

# **CHEROKEE COUNTY**

**South Carolina**



## **FINANCIAL STATEMENTS AND SCHEDULES**

**YEAR ENDED JUNE 30, 2023**

**CHEROKEE COUNTY, SOUTH CAROLINA**

**FINANCIAL STATEMENTS AND SCHEDULES**

**YEAR ENDED JUNE 30, 2023**

**PREPARED BY FINANCE DEPARTMENT**

CHEROKEE COUNTY, SOUTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2023

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## INTRODUCTORY SECTION

CHEROKEE COUNTY, SOUTH CAROLINA  
LIST OF PRINCIPAL OFFICIALS  
AS OF DECEMBER 28, 2023

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  
Billy Dean Blanton  
David Smith

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

Elected Officials

Sheila Carpenter  
Ryan Thomas  
Brandy W. McBee  
Steve Mueller  
Dennis G. Fowler  
Joshua Queen  
Barry Barnette

Treasurer  
Auditor  
Clerk of Court  
Sheriff  
Coroner  
Probate Judge  
Solicitor

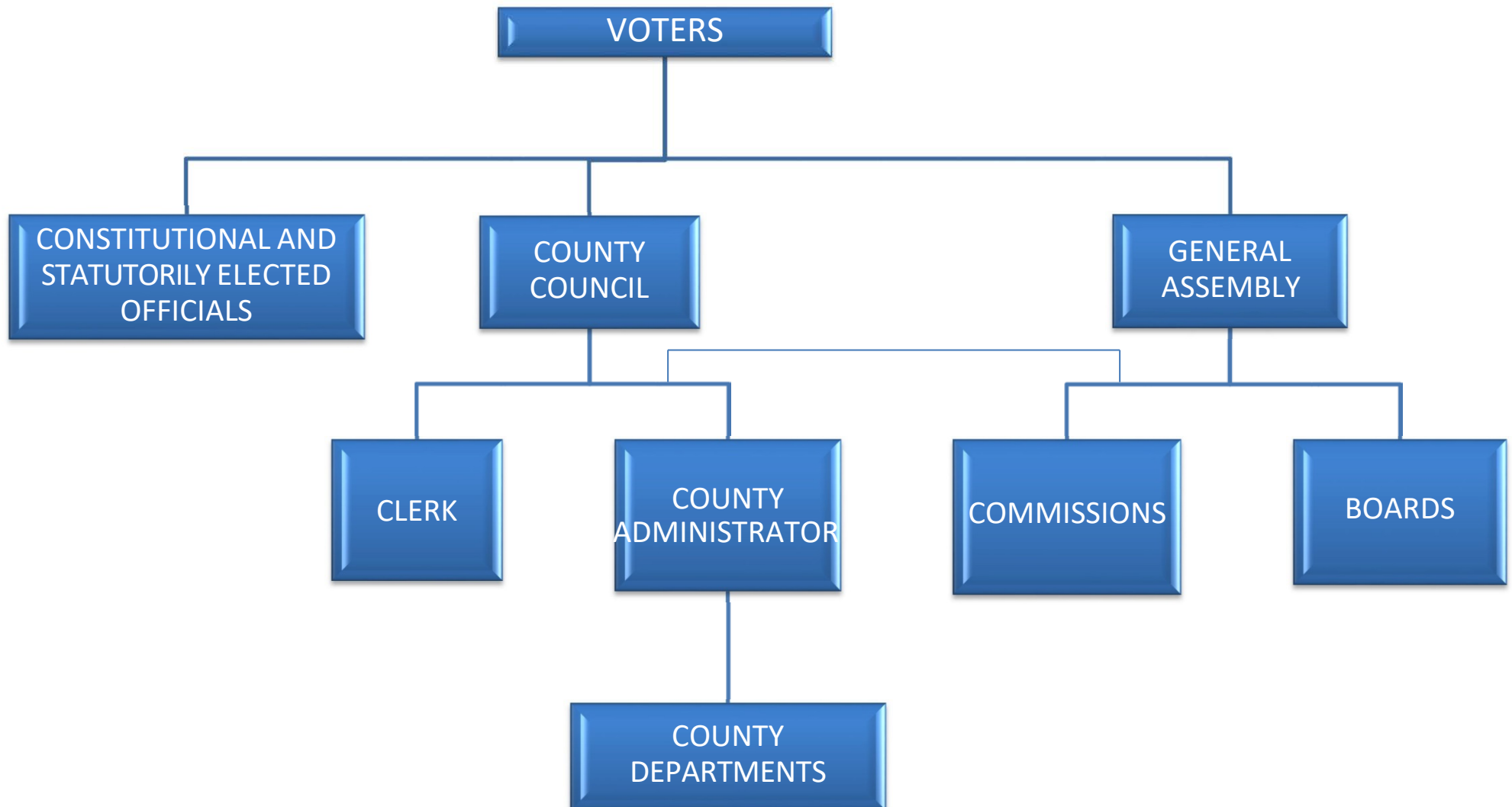
Appointed Official

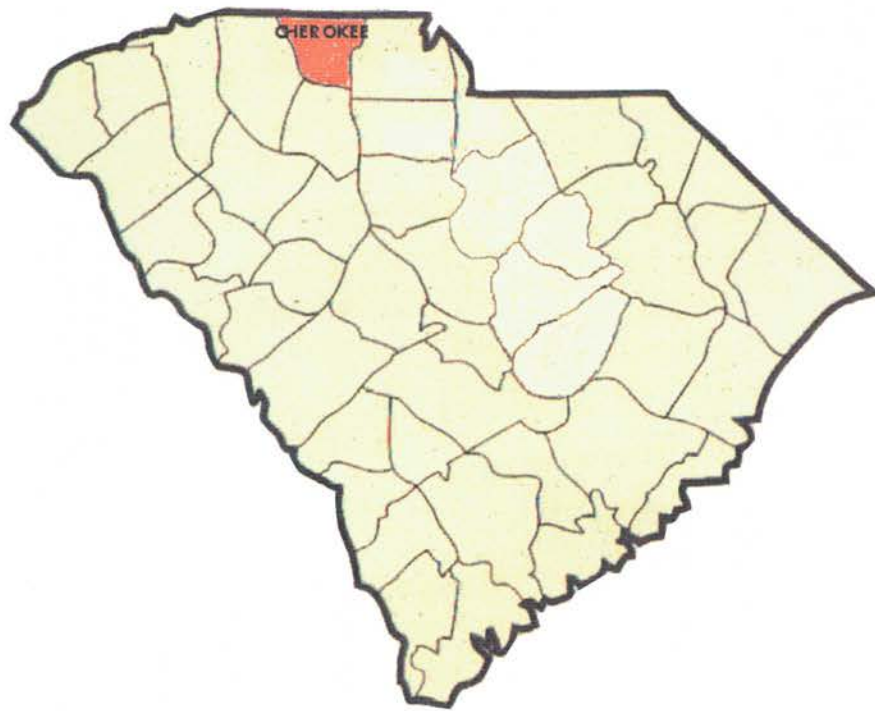
Marvin Bishop  
Amanda Walker

Administrator  
Assistant County Administrator

# CHEROKEE COUNTY, SOUTH CAROLINA

## ORGANIZATIONAL CHART





FINANCIAL SECTION



## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of Cherokee County, South Carolina (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 remaining fund information of the County, as of June 30, 2023 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Change in Accounting Principles**

As described in Note 1 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

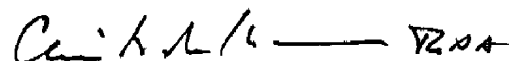
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison, the schedule of the County's proportionate share of the net pension liability and contributions, and the schedule of the County's proportionate share of the net OPEB liability and contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the summary schedule of court fines and fees, assessments and surcharges, and the schedule of revenues, expenditures and changes in fund balance- 9-1-1 Fund as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the summary schedule of court fines and fees, assessments and surcharges and the schedule of revenues, expenditures and changes in fund balance- 9-1-1 Fund as listed in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2024, on our consideration of the 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 to provide an opinion on the effectiveness of the 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 County's internal control over financial reporting and compliance.



Gaffney, SC  
January 2, 2024

## 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, 2023. 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, 2023 by \$48,889,232 (net position). This amount is greater than net investment in capital assets by \$15,919,977. Net position categories show the portion that must be spent for specific purposes.
- The County's total net position increased by \$3,931,963 from governmental activities.
- As of June 30, 2023, the County's governmental funds reported combined ending fund balances of \$54,817,880, an increase of \$1,569,458. Of the combined ending fund balances amount, \$23,064,226 is available for use at the County's discretion.
- At June 30, 2023, unassigned fund balance for the General Fund was \$23,064,226, or approximately 49 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 \$929,241, or over 6.7 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 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 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 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 government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows. Such information may be useful in evaluating a government's near-term financing requirements.

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

Cherokee County maintains over fifty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and Capital Projects funds, the E-911 Telephone Surcharge and the American Rescue Plan Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

## **Notes to the Financial Statements**

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

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general fund and information concerning the State and County's progress in funding obligations to provide Pension and OPEB benefits to County employees. The combining statements referred to earlier in connection with nonmajor governmental funds, fiduciary fund data, and capital asset data are presented following the required supplementary information section. In addition, supplementary information required by the State of South Carolina includes financial activity of the magistrate and general sessions courts and the 9-1-1 Fund for the current fiscal year.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Total Percentage Change
	2023	2022	2022-2023
Current and Other Assets	\$ 68,364,586	69,490,947	-1.6%
Capital Assets	37,668,383	35,758,550	5.3%
<b>Total Assets</b>	<b>106,032,969</b>	<b>105,249,497</b>	<b>10.8%</b>
Deferred Outflow of Resources			
Deferred Amounts Related to Pensions	4,566,695	4,647,922	-1.7%
Deferred Amounts Related to OPEB	476,098	643,684	100%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>111,075,762</b>	<b>110,541,103</b>	<b>0.5%</b>
Current Liabilities	13,637,276	15,891,677	-14.2%
Long-Term Liabilities	19,237,601	20,169,786	-4.6%
Net Pension Liability	24,954,712	21,188,939	17.8%
Net OPEB Liability	2,941,700	3,983,400	-26.2%
<b>Total Liabilities</b>	<b>60,771,289</b>	<b>61,233,802</b>	<b>-0.8%</b>
Deferred Inflow of Resources			
Deferred Amounts Related to Pensions	416,841	4,098,132	-89.8%
Deferred Amounts Related to OPEB	998,400	251,900	296.3%
<b>Total Liabilities and Deferred Outflows of Resources</b>	<b>62,186,530</b>	<b>65,583,834</b>	<b>-5.2%</b>
Net Position			
Net Investment in Capital Assets	32,969,255	31,627,001	4.2%
Restricted	22,017,593	20,739,406	6.2%
Unrestricted	(6,097,616)	(7,409,143)	-17.7%
<b>Total Net Position</b>	<b>48,889,232</b>	<b>44,957,264</b>	<b>8.7%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 111,075,762</b>	<b>110,541,098</b>	<b>0.5%</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 \$48,889,232, as of June 30, 2023. (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 increased by \$3,931,963. This increase was primarily due to governmental operating activities. Revenues were up 21% and expenses only increased 12.5%.

**Table 2**  
**Changes in Cherokee County's Net Position**

	Governmental Activities		Total Percentage Change
	2023	2022	2022-2023
Revenues:			
Program Revenues			
Charges for Services	\$ 4,643,391	3,552,688	30.7%
Operating Grants and Contributions	9,270,500	5,246,334	76.7%
Capital Grants and Contributions	1,000,000	1,935,000	0.0%
General Revenues:			
Property Taxes	26,892,946	24,486,557	9.8%
Other Taxes	824,291	345,411	138.6%
Other	4,607,393	3,471,052	32.7%
<b>Total Revenues</b>	<b>47,238,521</b>	<b>39,037,042</b>	<b>21.0%</b>
Expenses:			
General Government	14,297,367	10,831,674	32.0%
Public Safety	14,636,649	15,084,244	-3.0%
Transportation	8,406,765	4,583,303	83.4%
Health and Human Services	782,733	823,225	-4.9%
Environmental and Housing	4,110,052	4,039,489	1.7%
Culture and Recreation	1,323,152	1,091,306	21.2%
Economic Development	258,798	2,473,249	-89.5%
Unallocated Interest Expense	222,292	220,198	1.0%
<b>Total Expenses</b>	<b>44,037,808</b>	<b>39,146,688</b>	<b>12.5%</b>
Increase (Decrease) in Net Position Before Transfers	3,200,713	(109,646)	-3019.1%
<b>Change in Net Position</b>	<b>3,200,713</b>	<b>(109,646)</b>	<b>-3019.1%</b>
<b>Beginning Net Position as Originally Stated</b>	<b>44,957,269</b>	<b>44,916,614</b>	<b>0.1%</b>
<b>Prior Period Adjustments</b>	<b>731,250</b>	<b>150,301</b>	<b>100%</b>
<b>Beginning Net Position, Restated</b>	<b>45,688,519</b>	<b>45,066,915</b>	<b>1.4%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 48,889,232</b>	<b>44,957,269</b>	<b>8.7%</b>

**Change in net position.** The County's total revenues increased by 21 percent to approximately \$47.0 million, primarily as a result of increased charges for services, operating grants and contributions and property taxes, in addition to increases in other revenues. Other revenues include primarily interest earnings on invested funds, and a full year of Hospitality Tax revenues. (See Table 2).

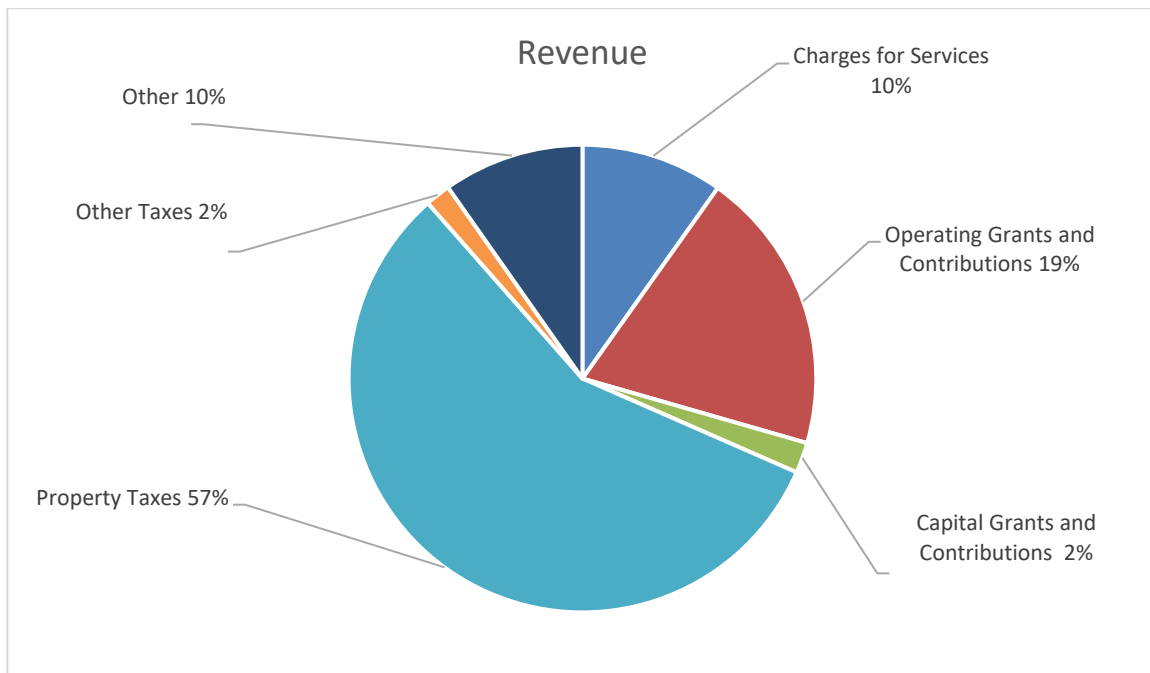
The County's total cost of all programs and services had an increase of 12.5 percent. This increase is due primarily to increases in payroll and benefits expense, public safety expenditures, and culture and recreation expenditures.

### Governmental Activities

The County's governmental activities had net of expense over revenue of (\$29,123,917). These net service cost are intended to be funded by taxes and other general revenues, as opposed to charges for services and grants. Revenues did exceed total expense by \$3,200,713.

