assets				
Cash	849	5,601	-	6,450
Taxes Receivable (Net)	35	289	4,039	(3,715)
Other Receivables	-	-	-	-
	<u>884</u>	<u>5,890</u>	<u>4,039</u>	<u>2,735</u>
Liabilities				
Due to Other Designated Recipients	<u>884</u>	<u>5,890</u>	<u>4,039</u>	<u>2,735</u>
<b>Sheriff's Office</b>				
Assets				
Cash	<u>-</u>	<u>46,756</u>	<u>-</u>	<u>46,756</u>
Liabilities				
Due to Other Designated Recipients	<u>-</u>	<u>46,756</u>	<u>-</u>	<u>46,756</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
<b>Inmate Trust Fund</b>				
Assets				
Cash	54,759	34,501	33,316	55,944
Liabilities				
Due to Other Designated Recipients	\$ 54,759	34,501	33,316	55,944
<b>Recreation District</b>				
Assets				
Cash	(15,839)		6,434	(22,273)
Taxes Receivable (Net)	\$ 15,556	54,439	55,140	14,855
Other Receivables	407			407
	124	54,439	61,574	(7,011)
Liabilities				
Due to Other Designated Recipients	124	54,439	61,574	(7,011)
<b>CCCADA - Mini Bottle Tax</b>				
Assets				
Cash	15,906			15,906
Other Receivable	47,032	73,471	47,032	73,471
	62,938	73,471	47,032	89,377
Liabilities				
Due to Other Designated Recipients	62,938	73,471	47,032	89,377
<b>Town of Blacksburg - Bonds</b>				
Assets				
Cash	51,396	51,132	97,764	4,764
Liabilities				
Due to Other Designated Recipients	51,396	51,132	97,764	4,764
<b>Town of Blacksburg</b>				
Assets				
Cash	(46,984)	46,642	-	(342)
Taxes Receivable (Net)	24,571	85,990	87,096	23,465
Other Receivables	-	-		
	(22,413)	132,632	87,096	23,123
Liabilities				
Due to Other Designated Recipients	\$ (22,413)	132,632	87,096	23,123

