

# **CHEROKEE COUNTY**

**South Carolina**



## **FINANCIAL STATEMENTS AND SCHEDULES**

**YEAR ENDED JUNE 30, 2024**

**CHEROKEE COUNTY, SOUTH CAROLINA**

**FINANCIAL STATEMENTS AND SCHEDULES**

**YEAR ENDED JUNE 30, 2024**

**PREPARED BY THE FINANCE DEPARTMENT**

CHEROKEE COUNTY, SOUTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2024

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## INTRODUCTORY SECTION



CHEROKEE COUNTY, SOUTH CAROLINA  
LIST OF PRINCIPAL OFFICIALS  
AS OF DECEMBER 28, 2024

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  
Vacant  
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

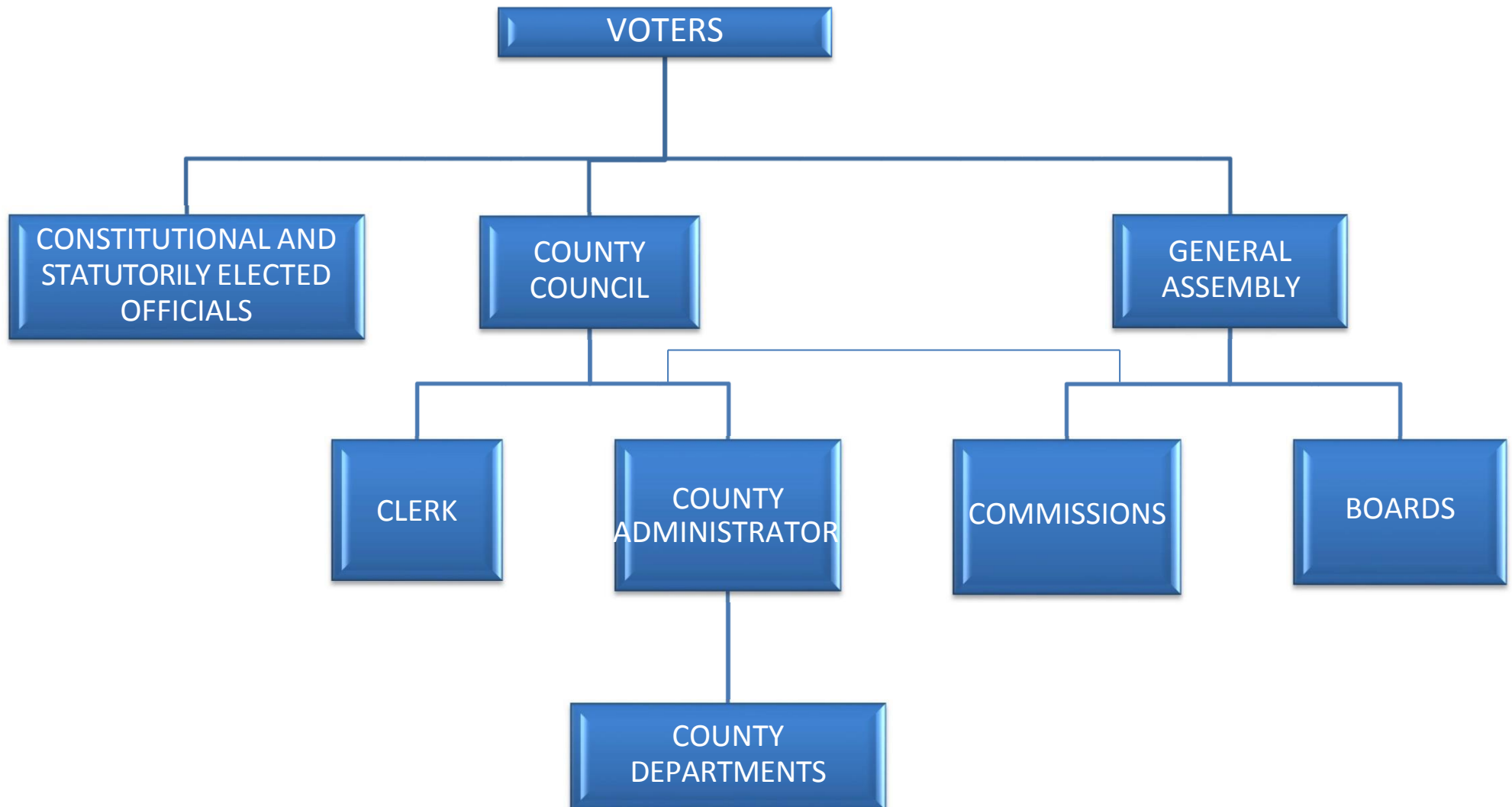
Appointed Official

Marvin Bishop  
Vacant

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, 2024, 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, 2024 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.