Total revenues for the County's governmental activities increased by 21 percent, and total expenses increased 12.5 percent. Factors contributing to these results included:

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





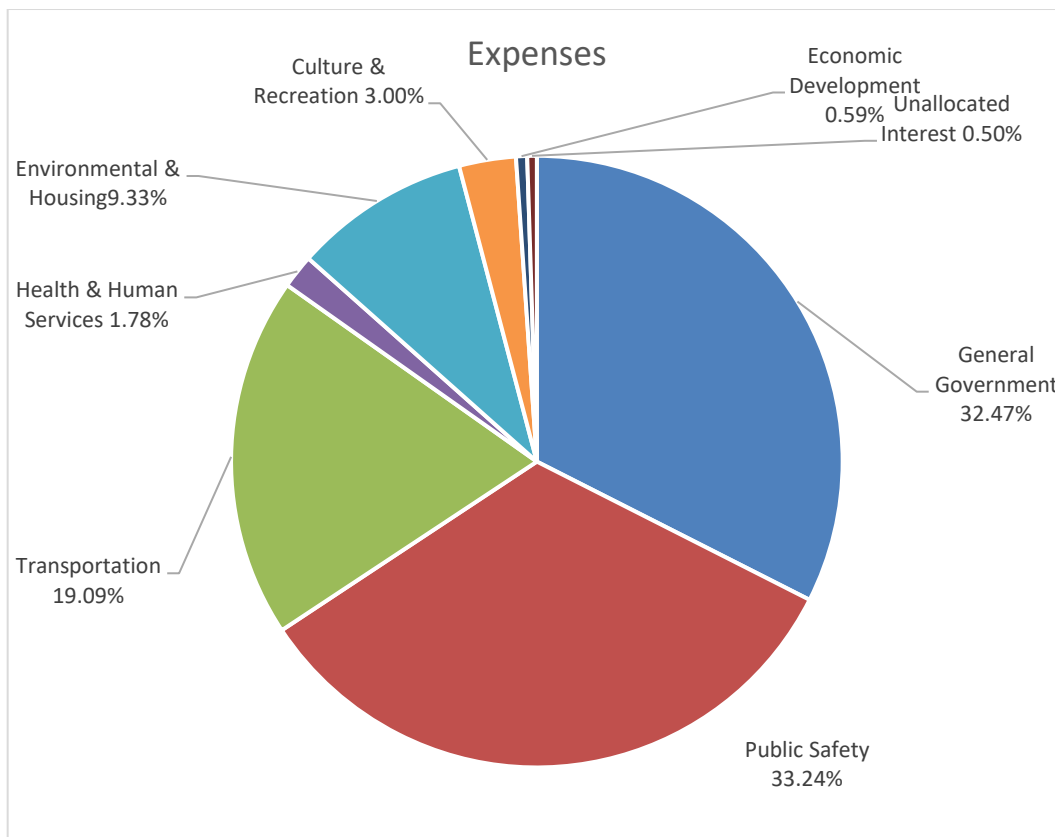
## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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, 2023, the County's governmental funds reported combined ending fund balances of \$54,817,881, an increase of \$1,569,459 from the prior year.



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

Approximately 42 percent of the combined fund balances (\$23,064,226) constitute unassigned fund balance, which is available for spending at the County's discretion. 11.6 percent of the combined fund balances (\$6,350,731) is assigned and committed for various types of cultural, administrative and capital projects. The majority of the remaining balance is restricted (\$22,017,592) 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 and inventory (\$492,332).

The general fund is the chief operating fund of the County. At June 30, 2023, unassigned fund balance of the general fund was \$23,064,226 and total fund balance was \$31,458,766. As a measure of the general fund's liquidity, the unassigned fund balance represents approximately 74 percent of total general fund expenditures and transfers out.

The capital fund has a total fund balance of \$9,520,822, \$8,218,412 of which is restricted, and \$1,302,409 is assigned for capital projects. The decrease in fund balance during the current fiscal year was \$1,777,857, due to the spending of available bond proceeds combined with capital project spending in excess of the current year's capital tax levy. Funds were spent on 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 \$5,251,676 primarily due to increased intergovernmental revenues, increased fee in lieu of taxes, increased interest revenue and other revenues.

Actual expenditures were over budget by \$323,121 due to an unbudgeted expenditure of \$1,059,701 for an economic development project, increases in salary and related employee benefit cost, overall cost of goods and operations due to inflation and increased costs due to the number of inmates in our detention center, offset by various issues, including cost control measures in other departments.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2023, the County had \$87,652,144 invested in capital assets including police equipment, buildings, infrastructure, etc. (See following table). Capital assets for government activities increased by \$3,867,740 over last year.

	Governmental Activities		Total Percentage Change
	2023	2022	2022-2023
Land	\$ 1,999,889	1,999,889	0.0%
Construction in Progress	1,560,363	562,102	177.6%
Buildings	29,421,840	28,721,840	2.4%
Other Improvements	241,561	241,561	0.0%
Vehicle & Equipment	20,853,635	18,822,704	10.8%
Lease Assets	1,989,023	1,702,940	16.8%
Subscription Assets	411,128	-	100.0%
Infrastructure	30,619,256	30,619,256	0.0%
Books	555,449	1,114,112	-50.1%
<b>Total Capital Assets</b>	<b>87,652,144</b>	<b>83,784,404</b>	<b>4.6%</b>
<b>Accumulated Depreciation</b>	<b>49,983,759</b>	<b>47,294,603</b>	<b>5.7%</b>
<b>Total Net Assets</b>	<b>\$ 37,668,385</b>	<b>36,489,801</b>	<b>3.2%</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 \$10,975,000 in outstanding general obligation bonds, compared to \$11,845,000 last year. That is a decrease of 7.3 percent as shown in the following table.

	Governmental Activities		Percentage Change
	2023	2022	2022-2023
General Obligation Bonds, Series 2011	\$ 1,300,000	2,070,000	-37.2%
General Obligation Bonds, Series 2021	9,675,000	9,775,000	100.0%
	<b>10,975,000</b>	<b>11,845,000</b>	<b>-7.3%</b>

More detailed information about the County's long-term liabilities is presented in Note 3(F) to the financial statements.

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

The state limit for amount of general obligation debt the County can issue is 8 percent of the assessed value of all taxable property within the County's legal limits. Outstanding debt is below this limit – which is approximately \$17.2 million.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

There were several major industrial announcements of new project in the County during the fiscal year. All indications are that this may continue in the early part of the 23-24 fiscal year.

All of these factors were considered in the approval of the County's millage rate total property millage rate of 78.6 mills in 2023 and 77.5 mills in 2022.

Budgeted 2024 operating expenditures are expected to increase by \$2,196,926 which is 7.12 percent above the final 2023 budget. This is due to various increases in expenses such as payroll costs, insurance premiums, and overall inflation that affects all departments.

## **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, 2023

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 33,037,544
Investments	31,912,653
Accounts Receivable (Net)	395,880
Other Receivables	2,279,752
Taxes Receivable (Net)	-
Prepaid Items	484,828
Inventory	7,503
Due from Recreation District	246,426
Capital Assets - Not Being Depreciated	3,560,253
Capital Assets - Net of Accumulated Depreciation	34,108,130
Total Assets	<u>106,032,969</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions Related Items	4,566,695
OPEB Related Items	476,098
Total Deferred Outflows of Resources	<u>5,042,793</u>
<b>LIABILITIES</b>	
Accounts Payable	1,154,581
Accrued Liabilities	509,222
Local Option Sales Tax - Property Tax Relief	1,889,680
Unearned Revenue	9,987,493
Accrued Interest Payable	96,300
Noncurrent Liabilities:	
Due Within One Year	2,083,413
Due in More than One Year	17,154,188
Net Pension Liability	24,954,712
Net OPEB Liability	2,941,700
Total Liabilities	<u>60,771,289</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions Related Items	416,841
OPEB Related Items	998,400
Total Deferred Inflows of Resources	<u>1,415,241</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	32,969,255
Restricted For:	
Public Safety	3,404,251
Debt Service	2,643,537
Capital Projects	28,537,198
Cultural and Recreation	2,219,651
Transportation	3,026,466
Economic Development	1,690,700
Health and Welfare	346,218
Other Purposes	507,471
Unrestricted (Deficit)	(26,455,515)
Total Net Position	<u>\$ 48,889,232</u>

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

**Cherokee County, South Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>PRIMARY GOVERNMENT</b>					
Governmental Activities					
General Government	\$ 14,297,367	1,940,495	1,902,792	1,000,000	(9,454,080)
Public Safety	14,636,649	1,998,670	1,334,844	-	(11,303,135)
Transportation	8,406,765	-	5,279,884	-	(3,126,881)
Health and Human Services	782,733	107,263	188,735	-	(486,735)
Environmental and Housing	4,110,052	575,915	111,802	-	(3,422,335)
Culture and Recreation	1,323,152	21,048	207,672	-	(1,094,432)
Economic Development	258,798	-	244,771	-	(14,027)
Unallocated Interest Expense	222,292	-	-	-	(222,292)
Total Primary Government	<u>\$ 44,037,808</u>	<u>4,643,391</u>	<u>9,270,500</u>	<u>1,000,000</u>	<u>(29,123,917)</u>
General Revenues					
Property Taxes				\$	26,892,946
Accommodations Tax					175,755
Local Hospitality Tax					386,592
Franchise Fee					261,944
Unrestricted State Aid to Political Subdivisions					2,802,903
Unrestricted Investment Earnings					1,496,231
Miscellaneous					308,259
Total General Revenues					<u>32,324,630</u>
Change in Net Position					3,200,713
Net Position Beginning of Year					44,957,269
Prior Period Adjustment					731,250
Net Position Beginning of Year, Restated					<u>45,688,519</u>
Net Position End of Year				\$	<u>48,889,232</u>

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



## **FUND FINANCIAL STATEMENTS**

**Cherokee County, South Carolina**  
**Balance Sheet - Governmental Funds**  
June 30, 2023

	Major Funds					
	General	Capital Project	American Rescue Plan	Transportation C-Funds	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 595,190	11,643,099	10,045,502	2,531,565	8,222,188	33,037,544
Investment	31,912,653	-	-	-	-	31,912,653
Taxes Receivable (Net)	319,351	28,790	-	-	47,738	395,879
Receivables (Net)						-
Intergovernmental	1,739,996	-	-	155,948	329,685	2,225,629
Other	404	-	-	-	53,719	54,123
Due from Other Funds	2,396,536	-	-	-	2,884,272	5,280,808
Prepaid Items	445,715	-	-	-	39,113	484,828
Inventory	7,504	-	-	-	-	7,504
Due from Recreation District	-	246,426	-	-	-	246,426
Total Assets	37,417,349	11,918,315	10,045,502	2,687,513	11,576,715	73,645,394
LIABILITIES						
Accounts Payable	753,624	777	366,936	-	33,244	1,154,581
Payroll Liabilities	313,622	-	-	-	30,213	343,835
Other Liabilities	165,387	-	-	-	-	165,387
Due to Other Funds	2,834,272	2,396,536	50,000	-	-	5,280,808
Local Option Sales Tax - Property Tax Relief	1,889,680	-	-	-	-	1,889,680
Unearned Revenue	-	-	9,628,566	-	358,927	9,987,493
Total Liabilities	5,956,585	2,397,313	10,045,502	-	422,384	18,821,784
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues - Property Taxes	1,998	180	-	-	3,551	5,729
FUND BALANCES						
Nonspendable	453,219	-	-	-	39,113	492,332
Restricted	-	8,218,412	-	2,687,513	11,111,667	22,017,592
Assigned	5,048,322	1,302,409	-	-	-	6,350,731
Committed	2,892,999	-	-	-	-	2,892,999
Unassigned	23,064,226	-	-	-	-	23,064,226
Total Fund Balances	31,458,766	9,520,821	-	2,687,513	11,150,780	54,817,880
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 37,417,349	11,918,315	10,045,502	2,687,513	11,576,715	73,645,394

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

**Cherokee County, South Carolina**  
Reconciliation of Total Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2023

Fund Balances - Total Governmental Funds	\$	54,817,880
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.		
Capital Assets	87,652,142	
Less accumulated depreciation and amortization	<u>(49,983,759)</u>	37,668,383
Deferred outflows of resources related to pensions are not reported in the funds		4,566,695
Deferred outflows of resources related to OPEB are not reported in the funds		476,098
Long-term liabilities used in governmental activities are not due and payable in the current period and, therefore, are not reported in the funds		
Net Pension Liability	24,954,712	
Net Other Post Employment Benefits Liability	2,941,700	
General Obligation Bonds	10,975,000	
Deferred Bond Premium	862,126	
Finance Lease Obligations	302,052	
Lease Obligations	431,283	
Subscription Obligations	334,448	
Compensated Absences	468,941	
Landfill Closure and Post Closure	<u>5,863,751</u>	(47,134,013)
Earned revenues are considered deferred inflows of resources in fund statements and are susceptible to full accrual on the entity-wide statements		
Deferred inflows of resources for taxes		5,729
Pension related deferrals		(416,841)
OPEB related deferrals		(998,400)
Other receivables and liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
		(96,300)
Net Position of Governmental Activities	<u>\$</u>	<u>48,889,232</u>

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

**Cherokee County, South Carolina**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	Major Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Project	American Rescue Plan	Transportation C-Funds		
<b>REVENUES</b>						
Taxes	\$ 21,759,972	1,460,800	-	-	3,102,885	26,323,657
Licenses and Permits	620,521	-	-	-	-	620,521
Intergovernmental	5,057,811	-	1,222,065	5,222,165	2,710,498	14,212,539
Charges for Services	1,265,070	-	-	-	701,981	1,967,051
Fines and Forfeits	694,892	-	-	-	-	694,892
Confiscated Money	-	-	-	-	475,759	475,759
Interest Income	1,495,771	2	-	-	1,510	1,497,283
Miscellaneous	1,513,998	-	-	-	291,063	1,805,061
Total Revenues	<u>32,408,035</u>	<u>1,460,802</u>	<u>1,222,065</u>	<u>5,222,165</u>	<u>7,283,696</u>	<u>47,596,763</u>
<b>EXPENDITURES</b>						
Current						
General Government	11,972,613	405,514	1,223,117	-	378,338	13,979,582
Public Safety	12,978,826	625,210	-	-	1,419,615	15,023,651
Transportation	1,388,002	190,790	-	5,738,700	57,720	7,375,212
Health and Human Services	451,808	-	-	-	49,614	501,422
Environmental and Housing	3,696,788	517,229	-	-	14,119	4,228,136
Culture and Recreation	572	-	-	-	1,385,655	1,386,227
Economic Development	-	6,544	-	-	248,027	254,571
Capital Outlay	159,897	1,493,372	-	-	123,311	1,776,580
Debt Service					-	-
Principal Retirement	286,083	-	-	-	870,000	1,156,083
Interest and Fiscal Charges	6,013	-	-	-	339,828	345,841
Total Expenditures	<u>30,940,602</u>	<u>3,238,659</u>	<u>1,223,117</u>	<u>5,738,700</u>	<u>4,886,227</u>	<u>46,027,305</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,467,433</u>	<u>(1,777,857)</u>	<u>(1,052)</u>	<u>(516,535)</u>	<u>2,397,469</u>	<u>1,569,458</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer In	375,383	-	-	-	225,199	600,582
Transfers Out	(225,199)	-	-	-	(375,383)	(600,582)
Total Other Financing Sources	<u>150,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,184)</u>	<u>-</u>
Net Change in Fund Balances	<u>1,617,617</u>	<u>(1,777,857)</u>	<u>(1,052)</u>	<u>(516,535)</u>	<u>2,247,285</u>	<u>1,569,458</u>
Fund Balances - Beginning of Year	29,841,149	11,298,678	1,052	-	12,107,543	53,248,422
Reclassification	-	-	-	3,204,048	(3,204,048)	-
Fund Balances - End of Year	<u>\$ 31,458,766</u>	<u>9,520,821</u>	<u>-</u>	<u>2,687,513</u>	<u>11,150,780</u>	<u>54,817,880</u>

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

**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, 2023

Net Change in Fund Balance - Total Governmental Funds \$ 1,569,458

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

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

Expenditures for capital and right to use assets	4,575,721	
Less current year depreciation and amortization expense	(3,375,051)	1,200,670

The net effects of disposals of capital assets is to decrease the change in net position in the statement of activities

Net Book Value of Asset Dispositions	(22,087)
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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.

