

# **CHEROKEE COUNTY**

**South Carolina**



## **FINANCIAL STATEMENTS AND SCHEDULES**

**YEAR ENDED JUNE 30, 2020**

**CHEROKEE COUNTY, SOUTH CAROLINA**

**FINANCIAL STATEMENTS AND SCHEDULES**

**YEAR ENDED JUNE 30, 2020**

**PREPARED BY FINANCE DEPARTMENT**

**STEVE BRATTON, ADMINISTRATOR**

CHEROKEE COUNTY, SOUTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2020

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## INTRODUCTORY SECTION

CHEROKEE COUNTY, SOUTH CAROLINA  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2020

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

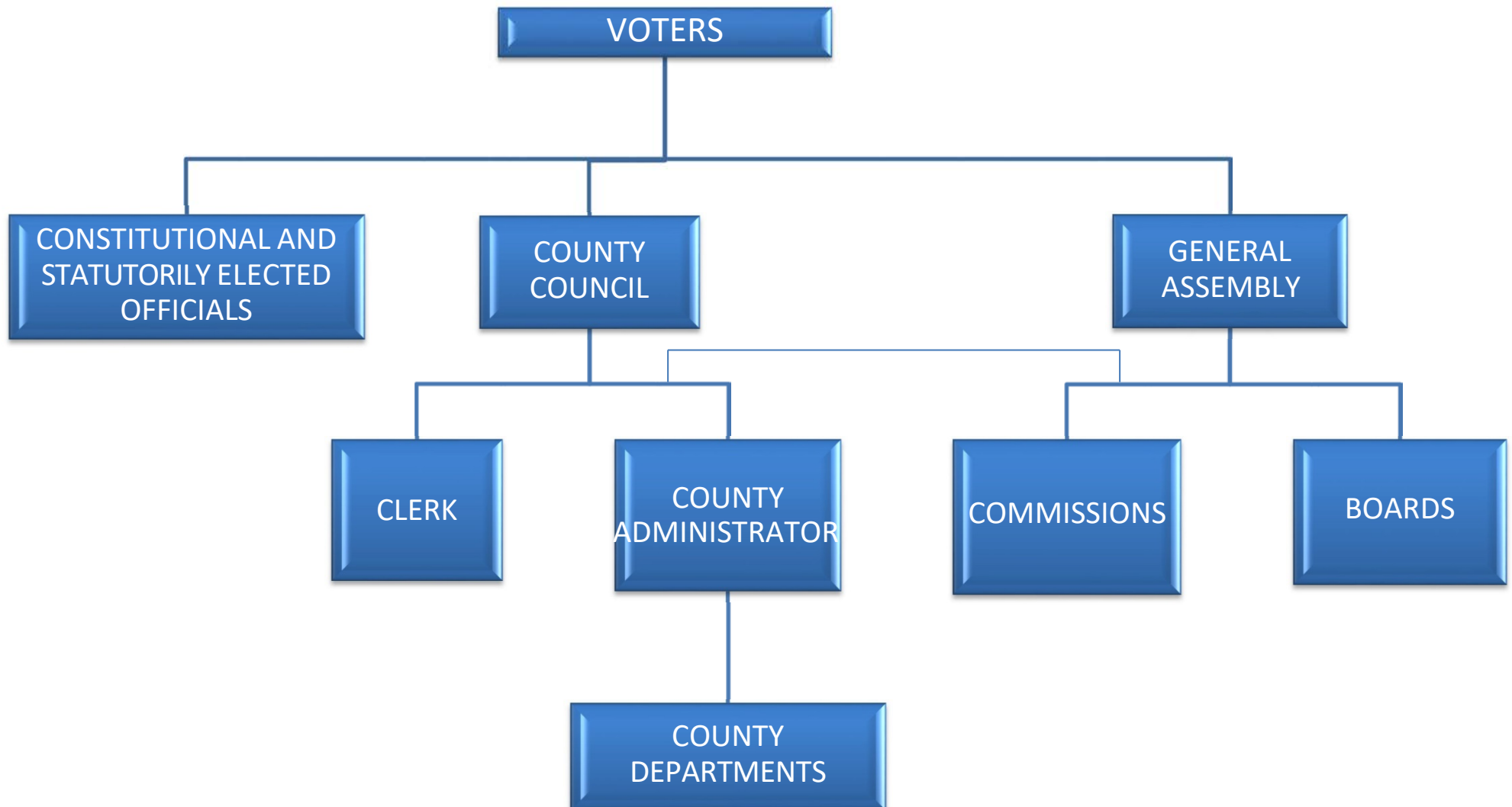
Appointed Official

Steve Bratton

Administrator

# CHEROKEE COUNTY, SOUTH CAROLINA

## ORGANIZATIONAL CHART





FINANCIAL SECTION



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## 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, 2020, 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, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

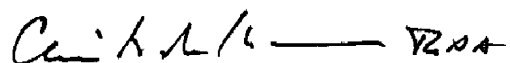
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cherokee County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and the compliance section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

The combining and individual nonmajor fund financial statements and schedules and the Summary Schedule of Court Fines and Fees, Assessments and Surcharges as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the Summary Schedule of Court Fines and Fees, Assessments and Surcharges as listed in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 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  
March 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, 2020. 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, 2020 by \$45,544,383 (net position). This amount is greater than net investment in capital assets by \$8,834,928. Net position categories show the portion that must be spent for specific purposes.
- The County's total net position decreased by \$945,304 from governmental activities.
- As of June 30, 2020, the County's governmental funds reported combined ending fund balances of \$42,296,283, an increase of \$416,785 (including \$1,936,909 from the affiliated Economic Development Corporation) from the prior year. Of the combined ending fund balances amount, \$19,238,828 is available for use at the County's discretion.
- At June 30, 2020, unassigned fund balance for the General Fund was \$19,238,828, or approximately 77 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 \$1,038,000, or 16.51 percent in County obligations during the fiscal year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Government-wide Financial Statements

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

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

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

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

## **Fund Financial Statements**

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

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

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

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

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

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

## **Notes to the Financial Statements**

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

## **Other Information**

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Percentage Change
	2020	2019	2019-2020
Current and Other Assets	\$ 46,999,283	48,734,543	-3.6%
Capital Assets	36,709,455	38,417,525	-4.4%
<b>Total Assets</b>	<b>83,708,738</b>	<b>87,152,068</b>	<b>-4.0%</b>
Deferred Outflow of Resources			
Deferred Amounts Related to Pensions	4,255,577	4,948,368	-14.0%
Deferred Amounts Related to OPEB	232,319	80,126	100%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>88,196,634</b>	<b>92,180,562</b>	<b>-4.3%</b>
Current Liabilities	5,633,412	7,329,934	-23.1%
Long-Term Liabilities	10,341,411	12,813,513	-19.3%
Net OPEB Liability	3,291,100	3,049,600	8%
Net Pension Liability	22,644,112	22,004,603	2.9%
<b>Total Liabilities</b>	<b>41,910,035</b>	<b>45,197,650</b>	<b>-7.3%</b>
Deferred Inflow of Resources			
Deferred Amounts Related to Pensions	469,016	183,625	155.4%
Deferred Amounts Related to OPEB	273,200	309,600	100.0%
<b>Total Liabilities and Deferred Outflows of Resources</b>	<b>42,652,251</b>	<b>45,690,875</b>	<b>-6.7%</b>
Net Position			
Net Investment in Capital Assets	36,709,455	32,130,525	14.3%
Restricted	10,147,565	11,127,002	-8.8%
Unrestricted	(1,312,637)	3,232,160	-140.6%
<b>Total Net Position</b>	<b>45,544,383</b>	<b>46,489,687</b>	<b>-2.0%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 88,196,634</b>	<b>92,180,562</b>	<b>-4.3%</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 \$45,544,383, as of June 30, 2020. (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 \$945,304. 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
	2020	2019	2019-2020
Revenues:			
Program Revenues			
Charges for Services	\$ 2,752,808	2,777,255	-0.9%
Operating Grants and Contributions	5,673,811	4,004,897	41.7%
Capital Grants and Contributions	-	456,293	-100.0%
General Revenues:			
Property Taxes	21,196,344	21,878,822	-3.1%
Other Taxes	465,579	441,923	5.4%
Other	3,522,027	2,821,853	24.8%
<b>Total Revenues</b>	<b>33,610,569</b>	<b>32,381,043</b>	<b>3.8%</b>
Expenses:			
General Government	10,243,839	10,915,766	-6.2%
Public Safety	14,070,638	13,694,020	2.8%
Transportation	4,262,571	3,728,710	14.3%
Health and Human Services	932,703	1,032,445	-9.7%
Environmental and Housing	3,648,649	3,623,575	0.7%
Culture and Recreation	1,148,962	1,036,579	10.8%
Economic Development	25,089	4,657	438.7%
Unallocated Interest Expense	164,046	188,000	-12.7%
<b>Total Expenses</b>	<b>34,496,497</b>	<b>34,223,752</b>	<b>0.8%</b>
Increase (Decrease) in Net Position Before Transfers	(885,928)	(1,842,709)	-51.9%
<b>Change in Net Position</b>	<b>(885,928)</b>	<b>(1,842,709)</b>	<b>-51.9%</b>
<b>Beginning Net Position as Originally Stated</b>	<b>46,489,687</b>	<b>48,332,396</b>	<b>-3.8%</b>
<b>Reclassification</b>	<b>(59,376)</b>	<b>-</b>	
<b>Beginning Net Position, Restated</b>	<b>46,430,311</b>	<b>48,332,396</b>	<b>-3.9%</b>
<b>Total Liabilities and Net Pension</b>	<b>\$ 45,544,383</b>	<b>46,489,687</b>	<b>-2.0%</b>

**Change in net position.** The County's total revenues increased by 3.8 percent to approximately \$33.6 million, primarily as a result of increased operating grants, partially offset by a decrease in capital grants and contributions (See Table 2).

## GOVERNMENT-WIDE FINANCIAL ANALYSIS – continued

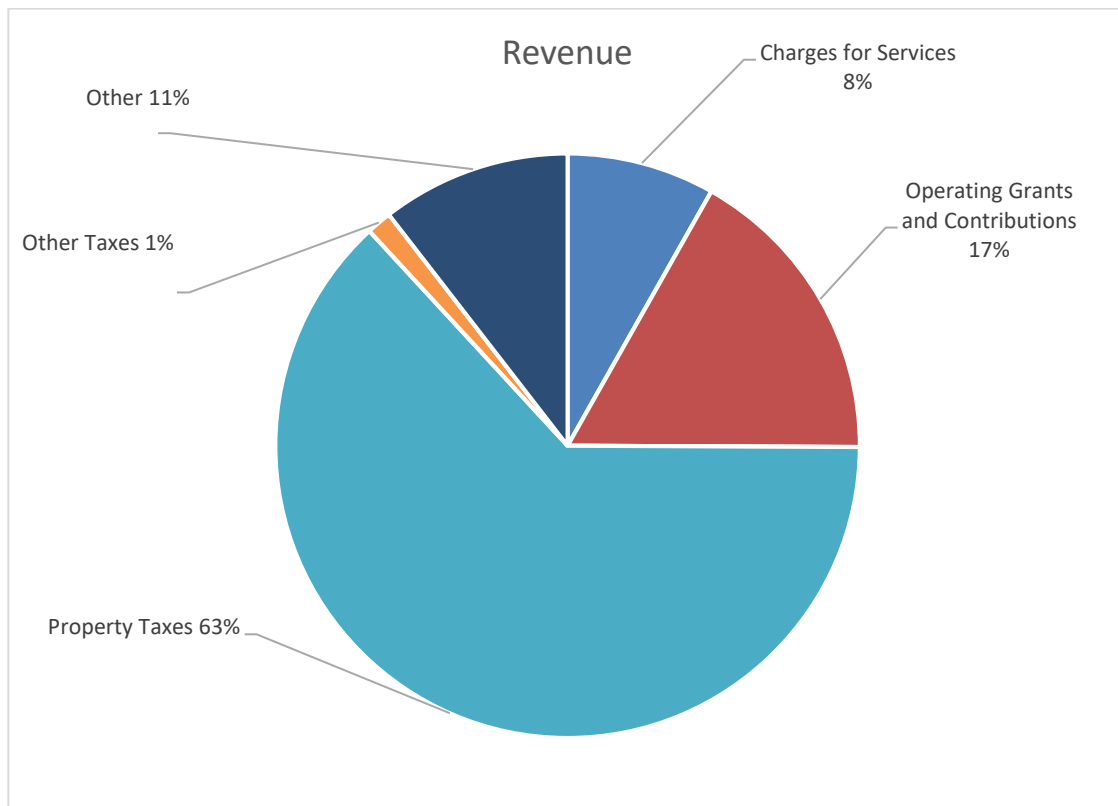
The County's total cost of all programs and services had an increase of .8 percent. This increase is due primarily to increases in payroll and benefits expense, public safety expenditures, and environmental and housing expenditures.