#### ***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***

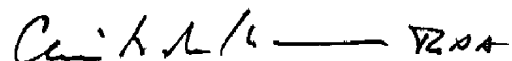
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison, the schedule of the County's proportionate share of the net pension liability and contributions, and the schedule of the County's proportionate share 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, 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 December 30, 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  
December 30, 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, 2024. 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, 2024 by \$57,135,677 (net position). This amount is greater than net investment in capital assets by \$21,586,416. Net position categories show the portion that must be spent for specific purposes.
- The County's total net position increased by \$8,246,445 from governmental activities.
- As of June 30, 2024, the County's governmental funds reported combined ending fund balances of \$53,216,728, a decrease of \$1,601,152. Of the combined ending fund balances amount, \$25,508,626 is available for use at the County's discretion.
- At June 30, 2024, unassigned fund balance for the General Fund was \$25,508,626, or approximately 77 percent of total general fund expenditures and transfers out.
- The County's total long-term debt (excluding landfill closure costs, unfunded OPEB costs, net pension liability and compensated absences) decreased by \$1,584,973, or over 12.3 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 of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Activity during this fiscal year was from governmental activities of the County that is comprised of general government, public safety, transportation, health and human services, environmental and housing, culture and recreation, economic development initiatives, and other.

## **Fund Financial Statements**

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

Cherokee County maintains over sixty 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, Capital Project and 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 annual appropriation budgets for its general and capital project funds. Budgetary comparison statements have been provided for these funds 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
	2024	2023	2023-2024
Current and Other Assets	\$ 62,209,501	68,364,586	-9.0%
Capital Assets	45,192,900	37,668,383	20.0%
<b>Total Assets</b>	<b>107,402,401</b>	<b>106,032,969</b>	<b>10.8%</b>
Deferred Outflow of Resources			
Deferred Amounts Related to Pensions	4,341,755	4,566,695	-4.9%
Deferred Amounts Related to OPEB	433,738	476,098	100%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>112,177,894</b>	<b>111,075,762</b>	<b>1.0%</b>
Current Liabilities	10,521,654	13,637,276	-22.8%
Long-Term Liabilities	15,893,879	19,237,601	-17.4%
Net Pension Liability	23,496,781	24,954,712	-5.8%
Net OPEB Liability	3,117,400	2,941,700	6.0%
<b>Total Liabilities</b>	<b>53,029,714</b>	<b>60,771,289</b>	<b>-12.7%</b>
Deferred Inflow of Resources			
Deferred Amounts Related to Pensions	1,302,403	416,841	212.4%
Deferred Amounts Related to OPEB	710,100	998,400	-28.9%
<b>Total Liabilities and Deferred Outflows of Resources</b>	<b>55,042,217</b>	<b>62,186,530</b>	<b>-11.5%</b>
Net Position			
Net Investment in Capital Assets	35,549,261	32,969,255	7.8%
Restricted	17,304,037	22,017,593	-21.4%
Unrestricted	4,282,379	(6,097,616)	-170.2%
<b>Total Net Position</b>	<b>57,135,677</b>	<b>48,889,232</b>	<b>16.9%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 112,177,894</b>	<b>111,075,762</b>	<b>1.0%</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 \$57,135,677, as of June 30, 2024. (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 \$8,246,445. This increase was primarily due to governmental operating activities. Revenues were up 21.4% and expenses only increased 11.4%.