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
<b>Macedonia</b>				
Assets				
Cash	\$ 1,663	-	5,689	(4,026)
Taxes Receivable (Net)	3,091	10,819	6,970	6,940
Other Receivables	118			118
	<u>4,872</u>	<u>10,819</u>	<u>12,659</u>	<u>3,032</u>
Liabilities				
Due to Other Designated Recipients	<u>4,872</u>	<u>10,819</u>	<u>12,659</u>	<u>3,032</u>
<b>City of Gaffney</b>				
Assets				
Cash	\$ 146,707	-	65,066	81,641
Taxes Receivable (Net)	62,866	220,006	222,836	60,036
Other Receivables	-	-		-
	<u>209,573</u>	<u>220,006</u>	<u>287,902</u>	<u>141,677</u>
Liabilities				
Due to Other Designated Recipients	<u>209,573</u>	<u>220,006</u>	<u>287,902</u>	<u>141,677</u>
<b>Spartanburg 1% Fee In Lieu</b>				
Assets				
Cash	\$ (804)	-	(804)	-
Taxes Receivable (Net)	804	1,805	1,841	768
	<u>-</u>	<u>1,805</u>	<u>1,037</u>	<u>768</u>
Liabilities				
Due to Other Designated Recipients	<u>-</u>	<u>1,805</u>	<u>1,037</u>	<u>768</u>
<b>Cherokee Creek Fire District</b>				
Assets				
Cash	\$ 34,866	26,072	35,204	25,734
Taxes Receivable (Net)	2,906	10,170	6,552	6,524
Other Receivables	-	-	-	-
	<u>37,772</u>	<u>36,242</u>	<u>41,756</u>	<u>32,258</u>
Liabilities				
Due to Other Designated Recipients	<u>37,772</u>	<u>36,242</u>	<u>41,756</u>	<u>32,258</u>
<b>Gaffney Area Fire District</b>				
Assets				
Cash	\$ (3,128)	6,403	-	3,275
Taxes Receivable (Net)	11,901	41,648	46,172	7,377
Other Receivables	-	-	-	-
	<u>8,773</u>	<u>48,051</u>	<u>46,172</u>	<u>10,652</u>
Liabilities				
Due to Other Designated Recipients	<u>8,773</u>	<u>48,051</u>	<u>46,172</u>	<u>10,652</u>
<b>Grassy Pond Fire District</b>				
Assets				
Cash	\$ 188	-	1,658	(1,470)
Taxes Receivable (Net)	2,610	9,132	9,250	2,492
Other Receivables	-	-	-	-
	<u>2,798</u>	<u>9,132</u>	<u>10,908</u>	<u>1,022</u>
Liabilities				
Due to Other Designated Recipients	<u>2,798</u>	<u>9,132</u>	<u>10,908</u>	<u>1,022</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
<b>CKC Fire District</b>				
Assets				
Cash	\$ 782		1,173	(391)
Taxes Receivable (Net)	2,190	7,663	7,762	2,091
Other Receivables	-	-	-	-
	<u>2,972</u>	<u>7,663</u>	<u>8,935</u>	<u>1,700</u>
Liabilities				
Due to Other Designated Recipients	<u>2,972</u>	<u>7,663</u>	<u>8,935</u>	<u>1,700</u>
<b>Buffalo Fire District</b>				
Assets				
Cash	\$ (8,022)	7,919	-	(103)
Taxes Receivable (Net)	2,029	7,101	7,192	1,938
Other Receivables	-	-	-	-
	<u>(5,993)</u>	<u>15,020</u>	<u>7,192</u>	<u>1,835</u>
Liabilities				
Due to Other Designated Recipients	<u>(5,993)</u>	<u>15,020</u>	<u>7,192</u>	<u>1,835</u>
<b>Corinth Fire District</b>				
Assets				
Cash	\$ 2,209	-	2,660	(451)
Taxes Receivable (Net)	1,425	4,988	5,052	1,361
Other Receivables	-	-	-	-
	<u>3,634</u>	<u>4,988</u>	<u>7,712</u>	<u>910</u>
Liabilities				
Due to Other Designated Recipients	<u>3,634</u>	<u>4,988</u>	<u>7,712</u>	<u>910</u>
<b>Antioch Fire District</b>				
Assets				
Cash	\$ 781	-	1,391	(610)
Taxes Receivable (Net)	1,875	6,784	6,868	1,791
Other Receivables	-	-	-	-
	<u>2,656</u>	<u>6,784</u>	<u>8,259</u>	<u>1,181</u>
Liabilities				
Due to Other Designated Recipients	<u>2,656</u>	<u>6,784</u>	<u>8,259</u>	<u>1,181</u>
<b>DMW Fire District</b>				
Assets				
Cash	\$ 2,290		2,274	16
Taxes Receivable (Net)	1,653	5,785	5,859	1,579
Other Receivables	-	-	-	-
	<u>3,943</u>	<u>5,785</u>	<u>8,133</u>	<u>1,595</u>
Liabilities				
Due to Other Designated Recipients	<u>3,943</u>	<u>5,785</u>	<u>8,133</u>	<u>1,595</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
<b>Goucher White Plains Fire District</b>				
Assets				
Cash	\$ (1,331)	-	1,882	(3,213)
Taxes Receivable (Net)	1,488	5,207	5,274	1,421
Other Receivables	-	-	-	-
	<u>157</u>	<u>5,207</u>	<u>7,156</u>	<u>(1,792)</u>
Liabilities				
Due to Other Designated Recipients	<u>157</u>	<u>5,207</u>	<u>7,156</u>	<u>(1,792)</u>
<b>Library</b>				
Assets				
Cash	\$ 37,853	-	93,660	(55,807)
Taxes Receivable (Net)	-	59,489	43,256	16,233
Other Receivables	-	406	-	406
	<u>37,853</u>	<u>59,895</u>	<u>136,916</u>	<u>(39,168)</u>
Liabilities				
Due to Other Designated Recipients	<u>37,853</u>	<u>59,895</u>	<u>136,916</u>	<u>(39,168)</u>
<b>Total - All Agency Funds</b>				
Assets				
Cash	47,971,197	103,211,097	97,173,606	54,008,691
Taxes Receivable (Net)	855,864	2,665,641	2,687,938	833,565
Other Receivables	1,693,050	2,763,799	1,631,839	2,825,017
	<u>50,520,111</u>	<u>108,640,537</u>	<u>101,493,383</u>	<u>57,667,273</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 50,520,111</u>	<u>108,640,537</u>	<u>101,493,383</u>	<u>57,667,273</u>