### Governmental Activities

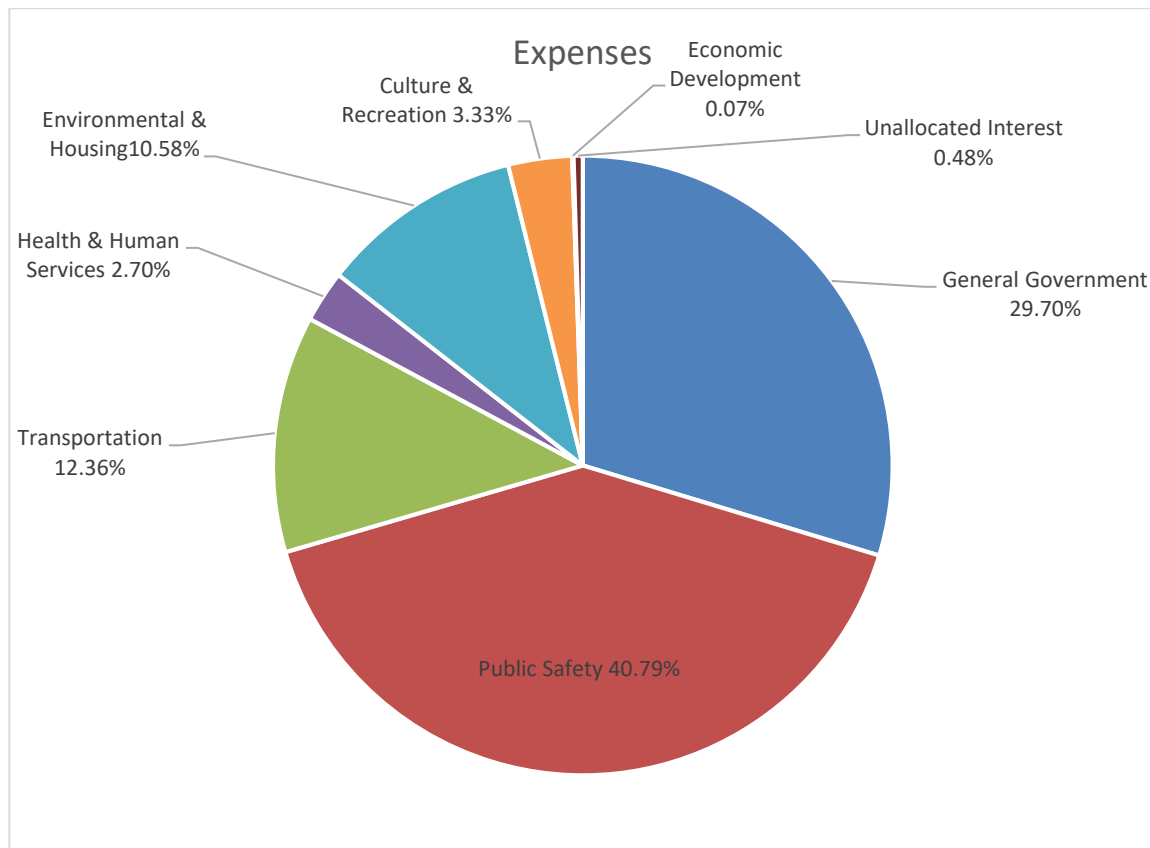
The County's governmental activities had net (expense) revenue of (\$26,069,878). However, these services are intended to be primarily funded by taxes, as opposed to charges for services and grants, and those taxes and other general revenues. Expenses did exceed total revenues by \$885,928.

Total revenues for the County's governmental activities increased by 3.8 percent, and total expenses increased .8 percent. Factors contributing to these results included:

- Increases in property taxes, due primarily to increased operating grants and other revenue sources.
- 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, 2020, the County's governmental funds reported combined ending fund balances of \$42,296,283, an increase of \$416,785 from the prior year.



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

Approximately 45 percent of the combined fund balances (\$19,238,828) constitute unassigned fund balance, which is available for spending at the County's discretion. Twenty-one percent of the combined fund balances (\$8,945,428) is assigned for various types of cultural, administrative and capital projects. The majority of the remaining balance is restricted (\$10,147,574) 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 (\$477,436).

The general fund is the chief operating fund of the County. At June 30, 2020, unassigned fund balance of the general fund was \$19,238,828 and total fund balance was \$28,835,611. As a measure of the general fund's liquidity, the unassigned fund balance represents approximately 77 percent of total general fund expenditures and transfers out.

The capital fund has a total fund balance of \$1,467,154, all of which is assigned for capital projects. The net increase in fund balance during the current fiscal year was \$335,313. 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 \$3,287,653 primarily due to increased intergovernmental revenues, increased tax revenues, and other miscellaneous earnings. Actual expenditures were under budget by \$1,392,586 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 for part of the year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2020, the County had \$80,704,257 invested in capital assets including police equipment, buildings, infrastructure, etc. (See following table). Capital assets for government activities increased by of \$1,455,221 or 1.8 percent, over last year.

	Governmental Activities		Total Percentage Change
	2020	2019	2019-2020
Land	\$ 1,688,895	1,688,895	0.0%
Construction in Progress	-	-	-
Buildings	27,792,935	27,787,549	0.0%
Other Improvements	241,561	241,561	0.0%
Vehicle & Equipment	19,245,849	17,779,724	8.2%
Infrastructure	30,619,256	30,619,256	0.0%
Books	1,115,761	1,132,051	-1.4%
<b>Total Capital Assets</b>	<b>80,704,257</b>	<b>79,249,036</b>	<b>1.8%</b>
<b>Accumulated Depreciation</b>	<b>43,994,802</b>	<b>40,831,511</b>	<b>7.7%</b>
<b>Total Net Assets</b>	<b>\$ 36,709,455</b>	<b>38,417,525</b>	<b>-4.4%</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 \$3,535,000 in outstanding general obligation bonds, compared to \$4,230,000 last year. That is a decrease of 16.4 percent as shown in the following table.

	Governmental Activities		Total Percentage Change
	2020	2019	2019-2020
General Obligation Bonds	\$ 3,535,000	4,230,000	-16.4%
	3,535,000	4,230,000	-16.4%

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 \$1.7 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 8.0 percent of the assessed value of all taxable property within the County's legal limits. Outstanding debt is below this limit – which is currently \$11 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 20-21 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 2020 and 74.8 mills in 2021.

Budgeted 2021 operations expenditures are expected to increase by \$150,979, which is 0.57 percent above the final 2020 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, 2020

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 24,342,831
Investments	16,228,802
Accounts Receivable (Net)	2,613,799
Taxes Receivable (Net)	293,978
Assets Held for Sale	2,733,835
Prepaid Items	477,636
Inventory	26,000
Due from Recreation District	282,402
Capital Assets - Not Being Depreciated	1,688,895
Capital Assets - Net of Accumulated Depreciation	35,020,560
Total Assets	<u>83,708,738</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions Related Items	4,255,577
OPEB Related Items	232,319
Total Deferred Outflows of Resources	<u>4,487,896</u>
<b>LIABILITIES</b>	
Accounts Payable	739,603
Accrued Liabilities	638,676
Local Option Sales Tax - Property Tax Relief	2,664,426
Unearned Revenue	446,845
Accrued Interest Payable	24,267
Noncurrent Liabilities:	
Due Within One Year	1,119,586
Due in More than One Year	10,341,411
OPEB Liability	3,291,100
Net Pension Liability	22,644,112
Total Liabilities	<u>41,910,026</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions Related Items	469,016
OPEB Related Items	273,200
Total Deferred Inflows of Resources	<u>742,216</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	36,709,455
Restricted For:	
Public Safety	2,981,917
Debt Service	2,201,566
Tourism	1,363,186
Transportation	616,062
Economic Development	2,679,570
Health and Welfare	255,777
Other Purposes	49,487
Unrestricted (Deficit)	(1,312,628)
Total Net Position	<u>\$ 45,544,392</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, 2020**

		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	\$ 10,243,839	1,174,892	303,839	-	(8,765,108)
Public Safety	14,070,638	1,018,091	1,636,600	-	(11,415,947)
Transportation	4,262,571	-	1,740,933	-	(2,521,638)
Health and Human Services	932,703	68,468	311,977	-	(552,258)
Environmental and Housing	3,648,649	470,445	81,375	-	(3,096,829)
Culture and Recreation	1,148,962	20,912	127,391	-	(1,000,659)
Economic Development	25,089	-	1,471,696	-	1,446,607
Unallocated Interest Expense	164,046	-	-	-	(164,046)
Total Primary Government	<u>\$ 34,496,497</u>	<u>2,752,808</u>	<u>5,673,811</u>	<u>-</u>	<u>(26,069,878)</u>
General Revenues					
Property Taxes				\$	21,196,344
Accommodations Tax					109,555
Local Accommodations Tax					93,906
Franchise Tax					262,118
Unrestricted State Aid to Political Subdivisions					2,229,995
Unrestricted Investment Earnings					451,616
Loss on Sale of Capital Assets					(32,259)
Miscellaneous					872,684
Total General Revenues					<u>25,183,959</u>
Change in Net Position (885,919)					
Net Position Beginning of Year as Originally Stated <u>46,489,687</u>					
Reclassification (59,376)					
Net Position Beginning of Year, Restated <u>46,430,311</u>					
Net Position End of Year \$ <u>45,544,392</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, 2020

	General	Capital Project Fund	Economic Development Corporation	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 23,280,203	2,962,663	123,933	14,204,835	40,571,634
Taxes Receivable	530,125	48,525	-	84,140	662,790
Receivables (Net)					
Intergovernmental	1,803,105	-	-	738,296	2,541,401
Other	34,545	-	-	37,853	72,398
Due from Other Funds	8,539,711	920,859	-	2,616,685	12,077,255
Prepaid Items	441,752	200	-	35,684	477,636
Inventory	26,000	-	-	-	26,000
Due from Recreation District	-	282,402	-	-	282,402
Assets Held for Resale	-	-	2,733,835	-	2,733,835
Total Assets	<u>34,655,441</u>	<u>4,214,649</u>	<u>2,857,768</u>	<u>17,717,493</u>	<u>59,445,351</u>
<b>LIABILITIES</b>					
Accounts Payable	717,837	5,000	-	16,773	739,610
Payroll Liabilities	244,890	-	-	33,463	278,353
Other Liabilities	360,323	-	-	-	360,323
Due to Other Funds	1,364,664	2,700,741	920,859	7,090,991	12,077,255
Local Option Sales Tax - Property Tax Relief	2,664,426	-	-	-	2,664,426
Unearned Revenue	-	-	-	446,845	446,845
Total Liabilities	<u>5,352,140</u>	<u>2,705,741</u>	<u>920,859</u>	<u>7,588,072</u>	<u>16,566,812</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues - Property Taxes	<u>467,690</u>	<u>41,754</u>	<u>-</u>	<u>72,812</u>	<u>582,256</u>
<b>FUND BALANCES</b>					
Nonspendable	441,752	-	-	35,684	477,436
Restricted	-	-	1,936,909	8,210,665	10,147,574
Assigned	5,668,014	1,467,154	-	1,810,260	8,945,428
Committed	3,487,017	-	-	-	3,487,017
Unassigned	19,238,828	-	-	-	19,238,828
Total Fund Balances	<u>28,835,611</u>	<u>1,467,154</u>	<u>1,936,909</u>	<u>10,056,609</u>	<u>42,296,283</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 34,655,441</u>	<u>4,214,649</u>	<u>2,857,768</u>	<u>17,717,493</u>	<u>59,445,351</u>