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

	Governmental Activities		Total Percentage Change
	2024	2023	2023-2024
Revenues:			
Program Revenues			
Charges for Services	\$ 3,711,168	4,643,391	-20.1%
Operating Grants and Contributions	5,871,443	9,270,500	-36.7%
Capital Grants and Contributions	11,007,339	1,000,000	1000.7%
General Revenues:			
Property Taxes	30,173,968	26,892,946	12.2%
Other Taxes	921,617	824,291	11.8%
Other	5,640,561	4,607,393	22.4%
<b>Total Revenues</b>	<b>57,326,096</b>	<b>47,238,521</b>	<b>21.4%</b>
Expenses:			
General Government	16,629,192	14,297,367	16.3%
Public Safety	16,413,071	14,636,649	12.1%
Transportation	6,544,786	8,406,765	-22.1%
Health and Human Services	1,975,281	782,733	152.4%
Environmental and Housing	3,822,603	4,110,052	-7.0%
Culture and Recreation	1,986,661	1,323,152	50.1%
Economic Development	1,514,611	258,798	485.2%
Unallocated Interest Expense	193,446	222,292	-13.0%
<b>Total Expenses</b>	<b>49,079,651</b>	<b>44,037,808</b>	<b>11.4%</b>
Increase (Decrease) in Net Position Before Transfers	8,246,445	3,200,713	157.6%
<b>Change in Net Position</b>	<b>8,246,445</b>	<b>3,200,713</b>	<b>157.6%</b>
<b>Beginning Net Position as Originally Stated</b>	<b>48,889,232</b>	<b>44,957,269</b>	<b>8.7%</b>
<b>Prior Period Adjustments</b>	<b>-</b>	<b>731,250</b>	<b>100%</b>
<b>Beginning Net Position, Restated</b>	<b>48,889,232</b>	<b>45,688,519</b>	<b>7.0%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 57,135,677</b>	<b>48,889,232</b>	<b>16.9%</b>

**Change in net position.** The County's total revenues increased by 21.4 percent to approximately \$57.3 million, primarily as a result of increased capital grants and contributions, net of increases and decreases in all other revenues. Other revenues (\$5,640,561) include primarily interest earnings on invested funds. (See Table 2).



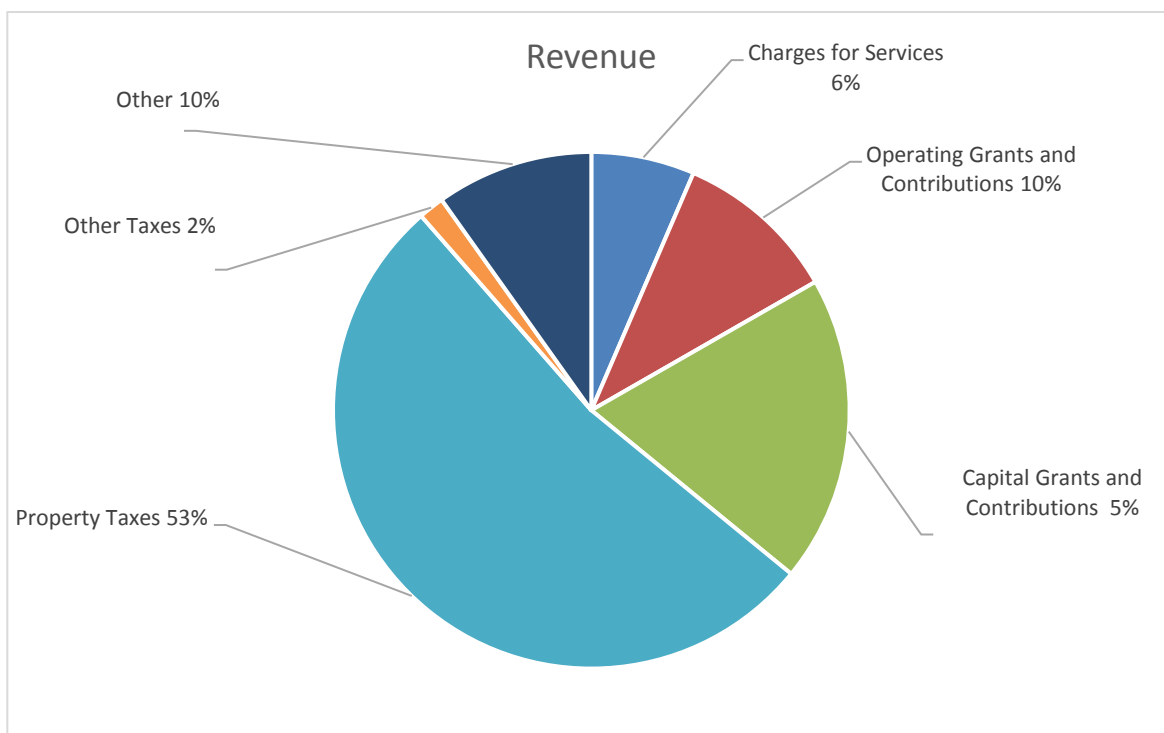
The County's total cost of all programs and services had an increase of 11.4 percent. This increase is due primarily to increases in payroll and retirement and healthcare benefits, public safety expenditures, and health and human services which includes expansion of broadband internet.