Cherokee County, South Carolina  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Function and Activity  
 June 30, 2021

Function and Activity	Construction In Progress	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Vehicles	Capital Leases	Books	TOTAL
General Government	\$ -	395,886	13,391,975	106,756	2,416,327	-	621,070	24,594	-	16,956,608
Public Safety	-	254,958	9,910,734	23,331	5,480,461	-	3,536,818	110,814	-	19,317,116
Transportation	-	-	139,221	-	1,356,971	30,619,256	447,641	97,868	-	32,660,957
Health and Human Services	-	107,500	893,715	-	74,177	-	251,515	66,711	-	1,393,618
Environmental and Housing	-	715,026	738,235	73,288	2,667,112	-	2,348,040	690,606	-	7,232,307
Culture and Recreation	-	215,526	2,722,034	38,185	575,625	-	90,494	-	1,113,908	4,755,772
	<u>\$ -</u>	<u>1,688,896</u>	<u>27,795,914</u>	<u>241,560</u>	<u>12,570,673</u>	<u>30,619,256</u>	<u>7,295,578</u>	<u>990,593</u>	<u>1,113,908</u>	<u>82,316,378</u>



Cherokee County, South Carolina  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 June 30, 2021

Function and Activity	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
General Government	\$ 16,934,277	22,331	-	16,956,608
Public Safety	18,953,240	643,314	279,438	19,317,116
Transportation	32,564,717	96,240	-	32,660,957
Health and Human Services	1,393,618	-	-	1,393,618
Environmental and Housing	6,105,224	1,127,083	-	7,232,307
Culture and Recreation	4,753,181	75,310	72,719	4,755,772
Total	80,704,257	1,964,278	352,157	82,316,378
Construction In Progress	\$ -	-	-	-

**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, 2021

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected	106,900	1,026,378	-	1,133,278
Court fines and assessments remitted to State Treasurer	57,098	532,011	-	589,109
<b>Total Court Fines and Assessments retained</b>	<b>49,802</b>	<b>494,367</b>	<b>-</b>	<b>544,169</b>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained	17,956	13,567	-	31,523
Assessments retained	8,895	40,845	-	49,740
<b>Total Surcharges and Assessments retained for victim services</b>	<b>26,851</b>	<b>54,412</b>	<b>-</b>	<b>81,263</b>

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC):

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year – Beginning Balance</b>	-	-	-
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	-	49,740	49,740
Victim Service Surcharges Retained by City/County Treasurer	-	31,523	31,523
Interest Earned	-	-	-
Grant Funds Received	-	-	-
Grant from:			
General Funds Transferred to Victim Service Fund	-	-	-
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) City of	-	-	-
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	-	81,263	81,263
<b>Expenditures for Victim Service Program:</b>	<b>Municipal</b>	<b>County</b>	<b>Total</b>
Salaries and Benefits	-	-	-
Operating Expenditures	-	1,286	1,286
<b>Victim Service Contract(s):</b>			
(1) Entity's Name	-	-	-
(2) Entity's Name	-	-	-
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:	-	-	-
(2) Rape Crisis Center:	-	-	-
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	88,239	-
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	-	89,525	89,525
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	-	-
Less: Prior Year Fund Deficit Repayment	-	-	-
<b>Carryforward Funds – End of Year</b>	-	(8,262)	(8,262)

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
9-1-1 FUND**

**FOR THE FISCAL YEAR ENDING: June 30, 2021**

**\*\*Please note: individual line items may be omitted or changed to match  
applicable categories from audited financial statements or reports**