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

**Cherokee County, South Carolina**  
Reconciliation of Total Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2020

Fund Balances - Total Governmental Funds	\$	42,296,283
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.		36,709,455
Resources Received but Reflected as Unearned Revenues in Fund Statements.		213,450
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	3,291,100	
General Obligation Bonds	3,535,000	
Loan Payable	1,714,000	
Capital Lease Obligations	271,173	
Compensated Absences	376,016	
Accrual for Landfill Closure	5,564,808	
Accrued Interest Payable	24,267	
	<hr/>	(14,776,364)
Pension Related Deferred Outflows		4,255,577
OPEB Related Deferred Outflows		232,319
Net Pension Liability		(22,644,112)
Pension Related Deferred Inflows		(469,016)
OPEB Related Deferred Inflows		(273,200)
		<hr/>
Net Position of Governmental Activities	\$	<u><u>45,544,392</u></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, 2020

	General	Capital Project Fund	Economic Development Corporation	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 17,150,172	1,242,166	-	2,205,937	20,598,275
Licenses and Permits	373,593	-	-	-	373,593
Intergovernmental	3,993,346	-	-	3,522,470	7,515,816
Charges for Services	1,070,854	-	-	20,912	1,091,766
Fines and Forfeits	546,883	-	-	-	546,883
Interest Income	438,894	12,148	-	574	451,616
Miscellaneous	1,871,535	-	13	1,685,585	3,557,133
Total Revenues	<u>25,445,277</u>	<u>1,254,314</u>	<u>13</u>	<u>7,435,478</u>	<u>34,135,082</u>
<b>EXPENDITURES</b>					
Current					
General Government	9,104,878	-	-	129,682	9,234,560
Public Safety	10,883,035	-	-	1,289,843	12,172,878
Transportation	1,090,733	-	-	2,026,576	3,117,309
Health and Human Services	779,386	-	-	20,482	799,868
Environmental and Housing	2,926,897	-	-	9,986	2,936,883
Culture and Recreation	-	-	-	965,358	965,358
Economic Development	-	-	-	1,277,326	1,277,326
Capital Outlay	234,139	1,186,994	-	594,821	2,015,954
Debt Service					
Principal Retirement	-	28,815	343,000	695,000	1,066,815
Interest and Fiscal Charges	-	3,180	17,046	143,820	164,046
Total Expenditures	<u>25,019,068</u>	<u>1,218,989</u>	<u>360,046</u>	<u>7,152,894</u>	<u>33,750,997</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>426,209</u>	<u>35,325</u>	<u>(360,033)</u>	<u>282,584</u>	<u>384,085</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Capital Lease	-	299,988	-	-	299,988
Transfer In	360,074	-	-	560,063	920,137
Transfers Out	-	-	-	(920,137)	(920,137)
Total Other Financing Sources	<u>360,074</u>	<u>299,988</u>	<u>-</u>	<u>(360,074)</u>	<u>299,988</u>
Net Change in Fund Balances	786,283	335,313	(360,033)	(77,490)	684,073
Fund Balances - Beginning of Year As Originally Stated	<u>28,049,328</u>	<u>1,131,841</u>	<u>2,296,942</u>	<u>10,401,387</u>	<u>41,879,498</u>
Reclassification	-	-	-	(267,288)	(267,288)
Fund Balances - Beginning of Year As Restated	<u>28,049,328</u>	<u>1,131,841</u>	<u>2,296,942</u>	<u>10,134,099</u>	<u>41,612,210</u>
Fund Balances - End of Year	<u>\$ 28,835,611</u>	<u>1,467,154</u>	<u>1,936,909</u>	<u>10,056,609</u>	<u>42,296,283</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, 2020

Net Change in Fund Balance - Total Governmental Funds \$ 684,073

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	1,623,784	
Depreciation Expense	<u>(3,299,595)</u>	(1,675,811)

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		(32,259)
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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.

16,523

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

Property Taxes		(508,771)
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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		(299,988)
Principal Repayments		
General Obligation Bonds	695,000	
CCEDC Loan	343,000	
Capital Lease	28,815	

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	(71,342)	
Change in Unfunded OPEB Costs	(52,907)	
Change in Landfill Closure/Post Closure Costs	<u>1,695,031</u>	1,570,782

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.

(1,707,283)

Change in Net Position of Governmental Activities		<u>\$ (885,919)</u>
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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, 2020

## Assets

Cash	\$ 47,971,197
Taxes Receivable (Net)	855,864
Other Receivables	<u>1,693,050</u>
Total Assets	<u><u>50,520,111</u></u>

## Liabilities

Due to Designated Recipients	<u>50,520,111</u>
Total Liabilities	<u><u>\$ 50,520,111</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, 2020

**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, 2020

**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, 2020

**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, 2020

**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, 2020

**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, 2020

**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, 2020

**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, 2020

**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, 2020

**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, 2020, were distributed as follows:

	General Fund	Capital Project Fund	Economic Development Corporation	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Prepays	\$ 441,751	-	-	35,684	477,435
Restricted For					
Emergency Communications	-	-	-	1,534,827	1,534,827
Law Enforcement	-	-	-	206,898	206,898
Health and Welfare	-	-	-	18,189	18,189
Environmental and Housing	-	-	-	21,590	21,590
Transportation	-	-	-	616,062	616,062
Culture and Recreation	-	-	-	2,795	2,795
Social Services	-	-	-	237,597	237,597
Public Safety	-	-	-	826,579	826,579
Economic Development	-	-	1,936,909	742,661	2,679,570
Solicitor	-	-	-	413,613	413,613
Tourism	-	-	-	1,363,186	1,363,186
Other Purposes	-	-	-	25,102	25,102
Debt Service	-	-	-	2,201,566	2,201,566
Assigned					
Unfunded OPEB	3,291,100	-	-	-	3,291,100
Road Surface Repairs	1,712,069	-	-	-	1,712,069
County Buildings	-	173,812	-	-	173,812
Airport	-	250,244	-	-	250,244
Capital Projects	-	1,043,098	-	-	1,043,098
Administration	-	-	-	-	-
C&D Landfill	-	-	-	-	-
Matching Grant	604,646	-	-	-	604,646
Scholarship SCC	60,200	-	-	-	60,200
Public Safety	-	-	-	89,084	89,084
Economic Development	-	-	-	-	-
Library	-	-	-	1,721,176	1,721,176
Committed					
Fund Balance (Budget)	3,487,017	-	-	-	3,487,017
Unassigned	19,238,828	-	-	-	19,238,828
Total Fund Balances	<u>\$ 28,835,611</u>	<u>1,467,154</u>	<u>1,936,909</u>	<u>10,056,609</u>	<u>42,296,283</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

**Net Position**

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

**Accounting Estimates**

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

**Reclassifications**

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

**Interfund Transactions**

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

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

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

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

- *Statement No. 84, "Fiduciary Activities."* The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.
- *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, 2020

**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, 2020, 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, 2020

**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, 2020 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, 2020, the County's deposits were as follows:

		<u>Bank Balance</u>	<u>Carrying Value</u>
Demand Deposits	Governmental	\$ 51,881,703	24,342,832
Demand Deposits	Fiduciary	<u>23,328,870</u>	<u>47,971,197</u>
Total		<u>\$ 75,210,573</u>	<u>72,314,029</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	\$ 10,965,732	
Cash and Cash Equivalents-Restricted	13,377,100	
Investments	<u>16,228,802</u>	
Total Statement of Net Assets		40,571,634
<u>Statement of Fiduciary Net Position</u>		
Cash and Cash Equivalents	47,971,197	
Total Statement of Fiduciary Net Assets		<u>47,971,197</u>
Total Cash, and Cash Equivalents		<u>88,542,831</u>
<u>Disclosure, Deposits and Investments</u>		
Carrying Value of Deposits		72,311,210
Cash on Hand		2,819
Investments		<u>16,228,802</u>
Total Disclosure, Deposits and Investments		<u>\$ 88,542,831</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**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, 2020, 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	\$ 16,228,802	Daily	N/A	N/A

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**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 2019 levy was assessed at \$110,854,410, 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 2019 assessed value for personal property was \$71,229,957. 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	\$ 530,125	294,990	235,135
Capital Fund	48,525	27,002	21,523
Debt Service Fund	45,816	25,494	20,322
Library Fund	38,324	21,326	16,998
	<u>662,790</u>	<u>368,812</u>	<u>293,978</u>
Agency Funds	<u>1,929,592</u>	<u>1,073,729</u>	<u>855,861</u>
	<u>\$ 2,592,382</u>	<u>1,442,541</u>	<u>1,149,839</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, 2020 the balance in this account, included in the general fund, was \$2,664,426.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**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, 2020 was as follows:

	Balance June 30, 2019	Reclassifications	Additions	Deletions	Balance June 30, 2020
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 1,688,895	-	-	-	1,688,895
Capital Assets Being Depreciated:					
Buildings	27,787,549	-	5,386	-	27,792,935
Improvements Other than Buildings	241,561	-	-	-	241,561
Machinery and Equipment	17,779,724	(6,320,864)	770,937	-	12,229,797
Vehicles	-	6,320,864	478,162	82,962	6,716,064
Assets Acquired Under Capital Lease	-	-	299,988	-	299,988
Infrastructure	30,619,256	-	-	-	30,619,256
Books	1,132,051	-	69,311	85,601	1,115,761
	<u>77,560,141</u>	<u>-</u>	<u>1,623,784</u>	<u>168,563</u>	<u>79,015,362</u>
Less Accumulated Depreciated:					
Buildings	11,785,951	-	630,231	-	12,416,182
Improvements Other than Buildings	173,257	-	8,845	-	182,102
Machinery and Equipment	13,523,475	(5,014,006)	930,204	-	9,439,673
Vehicles	-	5,014,006	504,029	50,703	5,467,332
Assets Acquired Under Capital Lease	-	-	24,316	-	24,316
Infrastructure	14,449,866	-	1,139,661	-	15,589,527
Books/Volumes	898,962	-	62,309	85,601	875,670
	<u>40,831,511</u>	<u>-</u>	<u>3,299,595</u>	<u>136,304</u>	<u>43,994,802</u>
Total Capital Assets Being Depreciated, Net	<u>36,728,630</u>	<u>-</u>	<u>(1,675,811)</u>	<u>32,259</u>	<u>35,020,560</u>
Total Capital Assets, Net	<u>\$ 38,417,525</u>	<u>-</u>	<u>(1,675,811)</u>	<u>32,259</u>	<u>36,709,455</u>

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

**Governmental Activities**

General Government	\$ 629,020
Public Safety	890,346
Health and Human Services	50,039
Environmental and Housing	354,750
Transportation	1,237,365
Culture and Recreation	138,075

Total \$ 3,299,595

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, 2020

**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, 2020, all of which are expected to be paid within one year:

	<u>Receivable</u>	<u>Payable</u>
<b>Interfund:</b>		
General Fund	\$ 8,539,711	1,364,664
Capital Projects Fund	920,859	2,700,741
Economic Development Corporation	-	920,859
Nonmajor Special Revenue Funds	<u>2,616,685</u>	<u>7,091,991</u>
	<u>\$ 12,077,255</u>	<u>12,078,255</u>

The following is a summary of interfund transfers for the year ended June 30, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Governmental Funds:</b>		
General Fund	\$ 360,074	-
Nonmajor Special Revenue Funds	<u>560,063</u>	<u>920,137</u>
	<u>\$ 920,137</u>	<u>920,137</u>

During the year, transfers were used to 1) move funds from the Capital Projects Fund to the General Fund as approved in the 2019-2020 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, 2020

**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, 2020:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental Activities					
Private Placement -					
General Obligation Bonds	\$ 4,230,000	-	695,000	3,535,000	720,000
Direct Placement -					
Loan Payable	2,057,000	-	343,000	1,714,000	343,000
Capital Lease	-	299,988	28,815	271,173	56,586
Landfill Closure and					
Post Closure Liability	7,259,839	-	1,695,031	5,564,808	-
Net OPEB Obligation	3,049,600	241,500	-	3,291,100	-
Net Pension Liability	22,004,603	5,404,268	4,764,759	22,644,112	-
Compensated Absences	304,674	384,466	313,124	376,016	-
	<u>\$ 38,905,716</u>	<u>6,330,222</u>	<u>7,839,729</u>	<u>37,396,209</u>	<u>1,119,586</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
2021	\$ 720,000	120,190	840,190
2022	745,000	95,710	840,710
2023	770,000	70,380	840,380
2024	795,000	44,200	839,200
2025	505,000	17,170	522,170
	<u>\$ 3,535,000</u>	<u>347,650</u>	<u>3,882,650</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**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>
2021	343,000	17,826	(2)
2022	343,000	14,258	(2)
2023	343,000	10,691	(2)
2024	343,000	7,124	(2)
2025	<u>342,000</u>	<u>3,557</u>	<u>(2)</u>
	<u>\$ 1,714,000</u>		

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

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

Interest is estimated to be 1.04% per annum based on the first interest payment made 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, 2020

**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 2020.

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, 2020, calculated as follows:

	MSW	C&D Cells A, B, C & D	Total
Total Estimated Current Closure and Post Closure Care Cost	\$ 4,142,498	2,539,840	
Percentage of Landfill Capacity Used to Date	100%	56%	
Reported Liability for Closure and Post Closure Care Cost	<u>\$ 4,142,498</u>	<u>1,422,310.40</u>	<u>5,564,808</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>16.6</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, 2020. 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, 2020, demonstrating this sufficiently for SCDHEC with sufficient cash reserves and/or debt capacity.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

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

**G. Capital Leases**

Governmental funds – Capital leases payable at June 30, 2020 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%; collateralized by equipment	<u>\$ 271,173</u>
Less current portion	<u>56,586</u>
Long-term portion outstanding	<u><u>\$ 214,587</u></u>

Annual requirements to amortize all capital leases outstanding as of June 30, 2020 are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 56,586	7,795	64,381
2022	55,154	9,227	64,381
2023	57,525	6,856	64,381
2024	59,999	4,382	64,381
2025	<u>41,909</u>	<u>1,506</u>	<u>43,415</u>
	<u><u>\$ 271,173</u></u>	<u><u>29,766</u></u>	<u><u>300,939</u></u>

The gross amount of capital assets recorded under capital leases as of June 30, 2020 was \$299,988.