89,592

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	(446,781)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.

Debt issued:

Subscription obligations	(411,128)
Lease obligation	(286,083)

Principal repayments:

General obligation bonds	870,000
Finance lease	251,124
Lease obligations	286,083
Subscription obligations	76,681

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Amortization of bond premiums	142,564	
Change in accrued interest payable	5,363	
Change in compensated absences	(54,053)	
Change in unfunded OPEB costs	127,614	
Change in landfill closure/post closure costs	56,997	278,485

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.

(255,301)

Change in Net Position of Governmental Activities	\$ 3,200,713
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The notes to the financial statements are an integral part of this statement.

**Cherokee County, South Carolina**  
Statement of Fiduciary Net Position  
Agency Funds  
For the Year Ended June 30, 2023

## Assets

Cash	\$ 68,897,302
Taxes Receivable (Net)	1,268,962
Receivables	<u>135,884</u>
Total Assets	<u><u>70,302,148</u></u>

## Liabilities

Due to Designated Recipients	<u>70,302,148</u>
Total Liabilities	<u><u>\$ 70,302,148</u></u>

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

## **NOTES TO FINANCIAL STATEMENTS**

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2023

**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, 2023

**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, 2023

**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, 2023

**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, 2023

**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, 2023

**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, 2023

**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, 2023

**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, 2023, were distributed as follows:

	General Fund	Capital Project Fund	American Rescue Plan	Transportation C-Funds	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable						
Prepays	\$ 445,715	-	-	-	39,113	484,828
Inventory	7,504	-	-	-	-	7,504
Restricted For						
Emergency Communications	-	-	-	-	2,000	2,000
Law Enforcement	-	-	-	-	684,946	684,946
Health and Welfare	-	-	-	-	346,218	346,218
Environmental and Housing	-	-	-	-	241,167	241,167
Road Surface Repairs	-	-	-	-	338,953	338,953
Transportation	-	-	-	2,687,513	-	2,687,513
Culture and Recreation	-	-	-	-	2,219,651	2,219,651
Public Safety	-	-	-	-	2,303,718	2,303,718
Economic Development	-	12,633	-	-	1,690,700	1,703,333
Solicitor	-	-	-	-	413,587	413,587
Other Purposes	-	-	-	-	227,193	227,193
Capital Projects	-	8,205,779	-	-	-	8,205,779
Debt Service	-	-	-	-	2,643,537	2,643,537
Assigned						
Unfunded OPEB	2,941,700	-	-	-	-	2,941,700
Road Surface Repairs	2,106,622	-	-	-	-	2,106,622
County Buildings	-	-	-	-	-	-
Capital Projects	-	1,091,351	-	-	-	1,091,351
Airport	-	211,058	-	-	-	211,058
Public Safety	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Committed						
Fund Balance (Budget)	2,892,999	-	-	-	-	2,892,999
Unassigned	23,064,226	-	-	-	-	23,064,226
Total Fund Balances	<u>\$ 31,458,766</u>	<u>9,520,821</u>	<u>-</u>	<u>2,687,513</u>	<u>11,150,780</u>	<u>54,817,880</u>



CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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.

**Interfund Transactions**

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

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

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

**E. New GASB Pronouncement Implementation**

The County also implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Under this statement, a government generally should recognize a right-to-use subscription asset -an intangible asset- and a corresponding subscription liability. Both the asset and the liability are amortized systematically over the period of the subscription term.

These changes were incorporated in the County's June 30, 2023, financial statements but had no effect on the beginning net position.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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, 2023, expenditures exceeded appropriations by \$323,121 in the general fund.

**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, 2023

**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, 2023 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, 2023, the County's deposits were as follows:

		<u>Bank Balance</u>	<u>Carrying Value</u>
Demand Deposits	Governmental	\$ 88,386,749	64,950,197
Demand Deposits	Fiduciary	44,876,914	68,897,302
Total		<u>\$ 133,263,663</u>	<u>133,847,499</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	\$ 10,672,632	
Cash and Cash Equivalents-Restricted	22,364,912	
Investments	<u>31,912,653</u>	
Total Statement of Net Assets		64,950,197
<u>Statement of Fiduciary Net Position</u>		
Cash and Cash Equivalents	68,897,302	
Total Statement of Fiduciary Net Assets		<u>68,897,302</u>
Total Cash, and Cash Equivalents		<u>133,847,499</u>
<u>Disclosure, Deposits and Investments</u>		
Carrying Value of Deposits		101,924,498
Cash on Hand		10,348
Investments		<u>31,912,653</u>
Total Disclosure, Deposits and Investments		<u>\$ 133,847,499</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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, 2023, 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	\$ 31,912,653	Daily	N/A	N/A

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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 2022 levy was assessed at \$128,477,130, 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 2022 assessed value for personal property was \$86,247,519. The total assessed value was between 4% and 10.5% of the estimated value of \$3,857,601,265. The County tax rate is currently 98.7 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	\$ 645,689	326,338	319,351
Capital Fund	58,209	29,419	28,790
Nonmajor Funds			
Debt Service Fund	52,682	26,626	26,056
Library Fund	43,838	22,156	21,682
	<u>800,418</u>	<u>404,539</u>	<u>395,880</u>
Agency Funds	<u>2,565,684</u>	<u>1,296,722</u>	<u>1,268,962</u>
	<u>\$ 3,366,102</u>	<u>1,701,261</u>	<u>1,664,842</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, 2023 the balance in this account, included in the general fund, was \$1,889,680.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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, 2023 was as follows:

	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 1,999,889	-	-	-	1,999,889
Construction in Progress	562,102	1,483,724	-	(485,463)	1,560,363
	<u>2,561,991</u>	<u>1,483,724</u>	<u>-</u>	<u>(485,463)</u>	<u>3,560,253</u>
Capital Assets Being Depreciated:					
Buildings	28,721,840	214,537	-	485,463	29,421,840
Improvements Other than Buildings	241,561	-	-	-	241,561
Machinery and Equipment	11,669,594	1,081,890	22,994	-	12,728,490
Vehicles	7,153,110	1,024,742	52,708	-	8,125,144
Lease Assets	1,702,940	286,083	-	-	1,989,023
Subscription Assets	-	411,128	-	-	411,128
Infrastructure	30,619,256	-	-	-	30,619,256
Books	1,114,112	73,617	632,280	-	555,449
	<u>81,222,412</u>	<u>3,091,997</u>	<u>707,982</u>	<u>485,463</u>	<u>84,091,891</u>
Less Accumulated Depreciation/Amortization:					
Buildings	12,558,838	727,607	-	-	13,286,445
Improvements Other than Buildings	199,085	7,006	-	-	206,091
Machinery and Equipment	9,726,154	569,780	22,790	-	10,273,144
Vehicles	5,669,071	488,043	30,825	-	6,126,289
Lease Assets	500,189	414,720	-	-	914,909
Subscription Assets	-	81,403	-	-	81,403
Infrastructure	17,770,025	1,015,902	-	-	18,785,927
Books	871,241	70,590	632,280	-	309,551
	<u>47,294,603</u>	<u>3,375,051</u>	<u>685,895</u>	<u>-</u>	<u>49,983,759</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>33,927,810</u>	<u>(283,053)</u>	<u>22,087</u>	<u>485,463</u>	<u>34,108,132</u>
Total Capital Assets, Net	<u>\$ 36,489,801</u>	<u>1,200,670</u>	<u>22,087</u>	<u>-</u>	<u>37,668,383</u>

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

**Governmental Activities**

General Government	\$ 1,014,856
Public Safety	792,603
Health and Human Services	305,672
Environmental and Housing	14,915
Transportation	1,015,902
Culture and Recreation	226,876
Economic Development	4,227
Total	<u>\$ 3,375,051</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

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

**D. Capital Assets, continued**

**Net Investment in Capital Asset Calculation**

Capital Assets		
Nondepreciable	\$ 3,560,253	
Depreciable, Net	<u>34,108,132</u>	
	37,668,385	37,668,385
Non-Current Liabilities:		
Due Within One Year	2,083,413	
Due in More than One Year	<u>17,154,188</u>	
	19,237,601	
Compensated Absences	(468,941)	
Landfill Closure and Post Closure Liability	<u>(5,863,751)</u>	
	12,904,909	(12,904,909)
Net Asset- Capital Project- 2021 GO Bond Fund	<u>8,205,779</u>	
	8,205,779	8,205,779
Net Investment in Capital Assets		<u>\$ 32,969,255</u>

**E. 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.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

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

**E. Interfund Receivables, Payables and Transfers, continued**

The following is a summary of interfund receivables and payables at June 30, 2023, all of which are expected to be paid within one year:

	<u>Receivable</u>	<u>Payable</u>
<b>Interfund:</b>		
Major Funds:		
General Fund		
Due from Capital Projects Fund	\$ 2,396,536	-
Due to Non-Major Special Revenue Fund		1,225,239
Due to Debt Service Fund		1,609,033
Capital Project Fund		
Due to General Fund	-	2,396,536
American Rescue Fund		
Due to Special Revenue Fund	-	50,000
Non-Major Governmental Funds		
Special Revenue Funds		
Due from General Fund	1,225,239	
Due from American Rescue Plan	50,000	
Debt Service Fund		
Due from Debt Service Fund	1,609,033	
	<u>\$ 5,280,808</u>	<u>5,280,808</u>

The following is a summary of interfund transfers for the year ended June 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 375,383	225,199
Nonmajor Governmental Funds		
Special Revenue Funds	<u>225,199</u>	<u>375,383</u>
	<u>\$ 600,582</u>	<u>600,582</u>

During the year, transfers were used to 1) move funds from the Capital Projects Fund to the General Fund as approved in the 2022-2023 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, 2023

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

**F. Long-term Debt**

The following is a summary of debt transactions for the County for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Governmental Activities					
Private Placement -					
General Obligation Bonds, Series 2011	\$ 2,070,000	-	770,000	1,300,000	795,000
General Obligation Bonds, Series 2021	9,775,000	-	100,000	9,675,000	115,000
Direct Placement -					
Financing Leases	553,176	-	251,124	302,052	263,337
Lease Obligations	431,283	286,083	286,083	431,283	286,083
Subscription Obligations	-	411,128	76,681	334,447	90,245
Bond premium	1,004,690	-	142,564	862,126	128,592
Landfill Closure and					
Post Closure Liability	5,920,748	-	56,997	5,863,751	-
Net OPEB Obligation	3,983,400	180,900	1,222,600	2,941,700	-
Net Pension Liability	21,188,939	5,999,043	2,233,270	24,954,712	-
Compensated Absences	414,889	406,144	352,092	468,941	360,156
	<u>\$ 45,342,125</u>	<u>7,283,298</u>	<u>5,491,411</u>	<u>47,134,013</u>	<u>2,038,413</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.

On August 18, 2021, the County issued private placement General Obligation Bonds, Series 2021 in the amount of \$11,000,000, at a premium of \$1,134,146.55, with annual principal payments and semi-annual interest payments beginning March 1, 2022, with interest at 3% per annum, and 2% per annum for the last two years.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

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

**F. Long-term Debt, Continued**

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

Fiscal Year	General Obligation Bonds			General Obligation Bonds, Series 2021			TOTAL		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 795,000	44,200	839,200	115,000	266,800	381,800	910,000	311,000	1,221,000
2025	505,000	17,170	522,170	325,000	263,350	588,350	830,000	280,520	1,110,520
2026	-	-	-	865,000	253,600	1,118,600	865,000	253,600	1,118,600
2027	-	-	-	905,000	227,650	1,132,650	905,000	227,650	1,132,650
2028	-	-	-	940,000	200,500	1,140,500	940,000	200,500	1,140,500
2029	-	-	-	980,000	172,300	1,152,300	980,000	172,300	1,152,300
2030	-	-	-	1,025,000	142,900	1,167,900	1,025,000	142,900	1,167,900
2031	-	-	-	1,065,000	112,150	1,177,150	1,065,000	112,150	1,177,150
2032	-	-	-	1,110,000	80,200	1,190,200	1,110,000	80,200	1,190,200
2033	-	-	-	1,155,000	46,900	1,201,900	1,155,000	46,900	1,201,900
2034	-	-	-	1,190,000	23,800	1,213,800	1,190,000	23,800	1,213,800
	<u>\$ 1,300,000</u>	<u>61,370</u>	<u>1,361,370</u>	<u>9,675,000</u>	<u>1,790,150</u>	<u>11,465,150</u>	<u>10,975,000</u>	<u>1,851,520</u>	<u>12,826,520</u>

*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.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

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

**F. 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 2023.

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

**G. 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, 2023, calculated as follows:

	MSW	C&D Cells A, B, C & D	Total
Total Estimated Current Closure and Post Closure Care Cost	\$ 3,881,487	3,003,430	
Percentage of Landfill Capacity Used to Date	100%	66%	
Reported Liability for Closure and Post Closure Care Cost	<u>\$ 3,881,487</u>	<u>1,982,264</u>	<u>5,863,751</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>12.5</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, 2023. 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, 2023, demonstrating this sufficiently for SCDHEC with sufficient cash reserves and/or debt capacity.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

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

**H. Financing Leases**

Financing leases payable at June 30, 2023 are comprised of two leases with two separate leasing companies, one master lease for eleven vehicles and one lease for landfill compactor equipment as follows:

\$328,513 capital lease to Enterprise Fleet Management for vehicle equipment payable in monthly installments of principal and interest of \$5,365 through February 2025 at 1.30%; Secured by vehicles.	\$ 102,974
Less current portion	<u>63,863</u>
Long-term portion outstanding	<u>\$ 39,111</u>
 \$590,606 capital lease with Leasing 2, Inc. for landfill compactor equipment, payable in three annual installments of \$204,818.92 including interest at 2.68% per annum, secured by landfill equipment.	 \$ 199,474
Less current portion	<u>199,474</u>
Long-term portion outstanding	<u>\$ -</u>

Annual requirements to amortize all capital leases outstanding as of June 30, 2023 are as follows:

Year Ending June 30	Enterprise Fleet Management			Leasing 2		
	Principal	Interest	Total	Principal	Interest	Total
2024	63,863	335	64,198	199,474	5,345	204,819
2025	38,715	61	38,776			
	<u>\$ 102,578</u>	<u>396</u>	<u>102,974</u>	<u>\$ 199,474</u>	<u>5,345</u>	<u>204,819</u>

Year Ending June 30	Total		
	Principal	Interest	Total
2024	263,337	5,681	269,018
2025	38,715	61	38,776
	<u>\$ 302,052</u>	<u>5,742</u>	<u>307,794</u>

The gross amount of lease assets as of June 30, 2023 was \$990,594, with accumulated depreciation of \$347,763.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

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

**I. Leases**

**Lease Obligation Payable**

The County leases a building facility for housing some of its departments for a monthly rental of \$24,341.33. The remaining annual requirements for lease payments under this lease are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 286,083	6,013	292,096
2025	145,200	848	146,048
	<u>\$ 431,283</u>	<u>6,861</u>	<u>438,144</u>

The gross amount of the lease assets as of June 30, 2023 was \$712,346, with accumulated depreciation of \$567,146.

The County leases miscellaneous equipment and buildings under cancelable lease arrangements. The total costs for these lease arrangements for the year ended June 30, 2023 were \$292,097.

**J. Leases as Lessor**

The County has two leasing arrangements that either do not meet the criteria of GASB 87 or are considered not material to the financial statements. The total received for the fiscal year was \$44,700 and is included in miscellaneous income in the statements of activities and revenues, expenditures and changes in fund balances

**K. Subscription Obligations**

As mentioned in Note 1, the County adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) in fiscal year 2023. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription assets.

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-End	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 411,128	81,403

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

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

**K. Subscription Obligations, Continued**

Principal and Interest Requirements to Maturity

Fiscal Year	As of Fiscal Year-End		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 89,949	8,966	98,915
2025	87,556	8,193	95,749
2026	76,600	3,089	79,689
2027	73,290	1,166	74,456
2028	7,052	182	7,234
	<u>\$ 334,447</u>	<u>21,596</u>	<u>356,043</u>

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 05/22/2023, Cherokee County, SC entered into a 60 month subscription for the use of PositiveSSL. An initial subscription liability was recorded in the amount of \$90. As of 06/30/2023, the value of the subscription liability is \$71. Cherokee County, SC is required to make annual fixed payments of \$19. The subscription has an interest rate of 2.3100%. The value of the right to use asset as of 06/30/2023 of \$90 with accumulated amortization of \$2 is included with Software on the Subscription Class activities table found below.