### Governmental Activities

The County's governmental activities had net of expense over revenue of (\$28,489,701). 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 \$8,246,445.

Total revenues for the County's governmental activities increased by 21.4 percent, and total expenses increased 11.4 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.



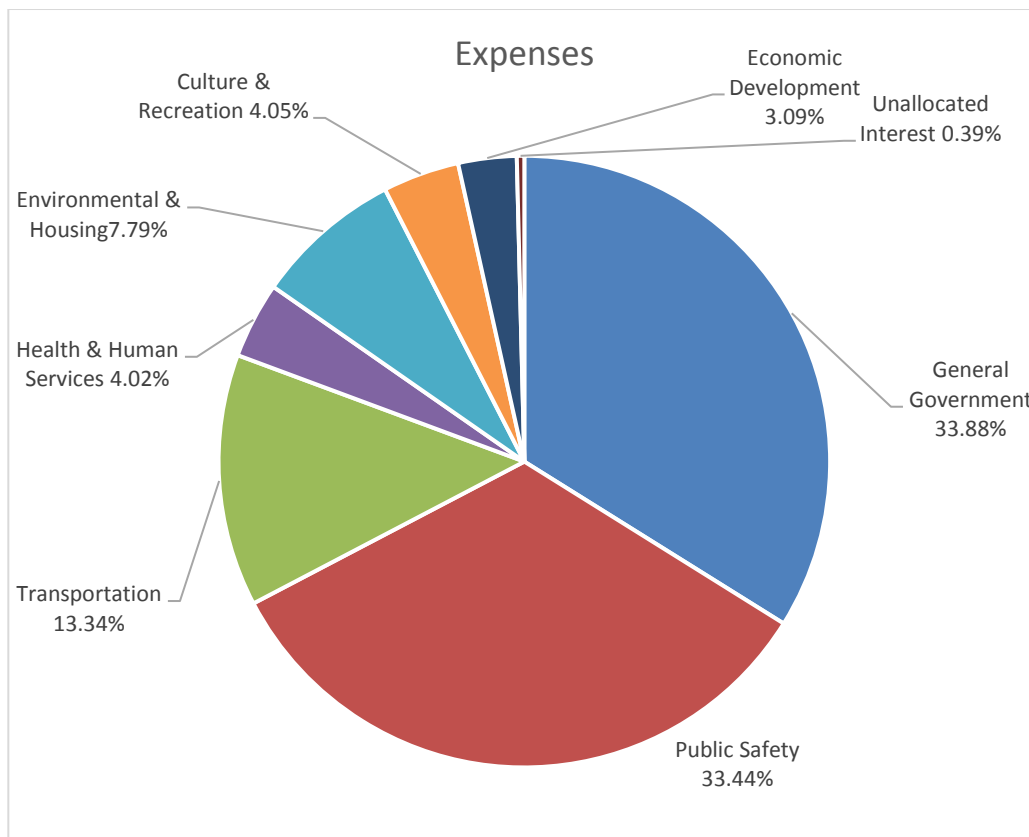
## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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, 2024, the County's governmental funds reported combined ending fund balances of \$53,216,728, a decrease of \$1,601,152 from the prior year.



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

Approximately 48 percent of the combined fund balances (\$25,508,626) constitute unassigned fund balance, which is available for spending at the County's discretion. 11.7 percent of the combined fund balances (\$6,209,057) is assigned for various types of cultural, administrative and capital projects. The majority of the remaining balance is restricted (\$17,263,655) to indicate that it is not available for discretionary spending because it has constraints established by parties outside the government or by enabling legislation. The remainder of the balance is committed, (\$3,592,367) for the carryover of cash/fund balance for the 2024-2025 budget and nonspendable, which is comprised of prepaids and inventory (\$643,023).