**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, 2020 were \$297,092.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**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, 2020, have not yet been conducted. Therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

*Library Services and Construction Act, Title II*

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

*Litigation*

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

*Contractual Commitments*

The County has entered into a long-term agreement with the City of Gaffney whereby the County will house all adult male and female prisoners over which the City municipal court has jurisdiction, for a per day fee to be adjusted annually each July 1 based on actual cost of operation. The per day fee was adjusted to \$35.84 effective July 1, 2019. 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, 2020 was \$ 62,718.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**NOTE 4 - OTHER INFORMATION, Continued**

**B. Commitments and Contingencies, Continued**

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

*Multicounty Industrial or Business Park*

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

For tax year 2019, of the total payments made by taxpayers who were subject to this multicounty industrial park agreement, \$2,397,479 would have been received by the County but for the taxpayers' location within its multicounty industrial park. For the tax year 2019, payments-in-lieu of standard ad valorem tax payments from taxpayers within the County's multicounty industrial park totaled \$1,972,250, of which \$986,125 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 materialized during the previous year, 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, 2020

**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, 2020

**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, 2020

**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 through July 1, 2022. 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, 2020

**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, 2019, 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, 2020, 2019, and 2018 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>
2020	15.410%	\$ 951,168	0.15%	\$ 9,259
2019	14.410%	\$ 875,158	0.15%	\$ 9,110
2018	13.410%	\$ 765,126	0.15%	\$ 8,558

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, 2020, 2019, and 2018 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>
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
2018	15.840%	\$ 687,426	0.20%	\$ 8,680	0.20%	\$ 8,680



CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**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, 2015.

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, 2018. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2019, 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, 2019.

		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, 2020

**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, 2019, 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, 2019, 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	\$ 50,073,060,256	27,238,916,138	22,834,144,118	54.4%	0.057512%	13,132,399
SCRS- Library					0.003614%	825,119
PORS	7,681,749,768	4,815,808,554	2,865,941,214	62.7%	0.303097%	8,686,594
						<u>22,644,112</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, 2020, the County reported liabilities of \$13,957,518 and \$8,686,594 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2019. 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, 2020, the County recognized net pension expenses of \$2,166,120 and \$1,324,087 for SCRS and PORS, respectively.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**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, 2020, 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	\$ 9,594	178,615	188,209
Changes of Assumptions	281,264	344,467	625,731
Net difference between Projected and Actual Earnings on Pension Plan Investments	123,571	110,140	233,711
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	1,108,464	226,959	1,335,423
County Contributions Subsequent to the Measurement Date	<u>1,017,656</u>	<u>854,847</u>	<u>1,872,503</u>
<b>TOTAL</b>	<b><u>\$ 2,540,549</u></b>	<b><u>1,715,028</u></b>	<b><u>4,255,577</u></b>
Deferred Inflows of Resources			
Difference between Expected and Actual Experience	\$ 100,269	64,200	164,469
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>19,142</u>	<u>285,405</u>	<u>304,547</u>
<b>TOTAL</b>	<b><u>\$ 119,411</u></b>	<b><u>349,605</u></b>	<b><u>469,016</u></b>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**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 \$1,017,656 and \$854,847 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, 2020 will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>SCRS</u>	<u>PORS</u>
2021	\$ 911,887	391,988
2022	262,774	109,110
2023	177,495	(10,121)
2024	51,325	19,598
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 2019 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, 2020

**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:

<b>Global Equity</b>		<b>51.0%</b>		
Global Public Equity	1, 2	35.0%	7.29%	2.55%
Private Equity	2, 3	9.0%	7.67%	0.69%
Equity Options Strategies	1	7.0%	5.23%	0.37%
<b>Real Assets</b>		<b>12.0%</b>		
Real Estate (Private)	2, 3	8.0%	5.59%	0.45%
Real Estate (REITs)	2	1.0%	8.16%	0.08%
Infrastructure (Private)	2, 3	2.0%	5.03%	0.10%
Infrastructure (Public)	2	1.0%	6.12%	0.06%
<b>Opportunistic</b>		<b>8.0%</b>		
Global Tactical Asset Allocation	1	7.0%	3.09%	0.22%
Other Opportunistic Strategies		1.0%	3.82%	0.04%
<b>Credit</b>		<b>15.0%</b>		
High Yield Bonds/Bank Loans	1, 2	4.0%	3.14%	0.13%
Emerging Markets Debt		4.0%	3.31%	0.13%
Private Debt	2, 3	7.0%	5.49%	0.38%
<b>Rate Sensitive</b>		<b>14.0%</b>		
Core Fixed Income	1	13.0%	1.62%	0.21%
Cash and Short Duration (Net)		1.0%	0.31%	0.00%
Total Expected Return	4	<u>100.0%</u>		<u>5.41%</u>
Inflation for Actuarial Purposes				<u>2.25%</u>
				<u>7.66%</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, 2020

**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	\$	17,583,551	13,957,515	3,558,907
PORS		11,772,395	8,686,594	6,158,544

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, 2019, and the accounting valuation report as of June 30, 2019. 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, 2020

**NOTE 4 - OTHER INFORMATION, Continued**

**E. Post Employment Health Insurance Benefits**

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

	Count	Total OPEB Liability
Inactive employees or beneficiaries currently receiving benefits	62	\$ 1,193,200
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	96	2,038,900
Total	<u>158</u>	<u>\$ 3,232,100</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, 2020

**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, 2020

**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, 2020 for the employer fiscal year and reporting period of July 1, 2019 to June 30, 2020. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2019 and the corresponding measurement period of July 1, 2018 to July 1, 2019. The measurement of the total OPEB liability is based on a valuation date of July 1, 2018.

**Actuarial Assumptions and Actuarial Methods**

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.13%
Salary Scale:	2.50%
Healthcare Cost Trend Rates:	5.72% for fiscal year end 2019 (to reflect actual experience), then 5.85% for fiscal year end 2020, 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-2019
Actuarial Cost Method:	Entry Age Actuarial Cost Method

**Expected Return on Assets:**

None

**Discount Rate:**

The discount rate has been set equal to 3.13% 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, 2020

**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, 2019</b>	\$ 3,049,600	-	3,049,600
<b>Changes for the Year:</b>			
Service Cost	67,500	-	67,500
Interest	111,400	-	111,400
Differences Between Expected and Actual Experience	(43,400)	-	(43,400)
Contributions - Employer	-	80,100	(80,100)
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(80,100)	(80,100)	-
Changes of Benefit Terms	-	-	-
Administrative Expense	-	-	-
Other Changes	186,100	-	186,100
<b>Net Changes</b>	<u>\$ 241,500</u>	<u>-</u>	<u>241,500</u>
Balances at June 30, 2019*	\$ 3,291,100	-	3,291,100

\*Measurement Date is July 1, 2018

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Employer's Net OPEB Liability/(Asset)	\$ 3,758,200	3,291,100	2,904,100

*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)	\$ 3,183,500	3,291,100	3,406,700

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**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, 2020, under GASB 75 the employer OPEB expense is \$138,700. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2020 from various sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	252,100
Changes of Assumptions	151,100	21,100
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Employer Contributions After Measurement Date but Prior to Fiscal Year End	<u>81,219</u>	<u>-</u>
Total	<u>\$ 232,319</u>	<u>273,200</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>	
2021	\$ (44,800)
2022	(44,800)
2023	(44,800)
2024	3,600
2025	8,700
Thereafter	-

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2020

**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 \$2,754,124 to Cherokee County in *ad valorem* tax. However, due to the benefit provided by the *Fee in Lieu of Ad Valorem Tax* program, the taxpayers paid an aggregate of \$2,786,043 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, 2020

**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 \$32,338 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 \$19,144 to Cherokee County.

**NOTE 6 – RECLASSIFICATIONS**

Certain activities related to the rural fire districts have been appropriately reclassified to the to the agency fund. In prior years these have been reflected as special revenue funds. The predominant issue is taxes receivable. The net effect of this reclassification is \$ 59,376 (\$267,288 for the governmental fund statements.)

**NOTE 7 – SUBSEQUENT EVENTS**

Management has through March 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, 2020, 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**

Pension Plan Required Supplementary Information  
For the Year Ended June 30, 2020

**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, 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, 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, 2020

**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, 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, 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  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2020

	Budgeted Amounts			Various Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	\$ 16,613,500	16,613,500	17,150,172	536,672
Licenses and permits	240,000	240,000	373,593	133,593
Intergovernmental	2,850,924	2,850,924	3,993,346	1,142,422
Charges for services	979,450	979,450	1,070,854	91,404
Fines	616,000	616,000	546,883	(69,117)
Interest	100,000	100,000	438,894	338,894
Miscellaneous	757,750	757,750	1,871,535	1,113,785
Total Revenues	22,157,624	22,157,624	25,445,277	3,287,653
Expenditures				
Current				
General government				
Vehicle Maintenance	248,974	248,974	549,603	(300,629)
Pooled Vehicles	10,222	10,222	19,494	(9,272)
Administration	615,367	615,367	520,671	94,696
Finance	431,183	431,183	483,276	(52,093)
Human Resources	113,132	113,132	102,435	10,697
Information Technology	209,170	209,170	210,602	(1,432)
Risk Management	23,298	23,298	13,138	10,160
Central Purchasing	1,800	1,800	2,475	(675)
Central Services	2,909,190	2,909,190	2,513,864	395,326
County Buildings	152,660	152,660	117,733	34,927
Administrative Building Complex	340,434	340,434	320,170	20,264
Economic Development	374,200	374,200	60,724	313,476
Courthouse	68,335	68,335	57,539	10,796
Delinquent Tax Collector	186,695	186,695	181,934	4,761
Treasurer	368,526	368,526	358,586	9,940
Auditor	305,349	305,349	281,658	23,691
Building Inspectors	313,118	313,118	266,722	46,396
Tax Assessor	453,796	453,796	444,948	8,848
GIS/Mapping	104,215	104,215	103,523	692
Election/Voter Registration/Poll Workers	270,237	270,237	268,965	1,272
Magistrate	677,972	677,972	674,801	3,171
Register of Deeds	220,423	220,423	233,928	(13,505)
Clerk of Court	322,289	322,289	384,306	(62,017)
Probate Court	274,933	274,933	270,752	4,181
Attorney/Judicial	88,162	88,162	91,421	(3,259)
Clerk of Court Support	281,955	281,955	179,238	102,717
Circuit Solicitor	232,320	232,320	212,318	20,002
Appalachian COG	40,055	40,055	40,055	-
Cherokee Defender Corp	140,000	140,000	140,000	-
Capital Outlay	262,706	262,706	179,421	83,285
	10,040,716	10,040,716	9,284,300	756,416
Public Safety				
Code Enforcement	118,521	118,521	107,134	11,387
Animal Control	155,760	155,760	154,270	1,490
Enhanced Communications/911	1,213,656	1,213,656	1,213,459	197
Fire Protection	575,500	575,500	573,500	2,000
Coroner	209,370	209,370	224,600	(15,230)
Law Enforcement Center	138,896	138,896	120,218	18,678
Victims Advocate	127,987	127,987	127,057	930
Sheriff	4,877,692	4,877,692	4,613,747	263,945
Detention Center	3,279,290	3,279,290	3,583,063	(303,773)
Emergency Management	167,696	167,696	165,987	1,709
Capital Outlay	1,818	1,818	2,851	(1,033)
	\$ 10,866,186	10,866,186	10,885,886	(19,700)