On 05/31/2023, Cherokee County, SC entered into a 13 month subscription for the use of DebtBook Platform. An initial subscription liability was recorded in the amount of \$25,676. As of 06/30/2023, the value of the subscription liability is \$12,676. Cherokee County, SC is required to make annual fixed payments of \$13,000. The subscription has an interest rate of 2.5600%. The value of the right to use asset as of 06/30/2023 of \$25,676 with accumulated amortization of \$2,205 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Cherokee County, SC entered into a 72 month subscription for the use of SolarWinds Security Event Manager. An initial subscription liability was recorded in the amount of \$6,321. As of 06/30/2023, the value of the subscription liability is \$5,229. Cherokee County, SC is required to make annual fixed payments of \$1,100. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 of \$6,320 with accumulated amortization of \$1,040 is included with Software on the Subscription Class activities table found below. Cherokee County, SC has 5 extension option(s), each for 12 months.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

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

**K. Subscription Obligations, Continued**

On 07/01/2022, Cherokee County, SC entered into a 18 month subscription for the use of PDOX Software. An initial subscription liability was recorded in the amount of \$2,548. As of 06/30/2023, the value of the subscription liability is \$2,548. Cherokee County, SC is required to make annual fixed payments of \$1,310. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of 06/30/2023 of \$2,548 with accumulated amortization of \$1,692 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Cherokee County, SC entered into a 19 month subscription for the use of DUO Security. An initial subscription liability was recorded in the amount of \$6,059. As of 06/30/2023, the value of the subscription liability is \$2,999. Cherokee County, SC is required to make annual fixed payments of \$3,060. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 of \$6,059 with accumulated amortization of \$3,781 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Cherokee County, SC entered into a 36 month subscription for the use of Priority Dispatch. An initial subscription liability was recorded in the amount of \$21,216. As of 06/30/2023, the value of the subscription liability is \$15,739. Cherokee County, SC is required to make annual fixed payments of \$5,477. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 of \$21,216 with accumulated amortization of \$6,994 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Cherokee County, SC entered into a 60 month subscription for the use of Avenu Software. An initial subscription liability was recorded in the amount of \$316,168. As of 06/30/2023, the value of the subscription liability is \$255,384. Cherokee County, SC is required to make monthly fixed payments of \$5,581. The subscription has an interest rate of 2.3657%. The value of the right to use asset as of 06/30/2023 of \$316,168 with accumulated amortization of \$63,234 is included with Software on the Subscription Class activities table found below.

On 01/28/2023, Cherokee County, SC entered into a 72 month subscription for the use of ScheduleAnywhere. An initial subscription liability was recorded in the amount of \$27,148. As of 06/30/2023, the value of the subscription liability is \$22,325. Cherokee County, SC is required to make annual fixed payments of \$4,860. The subscription has an interest rate of 2.8940%. The value of the right to use asset as of 06/30/2023 of \$27,148 with accumulated amortization of \$1,923 is included with Software on the Subscription Class activities table found below. Cherokee County, SC has 5 extension option(s), each for 12 months.

On 11/23/2022, Cherokee County, SC entered into a 72 month subscription for the use of WP Engine. An initial subscription liability was recorded in the amount of \$6,996. As of 06/30/2023, the value of the subscription liability is \$5,740. Cherokee County, SC is required to make annual fixed payments of \$1,256. The subscription has an interest rate of 3.0740%. The value of the right to use asset as of 06/30/2023 of \$6,996 with accumulated amortization of \$713 is included with Software on the Subscription Class activities table found below. Cherokee County, SC has 5 extension option(s), each for 12 months.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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, 2023, 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.

*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 \$42.12 effective July 1, 2022. 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, 2023 was \$ 118,905.



CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**NOTE 4 - OTHER INFORMATION, Continued**

**B. Commitments and Contingencies, Continued**

The County has also entered into an agreement with the City of Gaffney whereby the City will provide fire protection in a defined fire protection area outside the City limits in exchange for the County providing monthly payments to the City for the cost of providing fire protection on a cost per call basis. The per call fee is to be adjusted annually based on actual cost of the previous fiscal year provided the maximum amount to be paid by the County to the City will not exceed the amount of taxes generated by the millage assessed in the Gaffney Fire Protection Area. The initial term of the agreement expired on December 31, 2010, and was extended for two successive five year terms, in accordance with the terms of the agreement. The total amount the County paid under this agreement for the fiscal year ended June 30, 2023 was \$1,010,929. During the year a public referendum authorized an increase in the millage for this Fire Protection Area to 16 mills, which was assessed, billed and collected with the tax notices that went out in the fall of 2020. A new agreement was entered into dated November 16, 2021 that provides for an initial ten year term beginning January 1, 2022, with additional successive five year terms with the agreement of both parties.

*Multicounty Industrial or Business Park*

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

For tax year 2022, of the total payments made by taxpayers who were subject to this multicounty industrial park agreement, \$2,318,823 would have been received by the County but for the taxpayers' location within its multicounty industrial park. For the tax year 2022, payments-in-lieu of standard ad valorem tax payments from taxpayers within the County's multicounty industrial park totaled \$1,867,735, of which \$934,868 was due to Spartanburg County as their 50% share.

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

**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, 2023

**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 retirement systems and benefit 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 containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Comprehensive Annual Report 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

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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly. 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, 2023

**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, 2023

**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 of employers who participate in the death benefit program.

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

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 of employers who participate in the death benefit program. 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. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**NOTE 4 - OTHER INFORMATION, Continued**

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

Contributions, Continued

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Effective July 1, 2022, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 17.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 17.41% 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, 2023, 2022, and 2021 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>
2023	17.410%	\$ 1,216,122	0.15%	\$ 10,478
2022	16.410%	\$ 1,126,968	0.15%	\$ 10,301
2021	15.410%	\$ 967,243	0.15%	\$ 9,415

Effective July 1, 2022, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 20.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 19.84%, 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, 2023, 2022, and 2021 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>
2023	19.840%	\$ 1,062,265	0.20%	\$ 10,708	0.20%	\$ 10,708
2022	18.840%	\$ 944,503	0.20%	\$ 10,145	0.20%	\$ 10,145
2021	17.840%	\$ 871,041	0.20%	\$ 9,765	0.20%	\$ 9,765

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**NOTE 4 - OTHER INFORMATION, Continued**

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

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2022, 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 & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022.

		SCRS		PORS
Actuarial Cost Method		Entry age normal		Entry age normal
Investment Rate of Return	1	7%		7%
Projected Salary Increases		3.0% to 11.0% (varies by service)	1	3.5% to 10.5% (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 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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, 2022, TPL are as follows:

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

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, 2022, 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	\$ 56,454,779,872	32,212,626,932	24,242,152,940	57.1%	0.057917%	14,040,232
SCRS- Library	-	-	-		0.003465%	839,920
PORS	8,937,686,946	5,938,707,767	2,998,979,179	66.4%	0.335933%	10,074,560
						<u>24,954,712</u>

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements at. 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 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, 2023, the County reported liabilities of \$14,880,152 and \$10,074,560 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2022. 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, 2023, the County recognized net pension expenses of \$1,442,743 and \$1,171,565 for SCRS and PORS, respectively.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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, 2022, 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	\$ 129,280	169,031	298,311
Changes of Assumptions	477,241	419,521	896,762
Net difference between Projected and Actual Earnings on Pension Plan Investments	22,947	30,423	53,370
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	407,783	528,347	936,130
County Contributions Subsequent to the Measurement Date	<u>1,298,441</u>	<u>1,083,681</u>	<u>2,382,122</u>
<b>TOTAL</b>	<b><u>\$ 2,335,692</u></b>	<b><u>2,231,003</u></b>	<b><u>4,566,695</u></b>
Deferred Inflows of Resources			
Difference between Expected and Actual Experience	\$ -	-	-
Changes of Assumptions	64,847	199,157	264,004
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	136,545	16,292	152,837
<b>TOTAL</b>	<b><u>\$ 201,392</u></b>	<b><u>215,449</u></b>	<b><u>416,841</u></b>



CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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 \$1,298,441 and \$1,083,681 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, 2022 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. 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>
2023	\$ 362,706	441,781
2024	336,474	365,279
2025	(251,384)	(266,784)
2026	388,063	391,597
2027	-	-
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 2022 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 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**NOTE 4 - OTHER INFORMATION, Continued**

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

Long-Term Expected Rate of Return, Continued

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

<u>Allocation/Exposure</u>		<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
<b>Public Equity</b>		46.0%	6.79%	3.12%
<b>Bonds</b>		26.0%	(0.35)%	(0.09)%
<b>Private Equity</b>	1	9.0%	8.75%	0.79%
<b>Private Debt</b>	1	7.0%	6.00%	0.42%
<b>Real Assets</b>		<b>12.0%</b>		
Real Estate	1	9.0%	4.12%	0.37%
Infrastructure	1	3.0%	5.88%	0.18%
Total Expected Return	2	100.0%		4.79%
Inflation for Actuarial Purposes				2.25%
				7.04%

1. RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

2 Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**NOTE 4 - OTHER INFORMATION, Continued**

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

Discount Rate

The discount rate used to measure the TPL was 7 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 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 percent) or 1.00 percent higher (8 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 (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
SCRS	\$ 18,001,309	14,040,232	10,747,110
SCRS- Library	1,076,881	839,920	642,918
PORS	14,048,367	10,074,560	6,821,625

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedule of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2022, and the accounting valuation report as of June 30, 2022. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**NOTE 4 - OTHER INFORMATION, Continued**

**E. Post Employment Health Insurance Benefits**

Employees covered by benefit terms. At July 1, 2022 (the valuation date) the following employees were covered by the benefit terms:

	Count	Total OPEB Liability
Inactive employees or beneficiaries currently receiving benefits	54	\$ 1,203,500
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	76	1,738,200
Total	<u>130</u>	<u>\$ 2,941,700</u>

**Plan Description**

*Eligibility Conditions*

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

*Covered Employees*

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

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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, 2023

**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, 2023 for the employer fiscal year and reporting period of July 1, 2022 to June 30, 2023. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2022 and the corresponding measurement period of July 1, 2021 to July 1, 2022. The measurement of the total OPEB liability is based on a valuation date of July 1, 2022.

**Actuarial Assumptions and Actuarial Methods**

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.69%
Salary Scale:	2.50%
Healthcare Cost Trend Rates:	6.50% for fiscal year end 2023, decreasing 0.50% per year to an ultimate rate of 5.00%
Mortality:	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021
Actuarial Cost Method:	Entry Age Actuarial Cost Method

**Expected Return on Assets:**

None

**Discount Rate:**

The discount rate has been set equal to 3.69% 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, 2023

**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, 2021</b>	\$ 3,983,400	-	3,983,400
<b>Changes for the Year:</b>			
Service Cost	103,300	-	103,300
Interest	77,600	-	77,600
Differences Between Expected and Actual Experience	(365,600)	-	(365,600)
Contributions - Employer	-	90,300	(90,300)
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(90,300)	(90,300)	-
Changes of Benefit Terms	-	-	-
Administrative Expense	-	-	-
Other Changes	(766,700)	-	(766,700)
<b>Net Changes</b>	<u>\$ (1,041,700)</u>	<u>-</u>	<u>(1,041,700)</u>
 Balances at June 30, 2023*	 \$ 2,941,700	 -	 2,941,700

\*Measurement Date is July 1, 2022

*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)	\$ 3,343,900	2,941,700	2,605,400

*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)	\$ 2,805,300	2,941,700	3,097,700

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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, 2023, under GASB 75 the employer OPEB expense is \$(28,700). The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2023 from various sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	(409,500)
Changes of Assumptions	396,900	(588,900)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Employer Contributions After Measurement Date but Prior to Fiscal Year End	<u>79,198</u>	<u>-</u>
Total	<u>\$ 476,098</u>	<u>(998,400)</u>

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

<u>Year Ended June 30</u>	
2024	\$ (167,300)
2025	(162,200)
2026	(204,200)
2027	(67,800)
2028	-
Thereafter	-



CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**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 qualify, 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 qualify 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-nine (29) 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 \$2,967,917 to Cherokee County in *ad valorem* tax. However, due to the benefit provided by the *Fee in Lieu of Ad Valorem Tax* program, the taxpayers paid an aggregate of \$3,799,737 to Cherokee County in the most recent fiscal year.

For the county bonded debt, these taxpayers, without the benefit of the program would pay \$247,998 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 \$177,893 to the county in the most recent fiscal year. For the county capital project fund, these taxpayers, without the benefit of the program would pay \$266,358 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 \$252,870 to Cherokee County in the most recent fiscal year.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2023

**NOTE 5 – TAX ABATEMENTS – Continued**

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 has two (2) 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 \$160,838 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 \$120,804 to Cherokee County.

For the county bonded debt, these taxpayers, without the benefit of the program would pay \$9,617 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 \$7,224 to Cherokee County.

For the county capital project fund, these taxpayers, without the benefit of the program would pay \$10,641 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 \$7,992 to Cherokee County.

**NOTE 6 – RECLASSIFICATIONS**

During the fiscal year 2023, the Transportation C-Funds Special Revenue fund met the definition of a major fund and therefore has been classified as a major fund.

**NOTE 7– PRIOR PERIOD ADJUSTMENT**

An understatement of previously reported capital assets was discovered during the current year. Accordingly an adjustment has been made to the beginning capital asset balance in the amount of \$731,250, which represents the total cost of the asset of \$750,000 net of accumulated depreciation of \$18,750.

**NOTE 8 – SUBSEQUENT EVENTS**

Management has through January 2, 2024, 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, 2023, that would have materially significant effect on the carrying amounts of assets or liabilities, including estimates, and no such items have been identified.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Cherokee County, South Carolina  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Various Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 20,260,000	20,717,216	21,759,972	1,042,756
Licenses and permits	527,000	527,000	620,521	93,521
Intergovernmental	3,598,109	3,140,893	5,057,811	1,916,918
Charges for services	1,212,200	1,212,200	1,265,070	52,870
Fines	617,000	617,000	694,892	77,892
Interest	100,000	100,000	1,495,771	1,395,771
Miscellaneous	842,050	842,050	1,513,998	671,948
Total Revenues	27,156,359	27,156,359	32,408,035	5,251,676
Expenditures				
Current				
General government				
Vehicle Maintenance	205,157	205,157	229,837	(24,680)
Pooled Vehicles	9,035	9,035	8,154	881
Administration	752,797	752,797	765,372	(12,575)
Finance	453,018	453,018	574,806	(121,788)
Human Resources	133,050	133,050	118,494	14,556
Information Technology	247,954	247,954	242,206	5,748
Risk Management	19,828	19,828	19,423	405
Central Services	3,447,299	3,367,368	4,483,680	(1,116,312)
Alma Elementary Building	11,314	11,314	25,567	(14,253)
Buford Street Building	20,985	20,985	19,479	1,506
Broad River Electric Building	-	-	67,336	(67,336)
County Buildings	153,763	153,763	148,000	5,763
Administrative Building Complex	337,695	337,695	377,577	(39,882)
Economic Development	62,775	62,775	54,774	8,001
Courthouse Complex	83,545	83,545	70,700	12,845
Delinquent Tax Collector	205,042	205,042	177,760	27,282
Treasurer	437,532	438,282	370,239	68,043
Auditor	299,222	300,938	284,782	16,156
Building Safety	440,773	440,773	410,093	30,680
Tax Assessor	595,091	595,091	523,841	71,250
GIS/Mapping	116,270	116,270	33,160	83,110
Election/Voter Registration	287,969	287,969	256,309	31,660
Poll Workers	59,732	59,732	95,629	(35,897)
Magistrate	776,943	783,332	760,633	22,699
Register of Deeds	253,854	253,854	255,311	(1,457)
Clerk of Court	388,232	388,232	417,987	(29,755)
Probate Court	312,530	312,530	314,358	(1,828)
Attorney/Judicial	111,414	111,414	109,990	1,424
Clerk of Court Support	283,564	283,564	269,905	13,659
Circuit Solicitor	320,598	320,598	311,281	9,317
Appalachian COG	40,055	40,055	40,055	-
Cherokee Defender Corp	218,004	218,004	218,004	-
	11,085,040	11,013,964	12,054,742	(1,040,778)
Public Safety				
Code Enforcement	147,800	147,800	149,464	(1,664)
Animal Shelter	227,318	234,818	216,436	18,382
Enhanced E911	1,390,679	1,390,679	1,412,935	(22,256)
Fire Protection Service	652,000	652,000	650,500	1,500
Coroner	226,933	227,474	289,749	(62,275)
Law Enforcement Center	153,880	153,880	166,453	(12,573)
Victims Advocate	131,995	131,995	127,503	4,492
Sheriff	5,901,811	5,879,951	5,816,138	63,813
Detention Center	3,909,519	3,909,519	3,947,208	(37,689)
Emergency Management	214,644	214,644	206,380	8,264
	12,956,579	12,942,760	12,982,766	(40,006)