The general fund is the chief operating fund of the County. At June 30, 2024, unassigned fund balance of the general fund was \$25,508,626 and total fund balance was \$34,525,517. As a measure of the general fund's liquidity, the unassigned fund balance represents approximately 77 percent of total general fund expenditures and transfers out.

The capital fund has a total fund balance of \$3,071,079, \$1,683,904 of which is restricted, and \$1,387,175 is assigned for capital projects. The decrease in fund balance during the current fiscal year was \$6,449,742. This was due to the spending of available capital funds combined with the current year's capital tax levy, which resulted in capital project spending in excess of the current year's revenues. All funds were spent on capital assets and infrastructure improvements to include prior year capital projects.

## **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 \$7,119,954 primarily due to increased intergovernmental revenues, increased fee in lieu of taxes, increased interest revenue and other revenues.

Actual expenditures were under budget by \$120,892 due to the oversight and control measures by administration and management, which helped to keep costs within budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2024, the County had \$45,192,900 invested in capital assets including police equipment, buildings, infrastructure, etc. (See following table). Capital assets for government activities increased by \$7,524,515 over last year.

	Governmental Activities		Total Percentage Change
	2024	2023	2023-2024
Land	\$ 1,999,889	1,999,889	0.0%
Construction in Progress	38,335	1,560,363	-97.5%
Buildings	37,510,083	29,421,840	27.5%
Other Improvements	241,561	241,561	0.0%
Vehicle & Equipment	25,144,498	20,853,635	20.6%
Lease Assets	1,989,023	1,989,023	0.0%
Subscriptions	571,861	411,128	39.1%
Infrastructure	30,619,256	30,619,256	0.0%
Books	622,608	555,449	12.1%
<b>Total Capital Assets</b>	<b>98,737,115</b>	<b>87,652,144</b>	<b>12.6%</b>
<b>Accumulated Depreciation</b>	<b>53,544,215</b>	<b>49,983,759</b>	<b>7.1%</b>
<b>Total Net Assets</b>	<b>\$ 45,192,900</b>	<b>37,668,385</b>	<b>20.0%</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 \$10,065,000 in outstanding general obligation bonds, compared to \$10,975,000 last year. That is a decrease of 8.3 percent as shown in the following table.

	Governmental Activities		Percentage Change
	2024	2023	2023-2024
General Obligation Bonds, Series 2011	\$ 505,000	1,300,000	-61.2%
General Obligation Bonds, Series 2021	9,560,000	9,675,000	-1.2%
	<b>10,065,000</b>	<b>10,975,000</b>	<b>-8.3%</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 \$18.7 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 24-25 fiscal year.

All of these factors were considered in the approval of the County's millage rate total property millage rate of 98.7 mills in 2024 and 98.7 mills in 2023.

Budgeted 2025 operating expenditures are expected to increase by \$4,858,904 which is 14.7 percent above the final 2024 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, 2024