Cherokee County, South Carolina  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2020

	Budgeted Amounts			Various Positive
	Original	Final	Actual	(Negative)
Environmental and Housing				
Department of Public Works	\$ 72,979	72,979	78,029	(5,050)
Solid Waste Collections	2,011,036	2,011,036	1,714,799	296,237
C and D Landfill Solid Waste Disposal	385,485	385,485	412,282	(26,797)
Landfill Post closure	56,787	56,787	98,555	(41,768)
Recycling Center	625,504	625,504	594,731	30,773
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	63,250	63,250	51,867	11,383
	<u>3,245,341</u>	<u>3,245,341</u>	<u>2,978,763</u>	<u>266,578</u>
Health and Human Services				
Veterans Affairs	195,192	195,192	190,786	4,406
Alcohol and Drug Abuse	7,500	7,500	7,500	-
Health Department	33,760	33,760	33,760	-
Indigent Care	103,426	103,426	103,376	50
County Health and Human Services	292,000	292,000	292,000	-
Department of Social Services	29,200	29,200	16,964	12,236
Disabilities and Special Needs	50,000	50,000	50,000	-
Senior Center	35,000	35,000	35,000	-
Regional Mental Health	35,000	35,000	35,000	-
Literacy Association	15,000	15,000	15,000	-
	<u>796,078</u>	<u>796,078</u>	<u>779,386</u>	<u>16,692</u>
Transportation				
Roads and Bridges	1,433,146	1,433,146	1,090,733	342,413
	<u>1,433,146</u>	<u>1,433,146</u>	<u>1,090,733</u>	<u>342,413</u>
Culture and Recreation				
SCC Cherokee Campus	30,000	30,000	-	30,000
Recreation District	187	187	-	187
	<u>30,187</u>	<u>30,187</u>	<u>-</u>	<u>30,187</u>
Total Expenditures	<u>26,411,654</u>	<u>26,411,654</u>	<u>25,019,068</u>	<u>1,392,586</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,254,030)</u>	<u>(4,254,030)</u>	<u>426,209</u>	<u>4,680,239</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	-	-
Transfers In	270,000	270,000	360,074	90,074
Transfers Out	-	-	-	-
	<u>270,000</u>	<u>270,000</u>	<u>360,074</u>	<u>90,074</u>
Net Change in Fund Balance	(3,984,030)	(3,984,030)	786,283	4,770,313
Fund Balance - Beginning of Year	<u>28,049,328</u>	<u>28,049,328</u>	<u>28,049,328</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 24,065,298</u>	<u>24,065,298</u>	<u>28,835,611</u>	<u>4,770,313</u>

Note: The County's budget reflected an expected use of fund balance of approximately \$3,984,030.

Cherokee County, South Carolina  
Capital Project Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Various Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,208,569	1,208,569	1,242,166	33,597
Interest	-	-	12,148	12,148
Total Revenues	1,208,569	1,208,569	1,254,314	45,745
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	1,454,774	1,454,774	1,218,989	235,785
Excess (Deficiency) of Revenues Over Expenditures	(246,205)	(246,205)	35,325	281,530
Other Financing Sources (Uses) Proceeds from Capital Lease	-	-	299,988	299,988
Net Change in Fund Balance	(246,205)	(246,205)	335,313	581,518
Fund Balance - Beginning of Year	1,131,841	1,131,841	1,131,841	-
Fund Balance - End of Year	\$ 885,636	885,636	1,467,154	581,518

Cherokee County, South Carolina  
Schedule of Changes in County's Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2020

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

	Special Revenue Funds								
	Local County Accomodations Fee	Green Tech Solutions	Project Bison	Project Fortress	Project Long Knife	Rural Infrastructure	Regional Planning	Project Offsides	Project Kickstart
Assets									
Cash	\$ 1,356,306	-	-	281,500	-	227,492	-	407,676	(235,192)
Taxes Receivable (net)	-	-	-	-	-	-	-	-	-
Other Receivables	9,064	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	64,110	-	-	301,500
Prepaid Expenses	-	-	-	-	-	-	-	-	-
	<u>1,365,370</u>	<u>-</u>	<u>-</u>	<u>281,500</u>	<u>-</u>	<u>291,602</u>	<u>-</u>	<u>407,676</u>	<u>66,308</u>
Liabilities									
Accounts Payable	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-
Due To Other Funds	2,184	-	-	-	-	271,500	-	407,676	66,308
Unearned Revenue	-	-	-	-	-	-	-	-	-
	<u>2,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,500</u>	<u>-</u>	<u>407,676</u>	<u>66,308</u>
Deferred Inflows of Resources									
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	1,363,186	-	-	281,500	-	20,102	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
	<u>1,363,186</u>	<u>-</u>	<u>-</u>	<u>281,500</u>	<u>-</u>	<u>20,102</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,365,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,500</u>	<u>\$ -</u>	<u>\$ 291,602</u>	<u>\$ -</u>	<u>\$ 407,676</u>	<u>\$ 66,308</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds									
	Steel Creek	Project Clari	Project Sewer Study	Project Peach	Project Diamond Back	Over Mtn Endowment	COVID 19	SC DHEC HPP Grant	DHEC Grant	Restitution
Assets										
Cash	-	(95,000)	30,000	500	-	851	-	(1,999)	-	1,957
Taxes Receivable (net)	-	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	80,759	-	-	-
Due From Other Funds	-	409,874	-	-	-	-	-	235	1	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>314,874</u>	<u>30,000</u>	<u>500</u>	<u>-</u>	<u>851</u>	<u>80,759</u>	<u>(1,764)</u>	<u>1</u>	<u>1,957</u>
Liabilities										
Accounts Payable	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-
Due To Other Funds	-	-	30,000	-	-	-	71,314	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,314</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources										
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-	-	-
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	314,874	-	500	-	851	9,445	-	1	1,957
Assigned	-	-	-	-	-	-	-	(1,764)	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>314,874</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>851</u>	<u>9,445</u>	<u>(1,764)</u>	<u>1</u>	<u>1,957</u>
	<u>\$ -</u>	<u>\$ 314,874</u>	<u>\$ 30,000</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 851</u>	<u>\$ 80,759</u>	<u>\$ (1,764)</u>	<u>\$ 1</u>	<u>\$ 1,957</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							
	Title IV-D Family Court	Title IV-D Incentives	911 Telephone	E911 Surcharge	Victory Trail Fund	Carolina Thread Trail	Veteran Affairs	Recycle Grant Solid Waste
Assets								
Cash	719,448	214,665	1,411,906	4,522,611	-	692	8,734	(24,800)
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	31,140	22,045	-	108,527	-	-	-	24,800
Due From Other Funds	-	1,633	-	335,542	-	-	-	-
Prepaid Expenses	-	-	828	-	-	-	-	-
	<u>750,588</u>	<u>238,343</u>	<u>1,412,734</u>	<u>4,966,680</u>	<u>-</u>	<u>692</u>	<u>8,734</u>	<u>-</u>
Liabilities								
Accounts Payable	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due To Other Funds	750,588	746	1,321,058	3,433,853	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
	<u>750,588</u>	<u>746</u>	<u>1,321,058</u>	<u>3,433,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources								
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	828	-	-	-	-	-
Restricted	-	237,597	-	1,532,827	-	692	8,734	-
Assigned	-	-	90,848	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
	<u>-</u>	<u>237,597</u>	<u>91,676</u>	<u>1,532,827</u>	<u>-</u>	<u>692</u>	<u>8,734</u>	<u>-</u>
	<u>\$ 750,588</u>	<u>\$ 238,343</u>	<u>\$ 1,412,734</u>	<u>\$ 4,966,680</u>	<u>\$ -</u>	<u>\$ 692</u>	<u>\$ 8,734</u>	<u>\$ -</u>