	<b>YTD ACTUAL 9-1-1 FUND</b>
<b>REVENUES**</b>	
Intergovernmental Revenues:	-
State	439,307
Local	102,160
Fees and Service Charges:	-
Interest and Investment Income/(loss):	-
Other:	-
<b>TOTAL REVENUE ALL SOURCES</b>	<b>541,467</b>
<b>EXPENDITURES**</b>	
Public Safety Communications:	-
Personnel Services	341,818
General Operating	8,831
Repairs and Maintenance	15,181
Contractual Services	25,610
Supplies	-
Equipment	262,784
Service Charges	22
Other	142
Total Public Safety Communications	654,388
Capital Outlay	28,641
Depreciation	-
<b>TOTAL EXPENDITURES</b>	<b>683,029</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(141,562)</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers In	-
Transfers Out	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(141,562)</b>
FUND BALANCE, Beginning of Year	-
<b>FUND BALANCE, End of Year</b>	<b>(141,562)</b>
<b>FINANCIAL STATEMENT FINDINGS (APPLICABLE TO 9-1-1 FUND):</b>	
None Noted	
<b>RECOMMENDED COURSE OF ACTION (APPLICABLE TO 9-1-1 FUND):</b>	
None Noted	

**Cline Brandt Kochenower & Co., P.A.**

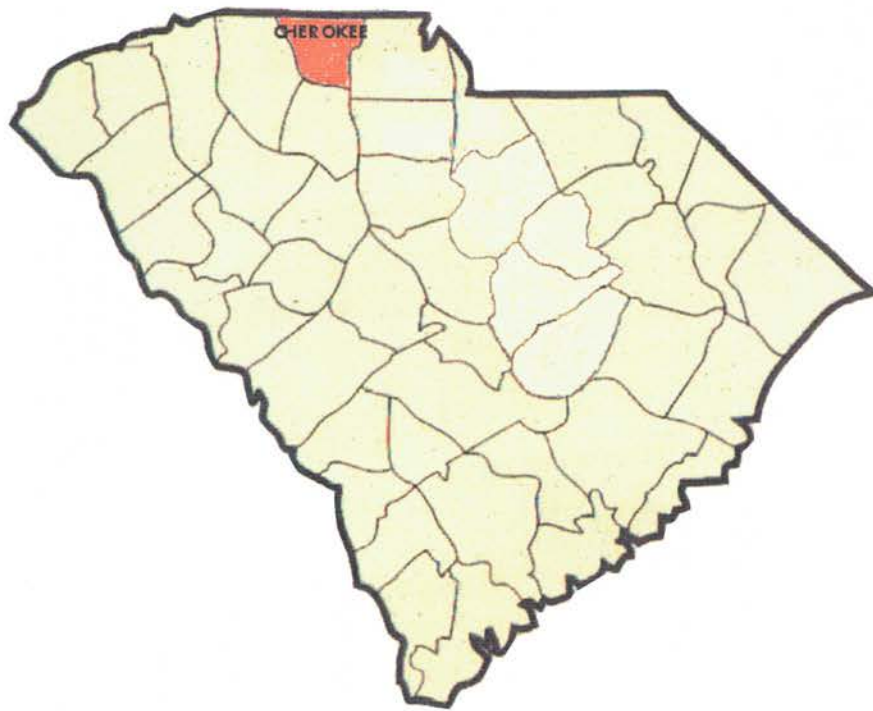
Audited by:

*C. H. A. / C. — 12/29/21*

Signature

12/29/2021

Date



COMPLIANCE SECTION

Independent Auditors' Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Based On An Audit Of Financial Statements Performed  
In Accordance With Government Auditing Standards

Cherokee County  
Gaffney, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major funds, and the aggregate remaining fund information of Cherokee County as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Cherokee County's basic financial statements, and have issued our report thereon dated December 29, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cherokee County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cherokee County's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cherokee County's internal control.

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

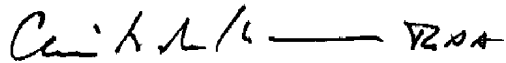
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cherokee County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gaffney, SC  
December 29, 2021