Cherokee County, South Carolina  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2023

	Budgeted Amounts			Various Positive (Negative)
	Original	Final	Actual	
Environmental and Housing				
Department of Public Works	\$ 210,304	210,304	200,611	9,693
Solid Waste Collections	2,294,278	2,294,278	2,102,875	191,403
Solid Waste Disposal Landfill	497,130	497,130	550,484	(53,354)
Landfill Post Closure	112,186	112,186	101,624	10,562
Recycling Center	867,776	867,776	770,258	97,518
Clemson Extension Service	1,800	1,800	-	1,800
Thicketty Creek Project	13,000	13,000	13,000	-
USDA Soil Conservation	19,650	19,650	19,650	-
	<u>4,016,124</u>	<u>4,016,124</u>	<u>3,758,502</u>	<u>257,622</u>
Health and Human Services				
Veterans Affairs	220,628	220,628	199,538	21,090
Alcohol and Drug Abuse	7,500	7,500	7,500	-
Health Department	33,760	33,760	35,089	(1,329)
Indigent Care	78,650	78,650	78,650	-
County Human Services	292,000	292,000	292,096	(96)
Department of Social Services	29,200	29,200	1,031	28,169
Disabilities and Special Needs	50,000	50,000	50,000	-
Senior Center	30,000	30,000	30,000	-
Mental Health	35,000	35,000	35,000	-
Literacy Association	15,000	15,000	15,000	-
	<u>791,738</u>	<u>791,738</u>	<u>743,904</u>	<u>47,834</u>
Transportation				
Roads and Bridges	<u>1,752,688</u>	<u>1,752,688</u>	<u>1,400,198</u>	<u>352,490</u>
Culture and Recreation				
Spartanburg Community College	100,000	100,000	-	100,000
Recreation District	207	207	490	(283)
	<u>100,207</u>	<u>100,207</u>	<u>490</u>	<u>99,717</u>
Total Expenditures	<u>30,702,376</u>	<u>30,617,481</u>	<u>30,940,602</u>	<u>(323,121)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,546,017)</u>	<u>(3,461,122)</u>	<u>1,467,433</u>	<u>4,928,555</u>
Other Financing Sources (Uses)				
Transfers In	3,758,017	3,758,017	375,383	(3,382,634)
Transfers Out	(212,000)	(212,000)	(225,199)	(13,199)
	<u>3,546,017</u>	<u>3,546,017</u>	<u>150,184</u>	<u>(3,395,833)</u>
Net Change in Fund Balance	-	84,895	1,617,617	1,532,722
Fund Balance - Beginning of Year	<u>29,841,149</u>	<u>29,841,149</u>	<u>29,841,149</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 29,841,149</u>	<u>29,926,044</u>	<u>31,458,766</u>	<u>1,532,722</u>

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

Cherokee County, South Carolina  
Capital Project Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2023

	Budgeted Amounts			Various Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,340,000	1,340,000	1,425,468	85,468
Intergovernmental	651,182	651,182	-	(651,182)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>1,991,182</u>	<u>1,991,182</u>	<u>1,425,468</u>	<u>(565,714)</u>
Expenditures				
Current				
General Government				
Information Technology	306,960	306,960	170,311	136,649
Administration	64,385	64,385	71,218	(6,833)
Building Safety	33,900	33,900	34,767	(867)
Assessor	90,000	90,000	94,847	(4,847)
Clerk of Court	8,600	8,600	8,600	-
Courthouse Complex	15,000	15,000	13,679	1,321
Public Safety				
Magistrate	3,000	3,000	-	3,000
Law Enforcement Center	26,000	26,000	26,000	-
Sheriff	437,700	522,595	528,943	(6,348)
Detention Center	163,721	163,721	40,000	123,721
Emergency Management	13,000	13,000	11,267	1,733
E 911	70,315	70,315	19,000	51,315
Transportation				
Road and Bridges	238,000	238,000	190,790	47,210
Environmental and Housing				
Solid Waste Collections	315,782	315,782	312,410	3,372
Solid Waste Disposal Landfill	204,819	204,819	204,819	-
Recycling	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,991,182</u>	<u>2,076,077</u>	<u>1,726,651</u>	<u>349,426</u>
Excess (Deficiency) of Revenues Over Expenditures	-	(84,895)	(301,183)	(216,288)
Other Financing Sources (Uses) Proceeds from Capital Lease	-	-	-	-
Net Change in Fund Balance	-	(84,895)	(301,183)	(216,288)
Fund Balance - Beginning of Year	<u>1,521,772</u>	<u>1,521,772</u>	<u>1,521,772</u>	-
Fund Balance - End of Year	<u>\$ 1,521,772</u>	<u>1,436,877</u>	<u>1,220,589</u>	<u>(216,288)</u>

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

**CHEROKEE COUNTY**  
Pension Plan Required Supplementary Information  
For the Year Ended June 30, 2023

**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, 2023	0.057917%	0.003465%	\$ 14,880,152	\$ 7,280,146	204.39%	57.10%
June 30, 2022	0.055645%	0.003612%	12,824,089	6,454,851	198.67%	60.70%
June 30, 2021	0.055604%	0.003504%	15,103,111	6,563,312	230.11%	50.70%
June 30, 2020	0.057512%	0.003614%	13,957,518	6,454,851	216.23%	54.40%
June 30, 2019	0.054791%	0.003489%	13,058,554	6,437,661	202.85%	54.10%
June 30, 2018	0.050195%	0.003672%	11,670,203	5,796,316	201.34%	53.34%
June 30, 2017	0.050507%	0.003640%	11,140,678	5,247,543	212.30%	52.91%
June 30, 2016	0.049787%	0.003689%	9,760,072	8,159,863	119.61%	56.99%
June 30, 2015	0.081311%	0.003339%	14,320,172	7,703,568	185.89%	59.92%

**Schedule of Employer Contribution**

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2023	\$ 1,298,441	\$ 1,298,441	-	\$ 7,414,780	17.51%
June 30, 2022	1,201,997	1,201,997	-	7,280,146	16.51%
June 30, 2021	1,036,599	1,036,599	-	6,276,721	16.51%
June 30, 2020	1,017,656	1,017,656	-	6,563,312	15.51%
June 30, 2019	936,231	936,231	-	6,454,851	14.50%
June 30, 2018	677,064	677,064	-	6,437,661	10.52%
June 30, 2017	670,054	670,054	-	5,796,316	11.56%
June 30, 2016	580,379	580,379	-	5,247,543	11.06%
June 30, 2015	889,424	889,424	-	8,159,863	10.90%

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

**CHEROKEE COUNTY**  
Pension Plan Required Supplementary Information  
For the Year Ended June 30, 2023

**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, 2023	0.335933%	\$ 10,074,560	\$ 5,072,741	198.60%	66.40%
June 30, 2022	0.325112%	8,364,850	4,882,517	171.32%	70.40%
June 30, 2021	0.306875%	10,176,630	4,686,661	217.14%	58.80%
June 30, 2020	0.303097%	8,686,594	4,396,085	197.60%	62.70%
June 30, 2019	0.315720%	8,946,049	4,339,808	206.14%	61.70%
June 30, 2018	0.297870%	8,160,330	4,005,403	203.73%	60.90%
June 30, 2017	0.302910%	7,683,236	3,861,673	198.96%	60.44%
June 30, 2016	0.304780%	6,642,756	3,775,721	175.93%	64.57%
June 30, 2015	0.291680%	5,583,983	3,507,756	159.19%	67.55%

**Schedule of Employer Contribution**

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2023	\$ 1,083,681	\$ 1,083,681	-	\$ 5,354,156	20.24%
June 30, 2022	964,794	964,794	-	5,072,741	19.02%
June 30, 2021	890,571	890,571	-	4,882,517	18.24%
June 30, 2020	854,847	854,847	-	4,686,661	18.24%
June 30, 2019	757,885	757,885	-	4,396,085	17.24%
June 30, 2018	571,928	571,928	-	4,339,808	13.18%
June 30, 2017	570,369	570,369	-	4,005,403	14.24%
June 30, 2016	530,594	530,594	-	3,861,673	13.74%
June 30, 2015	506,342	506,342	-	3,775,721	13.41%

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



Cherokee County, South Carolina  
Schedule of Changes in County's Total OPEB Liability and Related Ratios  
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service Cost	\$ 103,300	86,100	77,800	67,500	87,300	85,100
Interest	77,600	88,800	104,300	111,400	119,000	114,900
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(365,600)	(83,500)	(118,600)	(43,400)	(347,500)	-
Changes of Assumptions	(766,700)	389,800	288,700	186,100	(33,700)	-
Benefit Payments, Including Refunds of Employee Contributions	(90,300)	(69,500)	(71,600)	(80,100)	(62,300)	(112,000)
<b>Net Change in Total OPEB Liability</b>	<b>(1,041,700)</b>	<b>411,700</b>	<b>280,600</b>	<b>241,500</b>	<b>(237,200)</b>	<b>88,000</b>
Total OPEB Liability Beginning	3,983,400	3,571,700	3,291,100	3,049,600	3,286,800	3,198,800
Total OPEB Liability Ending	<u>2,941,700</u>	<u>3,983,400</u>	<u>3,571,700</u>	<u>3,291,100</u>	<u>3,049,600</u>	<u>3,286,800</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	90,300	69,500	71,600	80,100	62,300	112,000
Contributions - Employee	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(90,300)	(69,500)	(71,600)	(80,100)	(62,300)	(112,000)
Administrative Expenses	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Employer's Net OPEB Liability - Ending</b>	<b><u>2,941,700</u></b>	<b><u>3,983,400</u></b>	<b><u>3,571,700</u></b>	<b><u>3,291,100</u></b>	<b><u>3,049,600</u></b>	<b><u>3,286,800</u></b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered-Employee Payroll</b>	2,814,000	3,446,400	3,446,400	3,505,200	3,505,200	4,811,300
<b>Employer's Net OPEB Liability as a Percentage of Covered-Employee Payroll</b>	104.54%	115.58%	103.64%	93.89%	87.00%	68.31%
<b>Notes to Schedule:</b>						
None						
Actuarially Determined Contribution	79,198	69,500	71,600	80,100	62,300	62,300
Contributions in Relation to the Actuarially Determined Contribution	<u>79,198</u>	<u>69,500</u>	<u>71,600</u>	<u>80,100</u>	<u>62,300</u>	<u>62,300</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expected Covered-Employee Payroll	\$ 2,814,000	3,446,400	3,446,400	3,505,200	3,505,200	4,811,300
Contributions as a Percentage of Covered-Employee Payroll	104.54%	115.58%	103.64%	93.89%	87.00%	68.31%

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, 2023

	Special Revenue Funds							
	201	202	203	204	205	206	207	208
	Local County	Infrastructure	Overmountain	E911 Tele	E911 Tele	Sheriff	Sheriff	Sheriff
	Accomodations Fee		Endowment	Tariff	Surcharge	Confiscated	Drug Fund	Jail Canteen
Assets								
Cash	\$ 238,477	338,953	11,200	234,396	1,580,343	308,898	370,181	492,221
Taxes receivable (net)	-	-	-	-	-	-	-	-
Receivables								
Intergovernmental	-	-	-	-	99,494	-	-	-
Other	-	-	-	-	-	-	-	-
Due from other special revenue funds	-	-	-	-	-	29	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
	<u>238,477</u>	<u>338,953</u>	<u>11,200</u>	<u>234,396</u>	<u>1,679,837</u>	<u>308,927</u>	<u>370,181</u>	<u>492,221</u>
Liabilities								
Accounts payable	700	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-
Escrow funds	-	-	-	-	-	-	-	-
Due to other special revenue funds	-	-	-	-	-	-	29	-
Due to General Fund	-	-	-	84,163	705,134	-	812	68
Unearned revenue	-	-	-	-	-	308,927	-	-
	<u>700</u>	<u>-</u>	<u>-</u>	<u>84,163</u>	<u>705,134</u>	<u>308,927</u>	<u>841</u>	<u>68</u>
Deferred inflows of Resources								
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	237,777	338,953	11,200	150,233	974,703	-	369,340	492,153
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	<u>237,777</u>	<u>338,953</u>	<u>11,200</u>	<u>150,233</u>	<u>974,703</u>	<u>-</u>	<u>369,340</u>	<u>492,153</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 238,477</u>	<u>338,953</u>	<u>11,200</u>	<u>234,396</u>	<u>1,679,837</u>	<u>308,927</u>	<u>370,181</u>	<u>492,221</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds								
	209 Sheriff	211 Solicitor	212 Solicitor	213 Sheriff	214 Sheriff	215 Sheriff	216 Sheriff	217 Sheriff	218 Sheriff
	Inmate Telephone	Gambling	Estreated Bnd	Weekend Jail	Sex Offender	Hardship	Child Supp-DSS	Federal Drug	Siezed Gambling
Assets									
Cash	281,069	173,670	58,774	12,616	113,913	7,926	17,918	125,742	3,259
Taxes receivable (net)	-	-	-	-	-	-	-	-	-
Receivables									
Intergovernmental	-	-	-	-	-	-	1,551	-	-
Other	-	-	-	-	-	-	-	-	-
Due from other special revenue funds	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-
	<u>281,069</u>	<u>173,670</u>	<u>58,774</u>	<u>12,616</u>	<u>113,913</u>	<u>7,926</u>	<u>19,469</u>	<u>125,742</u>	<u>3,259</u>
Liabilities									
Accounts payable	5,209	-	-	-	-	-	366	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-
Escrow funds									
Due to other special revenue funds	-	-	-	-	-	-	-	-	-
Due to General Fund	3	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
	<u>5,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>366</u>	<u>-</u>	<u>-</u>
Deferred inflows of Resources									
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	275,857	173,670	58,774	12,616	113,913	7,926	19,103	125,742	3,259
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>275,857</u>	<u>173,670</u>	<u>58,774</u>	<u>12,616</u>	<u>113,913</u>	<u>7,926</u>	<u>19,103</u>	<u>125,742</u>	<u>3,259</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>281,069.00</u>	<u>173,670</u>	<u>58,774</u>	<u>12,616</u>	<u>113,913</u>	<u>7,926</u>	<u>19,469</u>	<u>125,742</u>	<u>3,259</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds											
	219	220	221	290	223	225	227	228	229	230	231	232
	Law Enforcement	Sheriff	Electronic	Local	Rural	Project	SC DHEC	DHEC		Incentive	Victory	
	Training Cntr.	D.A.R.E.	Monitoring	Hospitality Tax	Infrastructure	Peach	Hpp Grant	Grant	Restitution	Child Support	Trail Fund	Carolina Thread
												Trail
Assets												
Cash	1,056	21,061	302,922	160,873	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-	-	-
Receivables												
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Due from other special revenue funds	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	20,102	500	-	1	2,357	318,599	-	692
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
	<u>1,056</u>	<u>21,061</u>	<u>302,922</u>	<u>160,873</u>	<u>20,102</u>	<u>500</u>	<u>-</u>	<u>1</u>	<u>2,357</u>	<u>318,599</u>	<u>-</u>	<u>692</u>
Liabilities												
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-	-
Escrow funds												
Due to other special revenue funds	-	-	-	-	-	-	-	-	-	-	-	-
Due to General Fund	-	-	176,621	427,073	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>176,621</u>	<u>427,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of Resources												
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	1,056	21,061	126,301	(266,200)	20,102	500	-	1	2,357	318,599	-	692
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>1,056</u>	<u>21,061</u>	<u>126,301</u>	<u>(266,200)</u>	<u>20,102</u>	<u>500</u>	<u>-</u>	<u>1</u>	<u>2,357</u>	<u>318,599</u>	<u>-</u>	<u>692</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>1,056</u>	<u>21,061</u>	<u>302,922</u>	<u>160,873</u>	<u>20,102</u>	<u>500</u>	<u>-</u>	<u>1</u>	<u>2,357</u>	<u>318,599</u>	<u>-</u>	<u>692</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds									
	233 Veterans Affairs	234 Recycle Grant (Used Oil)	235 Recycle Grant (Waste Tire)	236 East Gaffney Lighting Project	237 Norfolk Southern Sheriff Grant	238 Body Worn Camera Award	239 Victims Assistance Fund	240 7th Circuit Sol Renovations	241 School Resource Officer Grant	242 Adopt-A-Cop Program
Assets										
Cash	-	-	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-
Receivables										
Intergovernmental	-	-	10,964	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other special revenue funds	-	-	-	-	-	-	-	-	-	-
Due from other funds	24,648	1,079	208,741	5,000	3,000	-	-	16,548	49,258	290
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
	<u>24,648</u>	<u>1,079</u>	<u>219,705</u>	<u>5,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>16,548</u>	<u>49,258</u>	<u>290</u>
Liabilities										
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Escrow funds	-	-	-	-	-	-	-	-	-	-
Due to other special revenue funds	-	-	-	-	-	-	-	-	-	-
Due to General Fund	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of Resources										
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-	-
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	24,648	1,079	219,705	5,000	3,000	-	-	16,548	49,258	290
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>24,648</u>	<u>1,079</u>	<u>219,705</u>	<u>5,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>16,548</u>	<u>49,258</u>	<u>290</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>24,648</u>	<u>1,079</u>	<u>219,705</u>	<u>5,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>16,548</u>	<u>49,258</u>	<u>290</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds									
	243	244	245	246	247	248	249	250	251	252
	Bullet Proof	Project	7th Circuit	7th Circuit Sol	Emergency	Emergency		Fire Insurance	Canine	Pandemic
	Vests Grant	Lifesaver	Sol Restricted	Drug Forfeit	Management	Preparedness	Em/Co-Gen	Tax	K-9 Fund	Influenza Planning
Assets										
Cash	-	-	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-
Receivables										
Intergovernmental	-	-	-	-	50,506	-	-	138,545	-	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other special revenue funds	-	-	-	-	-	-	-	-	-	-
Due from other funds	5,463	47	41,155	28,154	-	69,721	2,000	-	17,794	2,970
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
	<u>5,463</u>	<u>47</u>	<u>41,155</u>	<u>28,154</u>	<u>50,506</u>	<u>69,721</u>	<u>2,000</u>	<u>138,545</u>	<u>17,794</u>	<u>2,970</u>
Liabilities										
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Escrow funds	-	-	-	-	-	-	-	-	-	-
Due to other special revenue funds	-	-	-	-	-	-	-	-	-	-
Due to General Fund	-	-	-	-	50,506	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of Resources										
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-	-
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	5,463	47	41,155	28,154	-	69,721	2,000	138,545	17,794	2,970
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>5,463</u>	<u>47</u>	<u>41,155</u>	<u>28,154</u>	<u>-</u>	<u>69,721</u>	<u>2,000</u>	<u>138,545</u>	<u>17,794</u>	<u>2,970</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>5,463</u>	<u>47</u>	<u>41,155</u>	<u>28,154</u>	<u>50,506</u>	<u>69,721</u>	<u>2,000</u>	<u>138,545</u>	<u>17,794</u>	<u>2,970</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds										
	253	256	258	264	267	271	273	280	281	285	288
			Regional	Project	Title IV-D	Recycle Waste	EMS	Ohsjp Coronavirus	Broadband Expan	Solicitors Early	Project
	Hazmat	Project Bees	Planning	Sweetwater	DSS	(Solid Waste)	Grant	Emer Funding	Initiative	Assessment Prq	Fallin
Assets											
Cash	-	-	-	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-	-
Receivables											
Intergovernmental	-	-	-	-	23,132	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Due from other special revenue funds	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	48	200,000	-	230,014	-	-	8,878	-	1,250,000	95,286	100,000
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
	<u>48</u>	<u>200,000</u>	<u>-</u>	<u>230,014</u>	<u>23,132</u>	<u>-</u>	<u>8,878</u>	<u>-</u>	<u>1,250,000</u>	<u>95,286</u>	<u>100,000</u>
Liabilities											
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-
Escrow funds	-	-	-	-	-	-	-	-	-	-	-
Due to other special revenue funds	-	-	-	-	-	-	-	-	-	-	-
Due to General Fund	-	-	-	-	23,132	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of Resources											
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Fund Balances											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	48	200,000	-	230,014	-	-	8,878	-	1,250,000	95,286	100,000
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>48</u>	<u>200,000</u>	<u>-</u>	<u>230,014</u>	<u>-</u>	<u>-</u>	<u>8,878</u>	<u>-</u>	<u>1,250,000</u>	<u>95,286</u>	<u>100,000</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>48</u>	<u>200,000</u>	<u>-</u>	<u>230,014</u>	<u>23,132</u>	<u>-</u>	<u>8,878</u>	<u>-</u>	<u>1,250,000</u>	<u>95,286</u>	<u>100,000</u>



CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds										
	289 EMS FEMA Grant	292 Cherokee 250	293 Rural Infrastructure Grant	294 Palmetto Pride Grant	295 Transportation Feasibility Grant	297 LATCF	Total Nonmajor Special Revenue Funds	Debt Service Fund	Cherokee County Library	Development Board	Total Nonmajor Governmental Funds
Assets											
Cash	-	-	-	-	-	-	4,855,468	1,008,611	2,206,874	151,235	8,222,188
Taxes receivable (net)	-	-	-	-	-	-	-	26,056	21,682	-	47,738
Receivables											
Intergovernmental	-	-	-	-	-	-	324,192	-	5,494	-	329,685
Other	-	-	-	-	53,719	-	53,719	-	-	-	53,719
Due from other special revenue funds	-	-	-	-	-	-	29	-	-	-	29
Due from other funds	-	23,743	-	20,382	-	50,000	2,796,470	1,609,033	-	-	4,405,503
Prepaid expenses	-	-	-	-	-	-	-	-	39,113	-	39,113
	-	23,743	-	20,382	53,719	50,000	8,029,878	2,643,700	2,273,163	151,235	13,097,974
Liabilities											
Accounts payable	-	-	-	-	-	-	6,275	-	26,969	-	33,244
Accrued expenses	-	-	-	-	-	-	-	-	19,677	10,536	30,213
Escrow funds	-	-	-	-	-	-	-	-	-	-	-
Due to other special revenue funds	-	-	-	-	-	-	29	-	-	-	29
Due to General Fund	-	-	-	-	53,719	-	1,521,231	-	-	-	1,521,231
Unearned revenue	-	-	-	-	-	50,000	358,927	-	-	-	358,927
	-	-	-	-	53,719	50,000	1,886,462	-	46,646	10,536	1,943,644
Deferred inflows of Resources											
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	163	3,388	-	3,551
Fund Balances											
Nonspendable	-	-	-	-	-	-	-	-	39,113	-	39,113
Restricted	-	23,743	-	20,382	-	-	6,143,416	2,643,537	2,184,016	140,699	11,111,667
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	23,743	-	20,382	-	-	6,143,416	2,643,537	2,223,129	140,699	11,150,780
Total Liabilities, Deferred Inflows of Resources and Fund Balances	-	23,743	-	20,382	53,719	50,000	8,029,878	2,643,537	2,269,775	151,235	13,097,974

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds							
	201	202	203	204	205	206	207	208
	Local County	Infrastructure	Overmountain	E911 Tele	E911 Tele	Sheriff	Sheriff	Sheriff
	Accomodations Fee		Endowment	Tariff	Surcharge	Confiscated	Drug	Jail Canteen
Revenues								
Taxes	\$ 74,041	234,488	-	100,392	-	-	-	-
Intergovernmental	-	-	-	-	497,222	-	-	-
Interest	1,481	-	4	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	141,523
Confiscated money	-	-	-	-	-	-	410,726	-
Miscellaneous	-	-	-	-	-	-	-	-
	<u>75,522</u>	<u>234,488</u>	<u>4</u>	<u>100,392</u>	<u>497,222</u>	<u>-</u>	<u>410,726</u>	<u>141,523</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	84,319	705,133	(29)	40,860	61,551
Transportation	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-
Culture and recreation	33,372	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	25,266	-	-	-	24,566
Debt service	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
	<u>33,372</u>	<u>-</u>	<u>-</u>	<u>109,585</u>	<u>705,133</u>	<u>(29)</u>	<u>40,860</u>	<u>86,117</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>42,150</u>	<u>234,488</u>	<u>4</u>	<u>(9,193)</u>	<u>(207,911)</u>	<u>29</u>	<u>369,866</u>	<u>55,406</u>
Other Financing Sources (Uses)								
Proceeds from capital lease	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(1,657)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,657)</u>
Net Change in Fund Balances	42,150	234,488	4	(9,193)	(207,911)	29	369,866	53,749
Fund Balances - Beginning of Year	<u>195,627</u>	<u>104,465</u>	<u>11,196</u>	<u>159,426</u>	<u>1,182,614</u>	<u>(29)</u>	<u>(526)</u>	<u>438,404</u>
Reclassification	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 237,777</u>	<u>338,953</u>	<u>11,200</u>	<u>150,233</u>	<u>974,703</u>	<u>-</u>	<u>369,340</u>	<u>492,153</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds									
	209	210	211	212	213	214	215	216	217	218
	Sheriff	Transportation	Solicitor	Solicitor	Sheriff	Sheriff	Sheriff	Sheriff	Sheriff	Sheriff
	Inmate Telephone	C-Funds	Gambling	Estreated Bnd	Weekend Jail	Sex Offender	Hardship	Child Supp-DSS	Federal Drug	Siezed Gambling
Revenues										
Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	6,699	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Charges for services	115,867	-	-	-	2,040	21,031	-	-	-	-
Confiscated money	-	-	4,806	-	-	-	-	-	60,227	-
Miscellaneous	-	-	-	9,925	-	-	-	-	-	-
	<u>115,867</u>	<u>-</u>	<u>4,806</u>	<u>9,925</u>	<u>2,040</u>	<u>21,031</u>	<u>-</u>	<u>6,699</u>	<u>60,227</u>	<u>-</u>
Expenditures										
Current										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	26,695	-	-	8,482	3,980	7,572	-	9,255	62,606	-
Transportation	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	3,342	-
Debt service										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
	<u>26,695</u>	<u>-</u>	<u>-</u>	<u>8,482</u>	<u>3,980</u>	<u>7,572</u>	<u>-</u>	<u>9,255</u>	<u>65,948</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>89,172</u>	<u>-</u>	<u>4,806</u>	<u>1,443</u>	<u>(1,940)</u>	<u>13,459</u>	<u>-</u>	<u>(2,556)</u>	<u>(5,721)</u>	<u>-</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>	<u>-</u>
Net Change in Fund Balances	<u>89,172</u>	<u>-</u>	<u>4,806</u>	<u>1,443</u>	<u>(1,940)</u>	<u>13,459</u>	<u>-</u>	<u>(2,556)</u>	<u>(5,721)</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>186,685</u>	<u>3,204,048</u>	<u>168,864</u>	<u>57,331</u>	<u>14,556</u>	<u>100,454</u>	<u>7,926</u>	<u>21,659</u>	<u>131,463</u>	<u>3,259</u>
Reclassification	<u>-</u>	<u>(3,204,048)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>275,857</u>	<u>-</u>	<u>173,670</u>	<u>58,774</u>	<u>12,616</u>	<u>113,913</u>	<u>7,926</u>	<u>19,103</u>	<u>125,742</u>	<u>3,259</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds									
	219	220	221	290	223	225	227	228	229	230
	Law Enforcement	Sheriff	Electronic	Local	Rural	Project	SC DHEC	DHEC	Restitution	Incentive
	Training Cntr.	D.A.R.E.	Monitoring	Hospitality Tax	Infrastructure	Peach	Hpp Grant	Grant		Child Support
Revenues										
Taxes	-	-	-	386,652	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	43,003
Interest	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	290,314	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-	-	-
Miscellaneous	5,295	10,743	-	-	-	-	-	-	400	-
	<u>5,295</u>	<u>10,743</u>	<u>290,314</u>	<u>386,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>43,003</u>
Expenditures										
Current										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	5,101	6,175	95,500	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	4,027
Environmental and housing	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	287,760	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	(1,764)	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
	<u>5,101</u>	<u>6,175</u>	<u>95,500</u>	<u>287,760</u>	<u>-</u>	<u>-</u>	<u>(1,764)</u>	<u>-</u>	<u>-</u>	<u>4,027</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	194	4,568	194,814	98,892	-	-	1,764	-	400	38,976
Other Financing Sources (Uses)										
Proceeds from capital lease	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(176,621)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(176,621)	-	-	-	-	-	-	-
Net Change in Fund Balances	194	4,568	18,193	98,892	-	-	1,764	-	400	38,976
Fund Balances - Beginning of Year	862	16,493	108,108	(365,092)	20,102	500	(1,764)	1	1,957	279,623
Reclassification	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	<u>1,056</u>	<u>21,061</u>	<u>126,301</u>	<u>(266,200)</u>	<u>20,102</u>	<u>500</u>	<u>-</u>	<u>1</u>	<u>2,357</u>	<u>318,599</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds								
	231	232	233	234	235	236	237	238	239
	Victory Trail Fund	Carolina Thread Trail	Veterans Affairs	Recycle Grant (Used Oil)	Recycle Grant (Waste Tire)	East Gaffney Lighting Project	Norfolk Southern Sheriff Grant	Body Worn Camera Award	Victims Assistance Fund
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	5,783	9,502	43,350	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	110,158
Confiscated money	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
	-	-	5,783	9,502	43,350	-	-	-	110,158
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	99,299	-
Transportation	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	9,502	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
	-	-	-	9,502	-	-	-	99,299	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	5,783	-	43,350	-	-	(99,299)	110,158
Other Financing Sources (Uses)									
Proceeds from capital lease	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	18,056	-	-	1,657	-
Transfers out	-	-	-	-	-	-	-	-	(110,158)
Total other financing sources (uses)	-	-	-	-	18,056	-	-	1,657	(110,158)
Net Change in Fund Balances	-	-	5,783	-	61,406	-	-	(97,642)	-
Fund Balances - Beginning of Year	-	692	18,865	1,079	158,299	5,000	3,000	97,642	-
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	-	692	24,648	1,079	219,705	5,000	3,000	-	-

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds								
	240	241	242	243	244	245	246	247	248
	7th Circuit Sol Renovations	School Resource Officer Grant	Adopt-A-Cop Program	Bullet Proof Vests Grant	Project Lifesaver	7th Circuit Sol Restricted	7th Circuit Sol Drug Forfeit	Emergency Management	Emergency Preparedness
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	70,000	-	67,377	20,000
Interest	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	408	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>408</u>	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>67,377</u>	<u>20,000</u>
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	46,649	1,489	20,410	9,784
Transportation	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	48,510	-
Debt service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,649</u>	<u>1,489</u>	<u>68,920</u>	<u>9,784</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>408</u>	<u>-</u>	<u>23,351</u>	<u>(1,489)</u>	<u>(1,543)</u>	<u>10,216</u>
Other Financing Sources (Uses)									
Proceeds from capital lease	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	1,587	-
Transfers out	-	-	-	-	-	-	-	-	(1,587)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,587</u>	<u>(1,587)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>408</u>	<u>-</u>	<u>23,351</u>	<u>(1,489)</u>	<u>44</u>	<u>8,629</u>
Fund Balances - Beginning of Year	<u>16,548</u>	<u>49,258</u>	<u>290</u>	<u>5,055</u>	<u>47</u>	<u>17,804</u>	<u>29,643</u>	<u>(44)</u>	<u>61,092</u>
Reclassification	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>16,548</u>	<u>49,258</u>	<u>290</u>	<u>5,463</u>	<u>47</u>	<u>41,155</u>	<u>28,154</u>	<u>-</u>	<u>69,721</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds							
	249	250	251	252	253	256	258	267
	Em/Co-Gen	Fire Insurance Tax	Canine K-9 Fund	Pandemic Influenza Planning	Hazmat	Project Bees	Regional Planning	Title IV-D DSS
Revenues								
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	138,545	-	-	-	-	50,000	135,090
Interest	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-
Miscellaneous	-	-	2,029	-	-	200,000	-	-
	-	138,545	2,029	-	-	200,000	50,000	135,090
Expenditures								
Current								
General government	-	-	-	-	-	-	50,000	-
Public safety	-	126,664	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	45,799
Environmental and housing	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
	-	126,664	-	-	-	-	50,000	45,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	11,881	2,029	-	-	200,000	-	89,291
Other Financing Sources (Uses)								
Proceeds from capital lease	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(88,605)
Total other financing sources (uses)	-	-	-	-	-	-	-	(88,605)
Net Change in Fund Balances	-	11,881	2,029	-	-	200,000	-	686
Fund Balances - Beginning of Year	2,000	126,664	15,765	2,970	48	-	1	(686)
Reclassification	-	-	-	-	-	-	-	-
Fund Balances - End of Year	2,000	138,545	17,794	2,970	48	200,000	1	-