**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							
	Used Oil	Waste Tire	Recycle Grant HHWCD	EMS Grant	East Gaffney Lighting Project	Norfolk South Sheriff Grant	Drug Enforce Agent	Sheriff Confiscated Funds
<b>Assets</b>								
Cash	2,271	96,410	-	-	5,000	3,000	36,183	305,307
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	830	-	-	-	-
Due From Other Funds	874	-	-	-	-	-	-	151
Prepaid Expenses	-	-	-	-	-	-	-	-
	<u>3,145</u>	<u>96,410</u>	<u>-</u>	<u>830</u>	<u>5,000</u>	<u>3,000</u>	<u>36,183</u>	<u>305,458</u>
<b>Liabilities</b>								
Accounts Payable	-	-	-	830	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due To Other Funds	2,066	75,899	-	-	-	-	36,183	8,867
Unearned Revenue	-	-	-	-	-	-	-	446,845
	<u>2,066</u>	<u>75,899</u>	<u>-</u>	<u>830</u>	<u>-</u>	<u>-</u>	<u>36,183</u>	<u>455,712</u>
<b>Deferred Inflows of Resources</b>								
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	1,079	20,511	-	-	5,000	3,000	-	(150,254)
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
	<u>1,079</u>	<u>20,511</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>3,000</u>	<u>-</u>	<u>(150,254)</u>
	<u>\$ 3,145</u>	<u>\$ 96,410</u>	<u>\$ -</u>	<u>\$ 830</u>	<u>\$ 5,000</u>	<u>\$ 3,000</u>	<u>\$ 36,183</u>	<u>\$ 305,458</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							
	Body Worn Cameras	Victim Assistance	Solicitor Renovations	School Resource Officer Grant	Adopt-A-Cop	Sheriff Drug	Jail Canteen	Inmate Telephone
<b>Assets</b>								
Cash	233	149,143	16,548	49,258	185	18,982	275,879	151,550
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	-	8,109	-	-	-	-	-	6,158
Due From Other Funds	-	-	-	-	105	326	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
	<u>233</u>	<u>157,252</u>	<u>16,548</u>	<u>49,258</u>	<u>290</u>	<u>19,308</u>	<u>275,879</u>	<u>157,708</u>
<b>Liabilities</b>								
Accounts Payable	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due To Other Funds	-	149,144	-	-	-	812	427	554
Unearned Revenue	-	-	-	-	-	-	-	-
	-	<u>149,144</u>	-	-	-	<u>812</u>	<u>427</u>	<u>554</u>
<b>Deferred Inflows of Resources</b>								
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	233	8,108	16,548	49,258	290	18,496	275,452	157,154
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
	<u>233</u>	<u>8,108</u>	<u>16,548</u>	<u>49,258</u>	<u>290</u>	<u>18,496</u>	<u>275,452</u>	<u>157,154</u>
	<u>\$ 233</u>	<u>\$ 157,252</u>	<u>\$ 16,548</u>	<u>\$ 49,258</u>	<u>\$ 290</u>	<u>\$ 19,308</u>	<u>\$ 275,879</u>	<u>\$ 157,708</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							
	Bulletproof Vests	Project Lifesaver	"C" Funds	Restrict Solicitor	Solicitor Drug Forfeiture	7th Circuit Solicitor-Gambling	Estreated Bonds	Emergency Management
<b>Assets</b>								
Cash	8,900	816	308,354	(81,205)	35,812	460,174	48,086	26,645
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	-	-	315,314	-	-	-	-	-
Due From Other Funds	-	-	50	105,611	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
	<u>8,900</u>	<u>816</u>	<u>623,718</u>	<u>24,406</u>	<u>35,812</u>	<u>460,174</u>	<u>48,086</u>	<u>26,645</u>
<b>Liabilities</b>								
Accounts Payable	-	-	-	7,642	-	8,129	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due To Other Funds	5,350	-	7,656	1,945	-	105,611	454	27,514
Unearned Revenue	-	-	-	-	-	-	-	-
	<u>5,350</u>	<u>-</u>	<u>7,656</u>	<u>9,587</u>	<u>-</u>	<u>113,740</u>	<u>454</u>	<u>27,514</u>
<b>Deferred Inflows of Resources</b>								
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	3,550	816	616,062	14,819	35,812	346,434	47,632	(869)
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
	<u>3,550</u>	<u>816</u>	<u>616,062</u>	<u>14,819</u>	<u>35,812</u>	<u>346,434</u>	<u>47,632</u>	<u>(869)</u>
	<u>\$ 8,900</u>	<u>\$ 816</u>	<u>\$ 623,718</u>	<u>\$ 24,406</u>	<u>\$ 35,812</u>	<u>\$ 460,174</u>	<u>\$ 48,086</u>	<u>\$ 26,645</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							
	Weekend Jail	Emergency Preparedness	Emergency Mgmt/CoGen	Fire Insurance	Sex Offender	Canine K9 Fund	Sheriff Hardship	Sheriff DSS
Assets								
Cash	31,363	48,922	2,000	-	101,789	100	9,807	21,574
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	129,886	-	-	-	891
Due From Other Funds	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
	<u>31,363</u>	<u>48,922</u>	<u>2,000</u>	<u>129,886</u>	<u>101,789</u>	<u>100</u>	<u>9,807</u>	<u>22,465</u>
Liabilities								
Accounts Payable	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due To Other Funds	-	1,959	-	-	861	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
	<u>-</u>	<u>1,959</u>	<u>-</u>	<u>-</u>	<u>861</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources								
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	31,363	46,963	2,000	129,886	100,928	100	9,807	22,465
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
	<u>31,363</u>	<u>46,963</u>	<u>2,000</u>	<u>129,886</u>	<u>100,928</u>	<u>100</u>	<u>9,807</u>	<u>22,465</u>
	<u>\$ 31,363</u>	<u>\$ 48,922</u>	<u>\$ 2,000</u>	<u>\$ 129,886</u>	<u>\$ 101,789</u>	<u>\$ 100</u>	<u>\$ 9,807</u>	<u>\$ 22,465</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Special Revenue Funds								
	Federal Drug	Sheriff Seized Gambling Monies	Pandemic Flu Planning 756	Law Enforcement Training	Hazmat	Sheriff Cops Program	Dare	Electronic Monitoring
<b>Assets</b>								
Cash	213,350	3,276	2,724	(1,842)	48	105	12,056	331,920
Taxes Receivable (net)	-	-	-	-	-	-	-	-
Other Receivables	2,054	-	-	-	-	-	-	-
Due From Other Funds	6,210	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
	<u>221,614</u>	<u>3,276</u>	<u>2,724</u>	<u>(1,842)</u>	<u>48</u>	<u>105</u>	<u>12,056</u>	<u>331,920</u>
<b>Liabilities</b>								
Accounts Payable	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-
Due To Other Funds	32,580	-	-	1,188	-	105	2,560	256,027
Unearned Revenue	-	-	-	-	-	-	-	-
	<u>32,580</u>	<u>-</u>	<u>-</u>	<u>1,188</u>	<u>-</u>	<u>105</u>	<u>2,560</u>	<u>256,027</u>
<b>Deferred Inflows of Resources</b>								
Unavailable Revenues - Property Taxes	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	189,034	3,276	2,724	(3,030)	48	-	9,496	75,893
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
	<u>189,034</u>	<u>3,276</u>	<u>2,724</u>	<u>(3,030)</u>	<u>48</u>	<u>-</u>	<u>9,496</u>	<u>75,893</u>
	<u>\$ 221,614</u>	<u>\$ 3,276</u>	<u>\$ 2,724</u>	<u>\$ (1,842)</u>	<u>\$ 48</u>	<u>\$ 105</u>	<u>\$ 12,056</u>	<u>\$ 331,920</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds				
	DEPT OF INTERIOR USDA OTHER	Library	Development Board	Debt Service	Totals
<b>Assets</b>					
Cash	(5,755)	1,701,214	156,560	830,746	14,204,835
Taxes Receivable (net)		38,324		45,816	84,140
Other Receivables	(2,054)	38,626	-	-	776,149
Due From Other Funds	25,811	-	-	1,364,652	2,616,685
Prepaid Expenses	-	34,856	-	-	35,684
	<u>18,002</u>	<u>1,813,020</u>	<u>156,560</u>	<u>2,241,214</u>	<u>17,717,493</u>
<b>Liabilities</b>					
Accounts Payable	-	172	-	-	16,773
Accrued Expenses	-	22,400	11,063	-	33,463
Due To Other Funds	18,002	-	-	-	7,090,991
Unearned Revenue	-	-	-	-	446,845
	<u>18,002</u>	<u>22,572</u>	<u>11,063</u>	<u>-</u>	<u>7,588,072</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenues - Property Taxes	-	33,164	-	39,648	72,812
<b>Fund Balances</b>					
Nonspendable	-	34,856	-	-	35,684
Restricted	-	1,252	145,497	2,201,566	8,210,665
Assigned	-	1,721,176	-	-	1,810,260
Unassigned	-	-	-	-	-
	<u>-</u>	<u>1,757,284</u>	<u>145,497</u>	<u>2,201,566</u>	<u>10,056,609</u>
	<u>\$ 18,002</u>	<u>\$ 1,779,856</u>	<u>\$ 156,560</u>	<u>\$ 2,201,566</u>	<u>\$ 17,717,493</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Local County Accommodations Fee	Green Tech Solutions	Project Bison	Project Fortress	Project Long Knife	Rural Infrastructure	Regional Planning	Project Offsides	Project Kickstart
<b>Revenues</b>									
Taxes	93,906	-	-	-	-	-	-	-	-
Intergovernmental	-	107,737	200,000	-	250,000	-	50,000	-	-
Interest	548	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	281,500	-	-	-	-	-
	<u>94,454</u>	<u>107,737</u>	<u>200,000</u>	<u>281,500</u>	<u>250,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
Current									
General Government	4,259	-	-	-	-	-	-	11,205	1,500
Public Safety	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Economic Development	-	107,737	200,000	-	250,000	-	50,000	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
	<u>4,259</u>	<u>107,737</u>	<u>200,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>50,000</u>	<u>11,205</u>	<u>1,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>90,195</u>	<u>-</u>	<u>-</u>	<u>281,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,205)</u>	<u>(1,500)</u>
<b>Other Financing Sources (Uses)</b>									
Proceeds from capital lease	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	(407,676)	(2,198)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(407,676)</u>	<u>(2,198)</u>
Net Change in Fund Balances	90,195	-	-	281,500	-	-	-	(418,881)	(3,698)
Fund Balances - Beginning of Year As Originally Stated	<u>1,272,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,102</u>	<u>-</u>	<u>418,881</u>	<u>3,698</u>
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Originally restated	<u>1,272,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,102</u>	<u>-</u>	<u>418,881</u>	<u>3,698</u>
Fund Balances - End of Year	<u>\$ 1,363,186</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,500</u>	<u>\$ -</u>	<u>\$ 20,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds								
	Steel Creek Galvanizing	Project Clari	Proj Sewer Study	Project Peach	Project Diamond Back	Over Mtn Victory Trail	COVID-19	SC DHEC HPP Grant	DHEC Grant
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	350,000	-	80,759	-	-
Interest	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
	-	100,000	-	100,000	-	-	-	-	-
	-	100,000	-	100,000	350,000	-	80,759	-	-
Expenditures									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	71,314	-	-
Transportation	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	5,625	-	-	-
Economic Development	-	195,000	-	99,500	350,000	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
	-	195,000	-	99,500	350,000	5,625	71,314	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(95,000)	-	500	-	(5,625)	9,445	-	-
Other Financing Sources (Uses)									
Proceeds from capital lease	-	-	-	-	-	-	-	-	-
Transfers In	-	409,874	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	409,874	-	-	-	-	-	-	-
Net Change in Fund Balances	-	314,874	-	500	-	(5,625)	9,445	-	-
Fund Balances - Beginning of Year As Originally Stated	-	-	-	-	-	6,476	-	(1,764)	1
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Originally restated	-	-	-	-	-	6,476	-	(1,764)	1
Fund Balances - End of Year	\$ -	\$ 314,874	\$ -	\$ 500	\$ -	\$ 851	\$ 9,445	\$ (1,764)	\$ 1



**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds								
	Restitution	Title IV-D Family Court	Title IV-D Incentives	911 Telephone	E911 Surcharge	Victory Trail Fund	Carolina Thread Trail	Veterans Affairs	Recycle Grant Solid Waste
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	186,040	30,661	-	372,448	-	-	5,478	24,800
Interest	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	163,986	-	-	-	-	-
	-	186,040	30,661	163,986	372,448	-	-	5,478	24,800
Expenditures									
Current									
General Government	-	-	-	-	-	-	-	2,005	-
Public Safety	-	-	-	72,310	594,405	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Health and Human Services	-	1,849	9,595	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	11,030	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	34,051	2,415	-	395,750	-	-	-	24,800
Debt service	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
	-	35,900	12,010	72,310	990,155	11,030	-	2,005	24,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	150,140	18,651	91,676	(617,707)	(11,030)	-	3,473	-
Other Financing Sources (Uses)									
Proceeds from capital lease	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	(150,140)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(150,140)	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	18,651	91,676	(617,707)	(11,030)	-	3,473	-
Fund Balances - Beginning of Year									
As Originally Stated	1,957	-	218,946	-	2,150,534	11,030	692	5,261	-
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Originally restated	1,957	-	218,946	-	2,150,534	11,030	692	5,261	-
Fund Balances - End of Year	\$ 1,957	\$ -	\$ 237,597	\$ 91,676	\$ 1,532,827	\$ -	\$ 692	\$ 8,734	\$ -

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds								
	Used Oil	Waste Tire	Recycle Grant H.W.C.D.	EMS Grant	East Gaffney Lighting Project	Norfolk-Sou Sheriff Grant	Drug Enforce Agent	Sheriff Confiscated Funds	Body Worn Camera
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	8,064	23,511	-	9,039	-	3,000	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
	<u>8,064</u>	<u>23,511</u>	<u>-</u>	<u>9,039</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	9,039	-	-	-	-	-
Environmental and Housing	6,985	3,000	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
	<u>6,985</u>	<u>3,000</u>	<u>-</u>	<u>9,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,079</u>	<u>20,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)									
Proceeds from capital lease	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	(150,189)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,189)</u>	<u>-</u>
Net Change in Fund Balances	1,079	20,511	-	-	-	3,000	-	(150,189)	-
Fund Balances - Beginning of Year									
As Originally Stated	-	-	-	-	5,000	-	-	(65)	233
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Originally restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>(65)</u>	<u>233</u>
Fund Balances - End of Year	<u>\$ 1,079</u>	<u>\$ 20,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ (150,254)</u>	<u>\$ 233</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds								
	Victim Assistance	Solicitor Renovations	School Resource Officer Grant	Adopt-A-Cop	Sheriff Drug	Jail Canteen	Inmate Telephone	Bulletproof Vests	Project Lifesaver
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	33	-	-	-	-
Miscellaneous	78,754	-	-	-	-	101,573	96,476	-	-
	78,754	-	-	-	33	101,573	96,476	-	-
Expenditures									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	89	-	-	-	112,571	23,555	27,961	-	-
Transportation	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	55,154	2,674	-	-
Debt service	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
	89	-	-	-	112,571	78,709	30,635	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	78,665	-	-	-	(112,538)	22,864	65,841	-	-
Other Financing Sources (Uses)									
Proceeds from capital lease	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	150,189	-	-	-	-
Transfers Out	(70,557)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(70,557)	-	-	-	150,189	-	-	-	-
Net Change in Fund Balances	8,108	-	-	-	37,651	22,864	65,841	-	-
Fund Balances - Beginning of Year As Originally Stated	-	16,548	49,258	290	(19,155)	252,588	91,313	3,550	816
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Originally restated	-	16,548	49,258	290	(19,155)	252,588	91,313	3,550	816
Fund Balances - End of Year	\$ 8,108	\$ 16,548	\$ 49,258	\$ 290	\$ 18,496	\$ 275,452	\$ 157,154	\$ 3,550	\$ 816