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 20,923,627
Investments	33,743,040
Accounts Receivable (Net)	6,342,333
Taxes Receivable (Net)	299,648
Other Receivables	11,404
Prepaid Items	636,640
Inventory	6,383
Due from Recreation District	246,426
Capital Assets - Not Being Depreciated	2,038,225
Capital Assets - Net of Accumulated Depreciation	43,154,675
Total Assets	<u>107,402,401</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions Related Items	4,341,755
OPEB Related Items	433,738
Total Deferred Outflows of Resources	<u>4,775,493</u>
<b>LIABILITIES</b>	
Accounts Payable	2,222,761
Accrued Liabilities	1,029,204
Local Option Sales Tax - Property Tax Relief	1,474,533
Unearned Revenue	4,061,739
Accrued Interest Payable	90,645
Noncurrent Liabilities:	
Due Within One Year	1,642,772
Due in More than One Year	15,893,879
Net Pension Liability	23,496,781
Net OPEB Liability	3,117,400
Total Liabilities	<u>53,029,714</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions Related Items	1,302,403
OPEB Related Items	710,100
Total Deferred Inflows of Resources	<u>2,012,503</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	35,549,261
Restricted For:	
Public Safety	3,542,549
Debt Service	2,773,414
Capital Projects	1,676,296
Cultural and Recreation	2,465,354
Transportation	1,732,156
Economic Development	4,391,516
Health and Welfare	384,310
Other Purposes	338,442
Unrestricted (Deficit)	4,282,379
Total Net Position	<u>\$ 57,135,677</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, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>PRIMARY GOVERNMENT</b>					
Governmental Activities					
General Government	\$ 16,629,192	1,642,154	1,548,442	5,558,926	(7,879,670)
Public Safety	16,413,071	1,531,483	1,860,587	2,898,413	(10,122,588)
Transportation	6,544,786	-	1,893,444	2,550,000	(2,101,342)
Health and Human Services	1,975,281	85,311	235,814	-	(1,654,156)
Environmental and Housing	3,822,603	431,929	66,649	-	(3,324,025)
Culture and Recreation	1,986,661	20,291	180,047	-	(1,786,323)
Economic Development	1,514,611	-	86,460	-	(1,428,151)
Unallocated Interest Expense	193,446	-	-	-	(193,446)
Total Primary Government	<u>\$ 49,079,651</u>	<u>3,711,168</u>	<u>5,871,443</u>	<u>11,007,339</u>	<u>(28,489,701)</u>
		General Revenues			
		Property Taxes		\$	30,173,968
		Accommodations Tax			262,610
		Local Hospitality Tax			418,798
		Franchise Fee			240,209
		Unrestricted State Aid to Political Subdivisions			2,402,247
		Unrestricted Investment Earnings			2,785,231
		Miscellaneous			453,083
		Total General Revenues			<u>36,736,146</u>
		Change in Net Position			8,246,445
		Net Position Beginning of Year			48,889,232
		Net Position End of Year		\$	<u>57,135,677</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, 2024

	Major Funds				
	General	Capital Project	American Rescue Plan	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 1,302,185	5,983,663	3,732,546	9,905,234	20,923,628
Investment	33,743,040	-	-	-	33,743,040
Taxes Receivable (Net)	234,706	22,698	-	42,244	299,648
Receivables (Net)					-
Intergovernmental	2,556,048	-	-	3,786,285	6,342,333
Other	1,404	-	-	10,000	11,404
Due from Other Funds	2,648,309	-	-	2,981,295	5,629,604
Prepaid Items	596,259	-	-	40,381	636,640
Inventory	6,383	-	-	-	6,383
Due from Recreation District	-	246,426	-	-	246,426
Total Assets	<u>41,088,334</u>	<u>6,252,787</u>	<u>3,732,546</u>	<u>16,765,439</u>	<u>67,839,106</u>
<b>LIABILITIES</b>					
Accounts Payable	975,857	527,461	-	719,307	2,222,625
Payroll Liabilities	247,977	-	-	44,448	292,425
Other Liabilities	736,779	-	-	-	736,779
Due to Other Funds	2,954,966	2,637,545	37,093	-	5,629,604
Local Option Sales Tax - Property Tax Relief	1,474,533	-	-	-	1,474,533
Unearned Revenue	-	-	3,695,453	366,286	4,061,739
Total Liabilities	<u>6,390,112</u>	<u>3,165,006</u>	<u>3,732,546</u>	<u>1,130,041</u>	<u>14,417,705</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues - Property Taxes	<u>172,705</u>	<u>16,702</u>	<u>-</u>	<u>15,266</u>	<u>204,673</u>
<b>FUND BALANCES</b>					
Nonspendable	602,642	-	-	40,381	643,023
Restricted	-	1,683,904	-	15,579,751	17,263,655
Assigned	4,821,882	1,387,175	-	-	6,209,057
Committed	3,592,367	-	-	-	3,592,367
Unassigned	25,508,626	-	-	-	25,508,626
Total Fund Balances	<u>34,525,517</u>	<u>3,071,079</u>	<u>-</u>	<u>15,620,132</u>	<u>53,216,728</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 41,088,334</u>	<u>6,252,787</u>	<u>3,732,546</u>	<u>16,765,439</u>	<u>67,839,106</u>