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds								
	271	273	280	281	285	288	289	292	293
	Recycle Waste (Solid Waste)	EMS Grant	Ohsjp Coronavirus Emer Funding	Broadband Exp Initiative	Solicitors Early Assesment Prq	Project Fallin	EMS FEMA Grant	Cherokee 250	Rural Infrastructure Grant
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	8,950	8,878	-	1,000,000	-	-	4,857	32,999	328,340
Interest	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
	<u>8,950</u>	<u>8,878</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>4,857</u>	<u>32,999</u>	<u>328,340</u>
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	328,340
Public safety	-	-	-	-	(1,881)	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Health and human services	-	-	(213)	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	9,256	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	(200)	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
	<u>(200)</u>	<u>-</u>	<u>(213)</u>	<u>-</u>	<u>(1,881)</u>	<u>-</u>	<u>-</u>	<u>9,256</u>	<u>328,340</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,150</u>	<u>8,878</u>	<u>213</u>	<u>1,000,000</u>	<u>1,881</u>	<u>-</u>	<u>4,857</u>	<u>23,743</u>	<u>-</u>
Other Financing Sources (Uses)									
Proceeds from capital lease	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(4,857)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,857)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>9,150</u>	<u>8,878</u>	<u>213</u>	<u>1,000,000</u>	<u>1,881</u>	<u>-</u>	<u>-</u>	<u>23,743</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>(9,150)</u>	<u>-</u>	<u>(213)</u>	<u>250,000</u>	<u>93,405</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reclassification	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>-</u>	<u>8,878</u>	<u>-</u>	<u>1,250,000</u>	<u>95,286</u>	<u>100,000</u>	<u>-</u>	<u>23,743</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, 2023

	Special Revenue Funds							
	294 Palmetto Pride Grant	295 Transportation Feasibility Grant	297 LATCF	Total Nonmajor Special Revenue Funds	Debt Service Fund	Cherokee County Library	Development Board	Total Nonmajor Governmental Funds
Revenues								
Taxes	-	-	-	795,573	1,259,515	1,047,797	-	3,102,885
Intergovernmental	25,000	46,175	-	2,541,770	-	168,725	-	2,710,498
Interest	-	-	-	1,485	-	-	25	1,510
Charges for services	-	-	-	680,933	-	21,048	-	701,981
Confiscated money	-	-	-	475,759	-	-	-	475,759
Miscellaneous	-	11,544	-	240,344	-	5,948	44,771	291,063
	<u>25,000</u>	<u>57,719</u>	<u>-</u>	<u>4,735,868</u>	<u>1,259,515</u>	<u>1,243,518</u>	<u>44,796</u>	<u>7,283,696</u>
Expenditures								
Current								
General government	-	-	-	378,340	-	-	-	378,338
Public safety	-	-	-	1,419,614	-	-	-	1,419,615
Transportation	-	57,719	-	57,719	-	-	-	57,720
Health and human services	-	-	-	49,613	-	-	-	49,614
Environmental and housing	4,618	-	-	14,120	-	-	-	14,119
Culture and recreation	-	-	-	330,388	-	1,055,267	-	1,385,655
Economic Development	-	-	-	-	-	-	248,026	248,027
Capital outlay	-	-	-	99,720	-	-	23,590	123,311
Debt service								
Principal retirement	-	-	-	-	870,000	-	-	870,000
Interest and fiscal charges	-	-	-	-	339,828	-	-	339,828
	<u>4,618</u>	<u>57,719</u>	<u>-</u>	<u>2,349,515</u>	<u>1,209,828</u>	<u>1,055,267</u>	<u>271,616</u>	<u>4,886,227</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,382</u>	<u>-</u>	<u>-</u>	<u>2,386,353</u>	<u>49,687</u>	<u>188,251</u>	<u>(226,820)</u>	<u>2,397,469</u>
Other Financing Sources (Uses)								
Proceeds from capital lease	-	-	-	-	-	-	-	-
Transfers in	-	-	-	21,300	-	-	212,000	233,300
Transfers out	-	-	-	(383,485)	-	-	-	(383,484)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(362,185)</u>	<u>-</u>	<u>-</u>	<u>212,000</u>	<u>(150,184)</u>
Net Change in Fund Balances	<u>20,382</u>	<u>-</u>	<u>-</u>	<u>2,024,165</u>	<u>49,687</u>	<u>188,251</u>	<u>(14,820)</u>	<u>2,247,285</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,323,299</u>	<u>2,593,850</u>	<u>2,034,878</u>	<u>155,519</u>	<u>12,107,543</u>
Reclassification				<u>(3,204,049)</u>				<u>(3,204,052)</u>
Fund Balances - End of Year	<u>20,382</u>	<u>-</u>	<u>-</u>	<u>6,143,417</u>	<u>2,643,537</u>	<u>2,223,129</u>	<u>140,699</u>	<u>11,150,780</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2023

	Cherokee No. 1	Spartanburg No. 2	Clerk of Court					Magistrates Cash Bonds	Tax Collector
			Support Office	Out of Town Surety Bonds	Bondsmen	Condemnation Suits	Finance Officer		
Assets									
Cash	\$ 66,538,400	-	53,236	12,692	75,971	297,964	.	238,490	1,518,000
Taxes Receivable (Net)	1,074,627	7,343	-	-	-	-	-	-	-
Other Receivables	2,358	1,119	-	-	-	-	-	-	-
	<u>67,615,385</u>	<u>8,462</u>	<u>53,236</u>	<u>12,692</u>	<u>75,971</u>	<u>297,964</u>	<u>-</u>	<u>238,490</u>	<u>1,518,000</u>
Liabilities									
Due to Other Designated Recipients	67,615,385	8,462	53,236	12,692	75,971	297,964	-	238,490	1,518,000
	<u>67,615,385</u>	<u>8,462</u>	<u>53,236</u>	<u>12,692</u>	<u>75,971</u>	<u>297,964</u>	<u>-</u>	<u>238,490</u>	<u>1,518,000</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2023

	Community College	City of Chesnee	Sheriff's Drug Fund	Detention Ctr Commissary	Recreation District	Mini Bottle Tax	Town of Blacksburg- Bonds	Town of Blacksburg	Macedonia Fire District	City of Gaffney	Spartanburg 1% Fee In Lieu
Assets											
Cash	\$ -	-	45,436	112,349	-	-	4,764	-	-	-	-
Taxes Receivable (Net)	13,848	94	-	-	20,957	-	-	7,875	3,191	58,900	-
Other Receivables	-	-	-	-	-	132,407	-	-	-	-	-
	<u>13,848</u>	<u>94</u>	<u>45,436</u>	<u>112,349</u>	<u>20,957</u>	<u>132,407</u>	<u>4,764</u>	<u>7,875</u>	<u>3,191</u>	<u>58,900</u>	<u>-</u>
Liabilities											
Due to Other Designated Recipients	13,848	94	45,436	112,349	20,957	132,407	4,764	7,875	3,191	58,900	-
	<u>\$ 13,848</u>	<u>94</u>	<u>45,436</u>	<u>112,349</u>	<u>20,957</u>	<u>132,407</u>	<u>4,764</u>	<u>7,875</u>	<u>3,191</u>	<u>58,900</u>	<u>-</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2023

	Blacksburg Fire District	Cherokee Creek Fire District	Gaffney Area Fire District	Grassy Pond Fire District	CKC Fire District	Buffalo Fire District	Corinth Fire District	Antioch Fire District	DMW Fire District	Goucher White Plains FD	Library	TOTALS
Assets												
Cash	\$ -	-	-	-	-	-	-	-	-	-	-	68,897,302
Taxes Receivable (Net)	37,284	1,865	13,172	1,005	1,232	403	849	3,268	436	931	21,682	1,268,962
Other Receivables	-	-	-	-	-	-	-	-	-	-	-	135,884
	<u>37,284</u>	<u>1,865</u>	<u>13,172</u>	<u>1,005</u>	<u>1,232</u>	<u>403</u>	<u>849</u>	<u>3,268</u>	<u>436</u>	<u>931</u>	<u>21,682</u>	<u>70,302,148</u>
Liabilities												
Due to Other Designated Recipients	<u>37,284</u>	<u>1,865</u>	<u>13,172</u>	<u>1,005</u>	<u>1,232</u>	<u>403</u>	<u>849</u>	<u>3,268</u>	<u>436</u>	<u>931</u>	<u>21,682</u>	<u>70,302,148</u>
	<u>\$ 37,284</u>	<u>1,865</u>	<u>13,172</u>	<u>1,005</u>	<u>1,232</u>	<u>403</u>	<u>849</u>	<u>3,268</u>	<u>436</u>	<u>931</u>	<u>21,682</u>	<u>70,302,148</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2023

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>School District - Cherokee No. 1</b>				
Assets				
Cash	\$ 53,479,012	206,801,935	193,742,547	66,538,400
Taxes Receivable (Net)	571,865	2,961,562	2,458,800	1,074,627
Other Receivables	995,042	997,399	1,990,083	2,358
	<u>55,045,919</u>	<u>210,760,896</u>	<u>198,191,430</u>	<u>67,615,385</u>
Liabilities				
Due to Other Designated Recipients	<u>55,045,919</u>	<u>210,760,896</u>	<u>198,191,430</u>	<u>67,615,385</u>
<b>School District - Sptbg. No.1</b>				
Assets				
Cash	91,610	1,359,392	1,451,002	-
Taxes Receivable (Net)	24,239	48,280	65,176	7,343
Other Receivables	1,119	-	-	1,119
	<u>116,968</u>	<u>1,407,672</u>	<u>1,516,178</u>	<u>8,462</u>
Liabilities				
Due to Other Designated Recipients	<u>116,968</u>	<u>1,407,672</u>	<u>1,516,178</u>	<u>8,462</u>
<b>Support Office</b>				
Assets				
Cash	<u>53,508</u>	<u>17,694</u>	<u>17,966</u>	<u>53,236</u>
Liabilities				
Due to Other Designated Recipients	<u>53,508</u>	<u>17,694</u>	<u>17,966</u>	<u>53,236</u>
<b>Clerk of Court - Out of Town Surety Bond</b>				
Assets				
Cash	<u>13,813</u>	<u>7,031</u>	<u>8,152</u>	<u>12,692</u>
Liabilities				
Due to Other Designated Recipients	<u>13,813</u>	<u>7,031</u>	<u>8,152</u>	<u>12,692</u>
<b>Clerk of Court - Bondsmen</b>				
Assets				
Cash	<u>75,949</u>	<u>22</u>	<u>-</u>	<u>75,971</u>
Liabilities				
Due to Other Designated Recipients	<u>75,949</u>	<u>22</u>	<u>-</u>	<u>75,971</u>
<b>Condemnation Suits</b>				
Assets				
Cash	<u>771,059</u>	<u>-</u>	<u>473,095</u>	<u>297,964</u>
Liabilities				
Due to Other Designated Recipients	<u>771,059</u>	<u>-</u>	<u>473,095</u>	<u>297,964</u>
<b>Clerk of Court - Escrow</b>				
Assets				
Cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2023

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>Clerk of Court - Finance Officer</b>				
Assets				
Cash	\$ 76,004	82,968	158,972	-
Liabilities				
Due to Other Designated Recipients	76,004	82,968	158,972	-
<b>Magistrate Cash Bonds</b>				
Assets				
Cash	195,815	42,675	-	238,490
Liabilities				
Due to Other Designated Recipients	195,815	42,675	-	238,490
<b>Tax Collector</b>				
Assets				
Cash	1,386,231	1,879,089	1,747,320	1,518,000
Liabilities				
Due to Other Designated Recipients	1,386,231	1,879,089	1,747,320	1,518,000
<b>Community College</b>				
Assets				
Cash	(6,323)	732,336	726,013	-
Taxes Receivable (Net)	11,198	43,446	40,796	13,848
Other Receivables	-	-	-	-
	4,875	775,782	766,809	13,848
Liabilities				
Due to Other Designated Recipients	4,875	775,782	766,809	13,848
<b>City of Chesnee</b>				
Assets				
Cash	3,619	81,243	84,862	-
Taxes Receivable (Net)	1,038	1,621	2,565	94
Other Receivables	-	-	-	-
	4,657	82,864	87,427	94
Liabilities				
Due to Other Designated Recipients	4,657	82,864	87,427	94
<b>Sheriff's Drug Fund</b>				
Assets				
Cash	47,336	1,147	3,047	45,436
Liabilities				
Due to Other Designated Recipients	\$ 47,336	1,147	3,047	45,436

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2023

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>Detention Center Commissary</b>				
Assets				
Cash	\$ 69,850	42,499	-	112,349
Liabilities				
Due to Other Designated Recipients	69,850	42,499	-	112,349
<b>Recreation District</b>				
Assets				
Cash	(10,350)	1,145,738	1,135,388	-
Taxes Receivable (Net)	16,933	65,728	61,704	20,957
Other Receivables	-	-	-	-
	6,583	1,211,466	1,197,092	20,957
Liabilities				
Due to Other Designated Recipients	6,583	1,211,466	1,197,092	20,957
<b>Mini Bottle Tax</b>				
Assets				
Cash	15,906	166,311	182,217	-
Other Receivable	108,428	167,616	143,637	132,407
	124,334	333,927	325,854	132,407
Liabilities				
Due to Other Designated Recipients	124,334	333,927	325,854	132,407
<b>Town of Blacksburg - Bonds</b>				
Assets				
Cash	4,764	-	-	4,764
Liabilities				
Due to Other Designated Recipients	4,764	-	-	4,764
<b>Town of Blacksburg</b>				
Assets				
Cash	7,654	644,067	651,721	-
Taxes Receivable (Net)	17,075	39,474	48,674	7,875
Other Receivables	-	-	-	-
	24,729	683,541	700,395	7,875
Liabilities				
Due to Other Designated Recipients	\$ 24,729	683,541	700,395	7,875

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2023

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>Macedonia Fire District</b>				
Assets				
Cash	\$ 3,059	276,290	279,349	-
Taxes Receivable (Net)	4,266	12,337	13,412	3,191
Other Receivables	-	-	-	-
	<u>7,325</u>	<u>288,627</u>	<u>292,761</u>	<u>3,191</u>
Liabilities				
Due to Other Designated Recipients	<u>7,325</u>	<u>288,627</u>	<u>292,761</u>	<u>3,191</u>
<b>City of Gaffney</b>				
Assets				
Cash	107,806	3,773,540	3,881,346	-
Taxes Receivable (Net)	<u>58,075</u>	<u>199,194</u>	<u>198,369</u>	<u>58,900</u>
	<u>165,881</u>	<u>3,972,734</u>	<u>4,079,715</u>	<u>58,900</u>
Liabilities				
Due to Other Designated Recipients	<u>165,881</u>	<u>3,972,734</u>	<u>4,079,715</u>	<u>58,900</u>
<b>Spartanburg 1% Fee In Lieu</b>				
Assets				
Cash	-	-	-	-
Taxes Receivable (Net)	<u>616</u>	<u>850</u>	<u>1,466</u>	<u>-</u>
	<u>616</u>	<u>850</u>	<u>1,466</u>	<u>-</u>
Liabilities				
Due to Other Designated Recipients	<u>616</u>	<u>850</u>	<u>1,466</u>	<u>-</u>
<b>Blacksburg Fire District</b>				
Assets				
Cash	1,798	317,791	319,589	-
Taxes Receivable (Net)	<u>2,979</u>	<u>79,493</u>	<u>45,188</u>	<u>37,284</u>
Other Receivables	-	-	-	-
	<u>4,777</u>	<u>397,284</u>	<u>364,777</u>	<u>37,284</u>
Liabilities				
Due to Other Designated Recipients	<u>4,777</u>	<u>397,284</u>	<u>364,777</u>	<u>37,284</u>
<b>Cherokee Creek Fire District</b>				
Assets				
Cash	39,691	322,921	362,612	-
Taxes Receivable (Net)	<u>5,907</u>	<u>11,919</u>	<u>15,961</u>	<u>1,865</u>
Other Receivables	-	-	-	-
	<u>45,598</u>	<u>334,840</u>	<u>378,573</u>	<u>1,865</u>
Liabilities				
Due to Other Designated Recipients	<u>45,598</u>	<u>334,840</u>	<u>378,573</u>	<u>1,865</u>
<b>Gaffney Area Fire District</b>				
Assets				
Cash	7,782	1,027,418	1,035,200	-
Taxes Receivable (Net)	<u>14,673</u>	<u>46,871</u>	<u>48,372</u>	<u>13,172</u>
Other Receivables	-	-	-	-
	<u>22,455</u>	<u>1,074,289</u>	<u>1,083,572</u>	<u>13,172</u>
Liabilities				
Due to Other Designated Recipients	<u>22,455</u>	<u>1,074,289</u>	<u>1,083,572</u>	<u>13,172</u>
<b>Grassy Pond Fire District</b>				
Assets				
Cash	1,309	209,774	211,083	-
Taxes Receivable (Net)	<u>3,135</u>	<u>6,357</u>	<u>8,487</u>	<u>1,005</u>
Other Receivables	-	-	-	-
	<u>4,444</u>	<u>216,131</u>	<u>219,570</u>	<u>1,005</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 4,444</u>	<u>216,131</u>	<u>219,570</u>	<u>1,005</u>



Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2023

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>CKC Fire District</b>				
Assets				
Cash	1,748	120,270	122,018	-
Taxes Receivable (Net)	4,007	8,017	10,792	1,232
Other Receivables	-	-	-	-
	<u>5,755</u>	<u>128,287</u>	<u>132,810</u>	<u>1,232</u>
Liabilities				
Due to Other Designated Recipients	<u>5,755</u>	<u>128,287</u>	<u>132,810</u>	<u>1,232</u>
<b>Buffalo Fire District</b>				
Assets				
Cash	1,109	97,181	98,290	-
Taxes Receivable (Net)	2,386	4,106	6,089	403
Other Receivables	-	-	-	-
	<u>3,495</u>	<u>101,287</u>	<u>104,379</u>	<u>403</u>
Liabilities				
Due to Other Designated Recipients	<u>3,495</u>	<u>101,287</u>	<u>104,379</u>	<u>403</u>
<b>Corinth Fire District</b>				
Assets				
Cash	2,676	129,228	131,904	-
Taxes Receivable (Net)	3,672	6,782	9,605	849
Other Receivables	-	-	-	-
	<u>6,348</u>	<u>136,010</u>	<u>141,509</u>	<u>849</u>
Liabilities				
Due to Other Designated Recipients	<u>6,348</u>	<u>136,010</u>	<u>141,509</u>	<u>849</u>
<b>Antioch Fire District</b>				
Assets				
Cash	830	133,483	134,313	-
Taxes Receivable (Net)	1,894	9,221	7,847	3,268
Other Receivables	-	-	-	-
	<u>2,724</u>	<u>142,704</u>	<u>142,160</u>	<u>3,268</u>
Liabilities				
Due to Other Designated Recipients	<u>2,724</u>	<u>142,704</u>	<u>142,160</u>	<u>3,268</u>
<b>DMW Fire District</b>				
Assets				
Cash	1,481	97,820	99,301	-
Taxes Receivable (Net)	530	1,613	1,707	436
Other Receivables	-	-	-	-
	<u>2,011</u>	<u>99,433</u>	<u>101,008</u>	<u>436</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 2,011</u>	<u>99,433</u>	<u>101,008</u>	<u>436</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2023

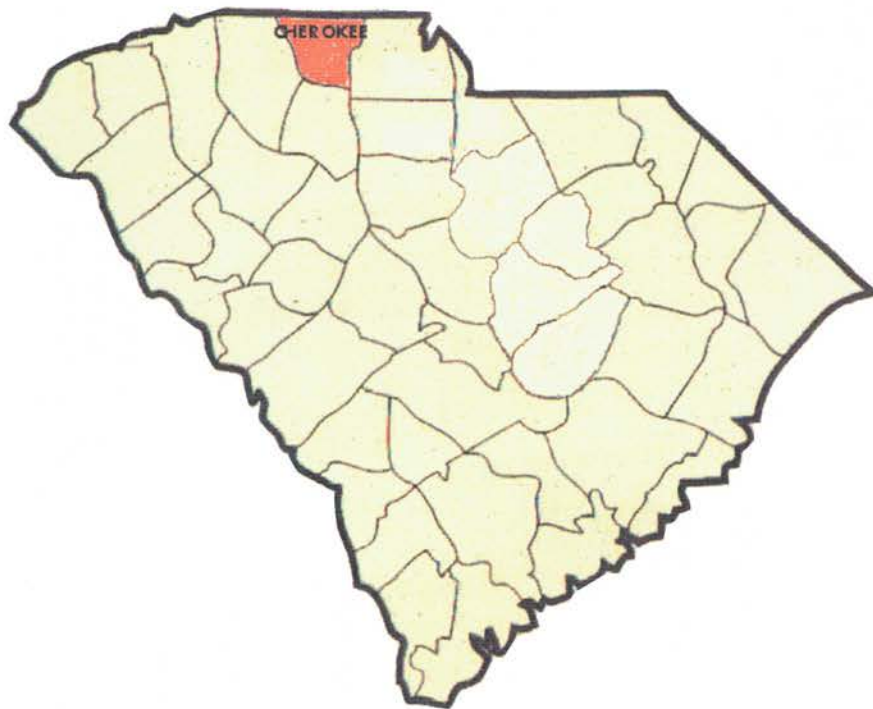
	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>Goucher White Plains Fire District</b>				
Assets				
Cash	\$ (716)	145,527	144,811	-
Taxes Receivable (Net)	2,979	5,992	8,040	931
Other Receivables	-	-	-	-
	<u>2,263</u>	<u>151,519</u>	<u>152,851</u>	<u>931</u>
Liabilities				
Due to Other Designated Recipients	<u>2,263</u>	<u>151,519</u>	<u>152,851</u>	<u>931</u>
<b>Library</b>				
Assets				
Cash	-	1,365,228	1,365,228	-
Taxes Receivable (Net)	17,815	68,410	64,543	21,682
Other Receivables	-	-	-	-
	<u>17,815</u>	<u>1,433,638</u>	<u>1,429,771</u>	<u>21,682</u>
Liabilities				
Due to Other Designated Recipients	<u>17,815</u>	<u>1,433,638</u>	<u>1,429,771</u>	<u>21,682</u>
<b>Total - All Agency Funds</b>				
Assets				
Cash	56,444,030	221,020,618	208,567,346	68,897,302
Taxes Receivable (Net)	765,282	3,621,273	3,117,593	1,268,962
Other Receivables	1,104,589	1,165,015	2,133,720	135,884
	<u>58,313,901</u>	<u>225,806,906</u>	<u>213,818,659</u>	<u>70,302,148</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 58,313,901</u>	<u>225,806,906</u>	<u>213,818,659</u>	<u>70,302,148</u>

Cherokee County, South Carolina  
Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
June 30, 2023

Function and Activity	Construction In Progress	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Vehicles	Infrastructure	Lease Assets	Subscriptions Assets	Books	TOTAL
General Government	\$ 1,045,321	395,886	12,531,835	106,756	2,779,251	886,847	-	24,594	360,217	-	18,130,707
Public Safety	-	254,958	9,787,571	23,332	5,545,217	4,216,706	-	110,814	48,363	-	19,986,961
Transportation	-	-	139,221	-	1,076,971	391,598	30,619,256	97,868	-	-	32,324,914
Health and Human Services	515,042	418,494	1,643,715	-	74,177	251,515	-	1,065,140	-	-	3,968,083
Environmental and Housing	-	715,026	738,235	73,288	2,691,525	2,264,394	-	690,607	2,548	-	7,175,623
Culture and Recreation	-	215,525	4,581,263	38,185	561,349	90,494	-	-	-	555,449	6,042,265
Economic Development	-	-	-	-	-	23,590	-	-	-	-	23,590
	<u>\$ 1,560,363</u>	<u>1,999,889</u>	<u>29,421,840</u>	<u>241,561</u>	<u>12,728,490</u>	<u>8,125,144</u>	<u>30,619,256</u>	<u>1,989,023</u>	<u>411,128</u>	<u>555,449</u>	<u>87,652,144</u>

Cherokee County, South Carolina  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 June 30, 2023

Function and Activity	Balance Jun 30, 2022	Additions	Retirements	Balance June 30, 2023
General Government	\$ 16,013,344	2,117,363	-	18,130,707
Public Safety	18,605,452	1,409,259	27,750	19,986,961
Transportation	32,324,914	-	-	32,324,914
Health and Human Services	3,243,595	724,488	-	3,968,083
Environmental and Housing	7,173,075	2,548	-	7,175,623
Culture and Recreation	6,399,066	298,473	655,274	6,042,265
Economic Development	24,958	23,590	24,958	23,590
Total	83,784,404	4,575,721	707,982	87,652,144



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, 2023

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	146,023	1,604,601	-	1,750,624
Court fines and assessments remitted to State Treasurer	69,661	880,909	-	950,570
<b>Total Court Fines and Assessments retained</b>	<b>76,362</b>	<b>723,692</b>	<b>-</b>	<b>800,054</b>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained	23,441	11,551	-	34,992
Assessments retained	7,645	66,546	-	74,191
<b>Total Surcharges and Assessments retained for victim services</b>	<b>31,086</b>	<b>78,097</b>	<b>-</b>	<b>109,183</b>

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC):

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year – Beginning Balance</b>	-	975	975
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	-	74,191	74,191
Victim Service Surcharges Retained by City/County Treasurer	-	34,992	34,992
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>	-	110,158	110,158
<b>Expenditures for Victim Service Program:</b>	<b>Municipal</b>	<b>County</b>	<b>Total</b>
Salaries and Benefits	-	-	-
Operating Expenditures	-	-	-
<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	-	-	-
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	-	-	-
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	-	-
Less: Prior Year Fund Deficit Repayment	-	-	-
<b>Carryforward Funds – End of Year</b>	-	110,158	110,158

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

**FOR THE FISCAL YEAR ENDING:**

**June 30, 2023**

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

	<b>YTD ACTUAL 9-1-1 FUND</b>
<b>REVENUES**</b>	
Intergovernmental Revenues:	
State	-
Local	100,392
Fees and Service Charges:	497,223
Interest and Investment Income/(loss):	-
Other:	-
<b>TOTAL REVENUE ALL SOURCES</b>	<b>597,614</b>
<b>EXPENDITURES**</b>	
Public Safety Communications:	
Personnel Services	428,999
General Operating	12,608
Repairs and Maintenance	23,888
Contractual Services	72,891
Supplies	122
Equipment	267,462
Service Charges	-
Other	-
Total Public Safety Communications	805,969
Capital Outlay	8,749
Depreciation	-
<b>TOTAL EXPENDITURES</b>	<b>814,718</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(217,104)</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers In	-
Transfers Out	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(217,104)</b>
FUND BALANCE, Beginning of Year	1,342,040
<b>FUND BALANCE, End of Year</b>	<b>1,124,936</b>

**FINANCIAL STATEMENT FINDINGS (APPLICABLE TO 9-1-1 FUND):**

None Noted

**RECOMMENDED COURSE OF ACTION (APPLICABLE TO 9-1-1 FUND):**

None Noted

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

Audited by:

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

Signature

1/2/2024

Date



## **CHEROKEE COUNTY**

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**Independent Auditor's Reports Required by  
Government Auditing Standards and the Single Audit Act**

**Schedule of Expenditures for Federal Awards  
For the Year Ended June 30, 2023**



## CHEROKEE COUNTY

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Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining fund information, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Cherokee County's (the "County's") basic financial statements, and have issued our report thereon dated January 2, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

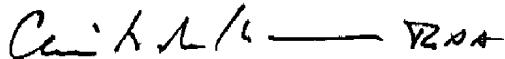
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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



Gaffney, SC  
January 2, 2024

Independent Auditors' Report on Compliance for Each  
Major Federal Program and Report on Internal Control Over  
Compliance Required by the Uniform Guidance

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Cherokee County's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

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

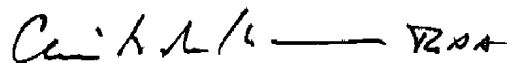
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 2, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Gaffney, SC  
December 11, 2023



**CHEROKEE COUNTY**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

DIRECT FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Grant I.D. No.	Disbursements Expenditures
<b>DEPARTMENT OF THE TREASURY</b>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0271	1,222,065
Total Coronavirus State and Local Fiscal Recovery Funds			1,222,065
<b>Total Department of the Treasury</b>			<b>1,222,065</b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Pass-through SC Department of Commerce</i>			
Community Development Block Grant	99.999	4-RP-21-001	49,999
Total Community Development Block Grant			49,999
<b>Total Department of Housing and Urban Development</b>			<b>49,999</b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Pass-through SC Emergency Management Division</i>			
COVID-19 Federal Emergency Management Agency	99.999	4492-DR-SC	4,857
Total COVID-19 Federal Emergency Management Agency			4,857
Emergency Management Performance Grant	97.042	22EMPG01	67,377
Total Emergency Management Performance Grant			67,377
<b>Total Department of Homeland Security</b>			<b>72,234</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Pass-through the SC Department of Social Services</i>			
Child Support Enforcement- Sheriff's Office	93.563		8,889
Child Support Enforcement- Clerk of Court	93.563		25,658
Total Child Support Enforcement			34,547
<b>Total U.S Department of Health and Human Services</b>			<b>34,547</b>
<b>Total Federal Awards</b>			<b>1,378,845</b>

SEE ACCOMPANYING NOTES TO SCHEDULE OF FEDERAL AWARDS

## **Cherokee County**

### **Notes to the Schedule of Expenditures of Federal Awards**

Year Ended June 30, 2023

#### **A – General**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Cherokee County, Gaffney, South Carolina (the “County”) for the year ended June 30, 2023. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, or changes in net positions of the County.

#### **B – Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the County’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. When negative amounts are shown on the Schedule it represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **C – Relationship to Basic Financial Statements**

Federal award expenditures are reported in the County’s basic financial statements as expenditures in the Special Revenue Fund.

#### **D – Relationship to Federal Financial Reports**

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.

**E** – The County used the restricted indirect cost rate for its programs and did not elect to use the 10% de minimis cost rate as covered in 2 CFR Part 200.414.

**CHEROKEE COUNTY**  
Summary Schedule of Prior Audit Findings  
June 30, 2023

**Findings Relating to the Financial Statements:**

There were no findings relating to the financial statements.

**Findings and Questioned Costs Relating to Federal Awards:**

There were no findings or questioned costs related to federal awards.

**Cherokee County**  
Schedule of Findings and Questioned Costs  
June 30, 2023

**Summary of Auditor's Results:**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP.

Internal control over financial reporting:

Material weakness(es) identified?

Significant deficiency(ies) identified?

Noncompliance material to financial statements noted?

<u>Unmodified</u>	
Yes _____	No <u>  x  </u>
Yes _____	No <u>  x  </u>
Yes _____	No <u>  x  </u>

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?

Significant deficiency(ies) identified?

Yes _____	No <u>  x  </u>
Yes _____	No <u>  x  </u>

Type of auditor's report issued on compliance for major federal programs.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ?

<u>Unmodified</u>	
Yes _____	No <u>  x  </u>

Identification of major federal programs:

Federal  
Assistance  
Listing Number

21.027

COVID-19- Coronavirus State and Local Fiscal  
Recovery Funds (SLFRF)

Dollar threshold used to distinguish between type A and type B programs:

          \$750,000          

Auditee qualified as low-risk auditee?

Yes \_\_\_\_\_ No   x

**Cherokee County**  
Schedule of Findings and Questioned Costs, Continued  
June 30, 2023

**Summary of Auditor's Results:** Continued

**Findings Relating to the Financial Statements:**

There were no findings relating to the financial statements.

**Findings and Questioned Costs Relating to Federal Awards:**

There were no findings or questioned costs related to federal awards.