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							
	"C" Funds	Restrict Solicitor	Solicitor	7th Circuit Solicitor-Gambling	Estreated Bonds	Emergency Management	Weekend Jail	Emergency Mgmt/CoGen
<b>Revenues</b>								
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,637,897	-	24,635	-	-	5,463	-	-
Interest	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	-	-	-
Miscellaneous	103,036	60,000	-	-	6	-	2,650	15,000
	<u>1,740,933</u>	<u>60,000</u>	<u>24,635</u>	<u>-</u>	<u>6</u>	<u>5,463</u>	<u>2,650</u>	<u>15,000</u>
<b>Expenditures</b>								
Current								
General Government	-	98,175	4,500	-	-	6,332	-	-
Public Safety	-	-	-	97,550	635	-	4,092	7,940
Transportation	2,026,576	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Capital outlay	-	-	1,675	-	1,308	-	-	-
Debt service	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
	<u>2,026,576</u>	<u>98,175</u>	<u>6,175</u>	<u>97,550</u>	<u>1,943</u>	<u>6,332</u>	<u>4,092</u>	<u>7,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(285,643)</u>	<u>(38,175)</u>	<u>18,460</u>	<u>(97,550)</u>	<u>(1,937)</u>	<u>(869)</u>	<u>(1,442)</u>	<u>7,060</u>
<b>Other Financing Sources (Uses)</b>								
Proceeds from capital lease	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(285,643)	(38,175)	18,460	(97,550)	(1,937)	(869)	(1,442)	7,060
Fund Balances - Beginning of Year As Originally Stated	<u>901,705</u>	<u>52,994</u>	<u>17,352</u>	<u>443,984</u>	<u>49,569</u>	<u>-</u>	<u>32,805</u>	<u>39,903</u>
Reclassification	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year As Originally restated	<u>901,705</u>	<u>52,994</u>	<u>17,352</u>	<u>443,984</u>	<u>49,569</u>	<u>-</u>	<u>32,805</u>	<u>39,903</u>
Fund Balances - End of Year	<u>\$ 616,062</u>	<u>\$ 14,819</u>	<u>\$ 35,812</u>	<u>\$ 346,434</u>	<u>\$ 47,632</u>	<u>\$ (869)</u>	<u>\$ 31,363</u>	<u>\$ 46,963</u>

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds								
	Fire Insurance	Sex Offender	Canine K9 Fund	Sheriff Hardship	Sheriff DSS	Federal Drug	Sheriff Seized Gambling Monies	Pandemic Flu Planning	Law Enforce Training Ctr
Revenues									
Taxes	25,626	-	-	-	-	-	-	-	-
Intergovernmental	-	16,043	-	-	9,504	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Confiscated Money	-	-	-	-	-	194,174	-	-	-
Miscellaneous	104,260	-	-	-	-	-	-	-	4,695
	<u>129,886</u>	<u>16,043</u>	<u>-</u>	<u>-</u>	<u>9,504</u>	<u>194,174</u>	<u>-</u>	<u>-</u>	<u>4,695</u>
Expenditures									
Current									
General Government	-	-	-	-	-	-	-	-	-
Public Safety	114,381	3,725	-	-	3,704	34,550	-	-	10,398
Transportation	-	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	21,909	43,612	-	-	-
Debt service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
	<u>114,381</u>	<u>3,725</u>	<u>-</u>	<u>-</u>	<u>25,613</u>	<u>78,162</u>	<u>-</u>	<u>-</u>	<u>10,398</u>
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	<u>15,505</u>	<u>12,318</u>	<u>-</u>	<u>-</u>	<u>(16,109)</u>	<u>116,012</u>	<u>-</u>	<u>-</u>	<u>(5,703)</u>
Other Financing Sources (Uses)									
Proceeds from capital lease	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	15,505	12,318	-	-	(16,109)	116,012	-	-	(5,703)
Fund Balances - Beginning of Year									
As Originally Stated	<u>114,381</u>	<u>88,610</u>	<u>100</u>	<u>9,807</u>	<u>38,574</u>	<u>73,022</u>	<u>3,276</u>	<u>2,724</u>	<u>2,673</u>
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year	<u>114,381</u>	<u>88,610</u>	<u>100</u>	<u>9,807</u>	<u>38,574</u>	<u>73,022</u>	<u>3,276</u>	<u>2,724</u>	<u>2,673</u>
As Originally restated									
Fund Balances - End of Year	\$ 129,886	\$ 100,928	\$ 100	\$ 9,807	\$ 22,465	\$ 189,034	\$ 3,276	\$ 2,724	\$ (3,030)

**CHEROKEE COUNTY, SOUTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							
	Hazmat	Sheriff Cops Program	Dare	Electronic Monitoring	Fire Districts	Library	Development Board	Debt Service
Revenues								
Taxes	-	-	-	-	-	992,781	-	1,093,621
Intergovernmental	-	-	-	-	-	127,391	-	-
Interest	-	-	-	-	-	-	25	-
Charges for Services	-	-	-	-	-	20,912	-	-
Confiscated Money	-	-	-	-	-	-	-	-
Miscellaneous	-	-	12,438	234,558	-	2,465	29,978	-
	-	-	12,438	234,558	-	1,143,549	30,003	1,093,621
Expenditures								
Current								
General Government	-	-	-	-	-	-	1,705	-
Public Safety	-	-	13,179	97,477	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-	-
Environmental and Housing	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	948,703	-	-
Economic Development	-	-	-	-	-	-	25,089	-
Capital outlay	-	-	-	-	-	11,472	-	-
Debt service								
Principal retirement	-	-	-	-	-	-	-	695,000
Interest and Fiscal Charges	-	-	-	-	-	-	-	143,820
	-	-	13,179	97,477	-	960,175	26,794	838,820
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(741)	137,081	-	183,374	3,209	254,801
Other Financing Sources (Uses)								
Proceeds from capital lease	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(139,377)	-	-	-	-
Total other financing sources (uses)	-	-	-	(139,377)	-	-	-	-
Net Change in Fund Balances	-	-	(741)	(2,296)	-	183,374	3,209	254,801
Fund Balances - Beginning of Year As Originally Stated	48	-	10,237	78,189	267,291	1,573,910	142,288	1,946,765
Reclassification	-	-	-	-	(267,291)	-	-	-
Fund Balances - Beginning of Year As Originally restated	48	-	10,237	78,189	-	1,573,910	142,288	1,946,765
Fund Balances - End of Year	\$ 48	\$ -	\$ 9,496	\$ 75,893	\$ -	\$ 1,757,284	\$ 145,497	\$ 2,201,566

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2020

	Special Revenue Funds		Support Office	Clerk of Court				Magistrates Cash Bonds	Tax Collector
	Cherokee No. 1	Spartanburg No. 2		Out of Town Surety Bonds	Bondsmen	Finance Officer	Duke/Flour Daniel Escrow		
Assets									
Cash	\$ 42,542,412	164,381	51,850	7,909	75,907	75,832	3,709,529	134,488	944,783
Taxes Receivable (Net)	692,215	18,519	-	-	-	-	-	-	-
Other Receivables	1,644,378	1,119	-	-	-	-	-	-	-
	<u>44,879,005</u>	<u>184,019</u>	<u>51,850</u>	<u>7,909</u>	<u>75,907</u>	<u>75,832</u>	<u>3,709,529</u>	<u>134,488</u>	<u>944,783</u>
Liabilities									
Due to Other Designated Recipients	44,879,005	184,019	51,850	7,909	75,907	75,832	3,709,529	134,488	944,783
	<u>44,879,005</u>	<u>184,019</u>	<u>51,850</u>	<u>7,909</u>	<u>75,907</u>	<u>75,832</u>	<u>3,709,529</u>	<u>134,488</u>	<u>944,783</u>

Cherokee County, South Carolina  
 Agency Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2020

	Cherokee Tech	City of Chesnee	Sheriff's Drug Fund	Inmate Trust Funds	Recreation District	CCCADA - Mini Bottle Tax	Town of Blacksburg	Macedonia	City of Gaffney	Spartanburg 1% Fee In Lieu
Assets										
Cash	\$ (10,035)	849	-	54,759	(15,839)	15,906	4,412	1,663	146,707	(804)
Taxes Receivable (Net)	10,127	35	-	-	15,556	-	24,571	3,091	62,866	804
Other Receivables	-	-	-	-	406	47,032	-	118	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-	-
	<u>92</u>	<u>884</u>	<u>-</u>	<u>54,759</u>	<u>123</u>	<u>62,938</u>	<u>28,983</u>	<u>4,872</u>	<u>209,573</u>	<u>-</u>
Liabilities										
Due to Other Designated Recipients	92	884	-	54,759	123	62,938	28,983	4,872	209,573	-
	<u>\$ 92</u>	<u>884</u>	<u>-</u>	<u>54,759</u>	<u>123</u>	<u>62,938</u>	<u>28,983</u>	<u>4,872</u>	<u>209,573</u>	<u>-</u>



Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2020

	Cherokee Creek FD	Gaffney Area FD	Grassy Pond FD	CKC FD	Buffalo FD	Corinth FD	Antioch FD	DMW FD	Goucher White Plains FD	Library	TOTALS
Assets											
Cash	\$ 34,866	(3,128)	188	782	(8,022)	2,209	781	2,290	(1,331)	37,853	47,971,197
Taxes Receivable (Net)	2,906	11,901	2,610	2,190	2,029	1,425	1,875	1,653	1,488	-	855,864
Other Receivables	-	-	-	-	-	-	-	-	-	-	1,693,050
	<u>37,772</u>	<u>8,773</u>	<u>2,798</u>	<u>2,972</u>	<u>(5,993)</u>	<u>3,634</u>	<u>2,656</u>	<u>3,943</u>	<u>157</u>	<u>37,853</u>	<u>50,520,111</u>
Liabilities											
Due to Other Designated Recipients	<u>37,772</u>	<u>8,773</u>	<u>2,798</u>	<u>2,972</u>	<u>(5,993)</u>	<u>3,634</u>	<u>2,656</u>	<u>3,943</u>	<u>157</u>	<u>37,853</u>	<u>50,520,111</u>
	<u>\$ 37,772</u>	<u>8,773</u>	<u>2,798</u>	<u>2,972</u>	<u>(5,993)</u>	<u>3,634</u>	<u>2,656</u>	<u>3,943</u>	<u>157</u>	<u>37,853</u>	<u>50,520,111</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>School District - Cherokee No. 1</b>				
Assets				
Cash	\$ 48,723,064	119,933,576	126,114,228	42,542,412
Taxes Receivable (Net)	1,154,645	692,215	1,154,645	692,215
Other Receivables	1,191,710	1,644,378	1,191,710	1,644,378
	<u>51,069,419</u>	<u>122,270,169</u>	<u>128,460,583</u>	<u>44,879,005</u>
Liabilities				
Due to Other Designated Recipients	<u>51,069,419</u>	<u>122,270,169</u>	<u>128,460,583</u>	<u>44,879,005</u>
<b>School District - Sptbg. No.1</b>				
Assets				
Cash	128,416	164,381	128,416	164,381
Taxes Receivable (Net)	282,375	169,343	433,199	18,519
Other Receivables	328	791	-	1,119
	<u>411,119</u>	<u>334,515</u>	<u>561,615</u>	<u>184,019</u>
Liabilities				
Due to Other Designated Recipients	<u>411,119</u>	<u>334,515</u>	<u>561,615</u>	<u>184,019</u>
<b>Support Office</b>				
Assets				
Cash	<u>186,531</u>	<u>-</u>	<u>134,681</u>	<u>51,850</u>
Liabilities				
Due to Other Designated Recipients	<u>186,531</u>	<u>-</u>	<u>134,681</u>	<u>51,850</u>
<b>Clerk of Court - Out of Town Surety Bond</b>				
Assets				
Cash	<u>5,732</u>	<u>2,177</u>	<u>-</u>	<u>7,909</u>
Liabilities				
Due to Other Designated Recipients	<u>5,732</u>	<u>2,177</u>	<u>-</u>	<u>7,909</u>
<b>Clerk of Court - Bondsmen</b>				
Assets				
Cash	<u>75,884</u>	<u>24</u>	<u>-</u>	<u>75,908</u>
Liabilities				
Due to Other Designated Recipients	<u>75,884</u>	<u>24</u>	<u>-</u>	<u>75,908</u>
<b>Clerk of Court - Finance Officer</b>				
Assets				
Cash	<u>75,832</u>	<u>-</u>	<u>-</u>	<u>75,832</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 75,832</u>	<u>-</u>	<u>-</u>	<u>75,832</u>

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

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Magistrate Cash Bonds</b>				
Assets				
Cash	\$ 155,234	-	20,746	134,488
Liabilities				
Due to Other Designated Recipients	155,234	-	20,746	134,488
<b>Tax Collector</b>				
Assets				
Cash	1,132,068	2,155,705	2,342,990	944,783
Liabilities				
Due to Other Designated Recipients	1,132,068	2,155,705	2,342,990	944,783
<b>Cherokee Tech</b>				
Assets				
Cash	88,895	-	98,930	(10,035)
Taxes Receivable (Net)	18,724	34,098	42,695	10,127
Other Receivables	256	-	256	-
	107,875	34,098	141,881	92
Liabilities				
Due to Other Designated Recipients	107,875	34,098	141,881	92
<b>City of Chesnee</b>				
Assets				
Cash	1,301	849	1,301	849
Taxes Receivable (Net)	55	101	121	35
Other Receivables	11	-	11	-
	1,367	950	1,433	884
Liabilities				
Due to Other Designated Recipients	1,367	950	1,433	884
<b>Sheriff's Drug fund</b>				
Assets				
Cash	48,171	-	48,171	-
Liabilities				
Due to Other Designated Recipients	48,171	-	48,171	-
<b>Inmate Trust Fund</b>				
Assets				
Cash	33,173	21,586	-	54,759
Liabilities				
Due to Other Designated Recipients	\$ 33,173	21,586	-	54,759

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Recreation District</b>				
Assets				
Cash	39,026	-	54,865	(15,839)
Taxes Receivable (Net)	\$ 28,960	52,383	65,787	15,556
Other Receivables	384	22	-	406
	<u>68,370</u>	<u>52,405</u>	<u>120,652</u>	<u>123</u>
Liabilities				
Due to Other Designated Recipients	<u>68,370</u>	<u>52,405</u>	<u>120,652</u>	<u>123</u>
<b>Duke / Fluor Daniel Escrow</b>				
Assets				
Cash	<u>4,035,147</u>	<u>-</u>	<u>325,618</u>	<u>3,709,529</u>
Liabilities				
Due to Other Designated Recipients	<u>4,035,147</u>	<u>-</u>	<u>325,618</u>	<u>3,709,529</u>
<b>CCCADA - Mini Bottle Tax</b>				
Assets				
Cash	35,284	15,906	35,284	15,906
Other Receivable	44,040	47,032	44,040	47,032
	<u>79,324</u>	<u>62,938</u>	<u>79,324</u>	<u>62,938</u>
Liabilities				
Due to Other Designated Recipients	<u>79,324</u>	<u>62,938</u>	<u>79,324</u>	<u>62,938</u>
<b>Town of Blacksburg - Bonds</b>				
Assets				
Cash	<u>51,296</u>	<u>102,691</u>	<u>102,591</u>	<u>51,396</u>
Liabilities				
Due to Other Designated Recipients	<u>51,296</u>	<u>102,691</u>	<u>102,591</u>	<u>51,396</u>
<b>Town of Blacksburg</b>				
Assets				
Cash	11,941		58,925	(46,984)
Taxes Receivable (Net)	30,341	72,646	78,416	24,571
Other Receivables	197	-	197	-
	<u>42,479</u>	<u>72,646</u>	<u>137,538</u>	<u>(22,413)</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 42,479</u>	<u>72,646</u>	<u>137,538</u>	<u>(22,413)</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Macedonia</b>				
Assets				
Cash	\$ 199,848	1,663	199,848	1,663
Taxes Receivable (Net)	5,648	9,768	12,325	3,091
Other Receivables	124	118	124	118
	<u>205,620</u>	<u>11,549</u>	<u>212,297</u>	<u>4,872</u>
Liabilities				
Due to Other Designated Recipients	<u>205,620</u>	<u>11,549</u>	<u>212,297</u>	<u>4,872</u>
<b>City of Gaffney</b>				
Assets				
Cash	\$ -	146,707	-	146,707
Taxes Receivable (Net)	93,013	390,065	420,212	62,866
Other Receivables	1,132	-	1,132	-
	<u>94,145</u>	<u>536,772</u>	<u>421,344</u>	<u>209,573</u>
Liabilities				
Due to Other Designated Recipients	<u>94,145</u>	<u>536,772</u>	<u>421,344</u>	<u>209,573</u>
<b>Spartanburg 1% Fee In Lieu</b>				
Assets				
Cash	\$ -	-	804	(804)
Taxes Receivable (Net)	-	3,543	2,739	804
	<u>-</u>	<u>3,543</u>	<u>3,543</u>	<u>-</u>
Liabilities				
Due to Other Designated Recipients	<u>-</u>	<u>3,543</u>	<u>3,543</u>	<u>-</u>
<b>Cherokee Creek Fire District</b>				
Assets				
Cash	\$ -	34,866	-	34,866
Taxes Receivable (Net)	21,319	46,241	64,654	2,906
Other Receivables	58	-	58	-
	<u>21,377</u>	<u>81,107</u>	<u>64,712</u>	<u>37,772</u>
Liabilities				
Due to Other Designated Recipients	<u>21,377</u>	<u>81,107</u>	<u>64,712</u>	<u>37,772</u>
<b>Gaffney Area Fire District</b>				
Assets				
Cash	\$ -	-	3,128	(3,128)
Taxes Receivable (Net)	11,194	42,092	41,385	11,901
Other Receivables	184	-	184	-
	<u>11,378</u>	<u>42,092</u>	<u>44,697</u>	<u>8,773</u>
Liabilities				
Due to Other Designated Recipients	<u>11,378</u>	<u>42,092</u>	<u>44,697</u>	<u>8,773</u>
<b>Grassy Pond Fire District</b>				
Assets				
Cash	\$ -	188	-	188
Taxes Receivable (Net)	6,921	9,206	13,517	2,610
Other Receivables	121	-	121	-
	<u>7,042</u>	<u>9,394</u>	<u>13,638</u>	<u>2,798</u>
Liabilities				
Due to Other Designated Recipients	<u>7,042</u>	<u>9,394</u>	<u>13,638</u>	<u>2,798</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>CKC Fire District</b>				
Assets				
Cash	\$ -	782	-	782
Taxes Receivable (Net)	3,407	19,262	20,479	2,190
Other Receivables	60	-	60	-
	<u>3,467</u>	<u>20,044</u>	<u>20,539</u>	<u>2,972</u>
Liabilities				
Due to Other Designated Recipients	<u>3,467</u>	<u>20,044</u>	<u>20,539</u>	<u>2,972</u>
<b>Buffalo Fire District</b>				
Assets				
Cash	\$ -	-	8,022	(8,022)
Taxes Receivable (Net)	6,339	7,584	11,894	2,029
Other Receivables	15	-	15	-
	<u>6,354</u>	<u>7,584</u>	<u>19,931</u>	<u>(5,993)</u>
Liabilities				
Due to Other Designated Recipients	<u>6,354</u>	<u>7,584</u>	<u>19,931</u>	<u>(5,993)</u>
<b>Corinth Fire District</b>				
Assets				
Cash	\$ -	2,209	-	2,209
Taxes Receivable (Net)	2,393	4,409	5,377	1,425
Other Receivables	22	-	22	-
	<u>2,415</u>	<u>6,618</u>	<u>5,399</u>	<u>3,634</u>
Liabilities				
Due to Other Designated Recipients	<u>2,415</u>	<u>6,618</u>	<u>5,399</u>	<u>3,634</u>
<b>Anthioch Fire District</b>				
Assets				
Cash	\$ -	781	-	781
Taxes Receivable (Net)	2,686	5,609	6,420	1,875
Other Receivables	14	-	14	-
	<u>2,700</u>	<u>6,390</u>	<u>6,434</u>	<u>2,656</u>
Liabilities				
Due to Other Designated Recipients	<u>2,700</u>	<u>6,390</u>	<u>6,434</u>	<u>2,656</u>
<b>DMW Fire District</b>				
Assets				
Cash	\$ -	2,290	-	2,290
Taxes Receivable (Net)	1,925	4,757	5,029	1,653
Other Receivables	56	-	56	-
	<u>1,981</u>	<u>7,047</u>	<u>5,085</u>	<u>3,943</u>
Liabilities				
Due to Other Designated Recipients	<u>1,981</u>	<u>7,047</u>	<u>5,085</u>	<u>3,943</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Goucher White Plains Fire District</b>				
Assets				
Cash	\$ -	-	1,331	(1,331)
Taxes Receivable (Net)	2,544	4,624	5,680	1,488
Other Receivables	105	-	105	-
	<u>2,649</u>	<u>4,624</u>	<u>7,116</u>	<u>157</u>
Liabilities				
Due to Other Designated Recipients	<u>2,649</u>	<u>4,624</u>	<u>7,116</u>	<u>157</u>
<b>Library</b>				
Assets				
Cash	\$ -	37,853	-	37,853
Taxes Receivable (Net)	-	-	-	-
Other Receivables	-	-	-	-
	<u>-</u>	<u>37,853</u>	<u>-</u>	<u>37,853</u>
Liabilities				
Due to Other Designated Recipients	<u>-</u>	<u>37,853</u>	<u>-</u>	<u>37,853</u>
<b>Total - All Agency Funds</b>				
Assets				
Cash	55,026,843	122,624,234	129,679,880	47,971,197
Taxes Receivable (Net)	1,672,489	1,567,949	2,384,574	855,864
Other Receivables	1,238,817	1,692,338	1,238,105	1,693,050
	<u>57,938,149</u>	<u>125,884,521</u>	<u>133,302,559</u>	<u>50,520,111</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 57,938,149</u>	<u>125,884,521</u>	<u>133,302,559</u>	<u>50,520,111</u>

Cherokee County, South Carolina  
Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
June 30, 2020

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	-	598,739	24,594	-	16,934,277
Public Safety	-	254,958	9,910,734	23,332	5,345,473	-	3,307,930	110,814	-	18,953,240
Transportation	-	-	139,221	-	1,260,731	30,619,256	447,641	97,868	-	32,564,717
Health and Human Services	-	107,500	893,715	-	74,177	-	251,515	66,711	-	1,393,619
Environmental and Housing	-	715,026	738,235	73,288	2,558,929	-	2,019,746	-	-	6,105,224
Culture and Recreation	-	215,526	2,719,054	38,185	574,161	-	90,494	-	1,115,761	4,753,181
	<u>\$ -</u>	<u>1,688,896</u>	<u>27,792,934</u>	<u>241,561</u>	<u>12,229,798</u>	<u>30,619,256</u>	<u>6,716,064</u>	<u>299,988</u>	<u>1,115,761</u>	<u>80,704,258</u>



Cherokee County, South Carolina  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 June 30, 2020

Function and Activity	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
General Government	\$ 16,603,229	222,249	17,735	16,807,743
Public Safety	18,184,456	828,691	65,227	18,947,920
Transportation	32,156,631	225,468	-	32,382,099
Health and Human Services	1,509,525	66,711	-	1,576,236
Environmental and Housing	5,824,559	280,665	-	6,105,224
Culture and Recreation	4,970,636	-	85,601	4,885,035
Total	<u>79,249,036</u>	<u>1,623,785</u>	<u>168,563</u>	<u>80,704,258</u>
Construction In Progress	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>



COMPLIANCE SECTION

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

**Cherokee County**  
Magistrate Court and General Session  
Summary Schedule of Court Fines and Fees, Assessments and Surcharges  
June 30, 2020

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	119,000	1,152,989	-	1,271,989
Court fines and assessments remitted to State Treasurer	61,483	566,946	-	628,429
<b>Total Court Fines and Assessments retained</b>	<b>57,517</b>	<b>586,043</b>	<b>-</b>	<b>643,560</b>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained	16,697	14,352	-	31,049
Assessments retained	7,570	40,034	-	47,604
<b>Total Surcharges and Assessments retained for victim services</b>	<b>24,267</b>	<b>54,386</b>	<b>-</b>	<b>78,653</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	-	47,604	47,604
Victim Service Surcharges Retained by City/County Treasurer	-	31,049	31,049
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>	-	78,653	78,653
<b>Expenditures for Victim Service Program:</b>	<b>Municipal</b>	<b>County</b>	<b>Total</b>
Salaries and Benefits	-	-	-
Operating Expenditures	-	88	88
<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	-	70,457	-
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	-	70,545	70,545
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	-	-
Less: Prior Year Fund Deficit Repayment	-	-	-
<b>Carryforward Funds – End of Year</b>	-	8,108	8,108