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, 2024

Fund Balances - Total Governmental Funds	\$	53,216,728
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	98,737,115	
Less accumulated depreciation and amortization	<u>(53,544,215)</u>	45,192,900
Deferred outflows of resources related to pensions are not reported in the funds		4,341,755
Deferred outflows of resources related to OPEB are not reported in the funds		433,738
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	23,496,781	
Net Other Post Employment Benefits Liability	3,117,400	
General Obligation Bonds	10,065,000	
Deferred Bond Premium	733,534	
Finance Lease Obligations	38,715	
Lease Obligations	145,200	
Subscription Obligations	337,486	
Compensated Absences	474,755	
Landfill Closure and Post Closure	<u>5,741,961</u>	(44,150,832)
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		204,537
Pension related deferrals		(1,302,403)
OPEB related deferrals		(710,100)
Other receivables and liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Accrued Interest Payable		(90,645)
Net Position of Governmental Activities	<u>\$</u>	<u>57,135,677</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, 2024**

	Major Funds				Non-Major Governmental Funds	Total Governmental Funds
	General	Capital Project	American Rescue Plan	Transportation C-Funds		
<b>REVENUES</b>						
Taxes	\$ 23,668,249	1,565,656	-	-	3,769,021	29,002,926
Licenses and Permits	680,567	-	-	-	-	680,567
Intergovernmental	5,499,914	-	5,933,113	-	9,227,619	20,660,646
Charges for Services	1,050,169	-	-	-	677,789	1,727,958
Fines and Forfeits	664,975	-	-	-	-	664,975
Confiscated Money	69,002	-	-	-	9,078	78,080
Interest Income	2,781,661	108	-	-	3,462	2,785,231
Miscellaneous	1,174,731	-	-	-	226,513	1,401,244
Total Revenues	<u>35,589,268</u>	<u>1,565,764</u>	<u>5,933,113</u>	<u>-</u>	<u>13,913,482</u>	<u>57,001,627</u>
<b>EXPENDITURES</b>						
Current						
General Government	11,821,204	307,337	-	-	2,210,803	14,339,344
Public Safety	13,906,133	732,516	-	-	1,505,108	16,143,757
Transportation	1,750,475	100,606	-	-	3,648,076	5,499,157
Health and Human Services	487,124	-	-	-	60,531	547,655
Environmental and Housing	4,487,913	556,719	-	-	9,746	5,054,378
Culture and Recreation	100,680	-	-	-	1,674,061	1,774,741
Economic Development	-	8,583	-	-	1,501,311	1,509,894
Capital Outlay	70,976	6,526,033	5,716,825	-	233,947	12,547,781
Debt Service						
Principal Retirement	286,083	-	-	-	910,000	1,196,083
Interest and Fiscal Charges	6,013	-	-	-	310,273	316,286
Total Expenditures	<u>32,916,601</u>	<u>8,231,794</u>	<u>5,716,825</u>	<u>-</u>	<u>12,063,856</u>	<u>58,929,076</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,672,667</u>	<u>(6,666,030)</u>	<u>216,288</u>	<u>-</u>	<u>1,849,626</u>	<u>(1,927,449)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer In	406,854	216,288	-	-	217,000	840,142
Transfers Out	(217,000)	-	(216,288)	-	(406,854)	(840,142)
SBITA Proceeds	204,230	-	-	-	-	204,230
Insurance Proceeds	-	-	-	-	122,067	122,067
Total Other Financing Sources	<u>394,084</u>	<u>216,288</u>	<u>(216,288)</u>	<u>-</u>	<u>(67,787)</u>	<u>326,297</u>
Net Change in Fund Balances	<u>3,066,751</u>	<u>(6,449,742)</u>	<u>-</u>	<u>-</u>	<u>1,781,839</u>	<u>(1,601,152)</u>
Fund Balances - Beginning of Year	31,458,766	9,520,821	-	2,687,513	11,150,780	54,817,880
Reclassification	-	-	-	(2,687,513)	2,687,513	-
Fund Balances - End of Year	<u>\$ 34,525,517</u>	<u>3,071,079</u>	<u>-</u>	<u>-</u>	<u>15,620,132</u>	<u>53,216,728</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, 2024

Net Change in Fund Balance - Total Governmental Funds \$ (1,601,152)

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	11,350,193	
Less current year depreciation and amortization expense	<u>(3,772,373)</u>	7,577,820

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	(53,304)
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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.

5,730

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

Property Taxes	204,388
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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	(204,230)
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Principal repayments:

General obligation bonds	910,000
Finance lease	286,083
Lease obligations	263,337
Subscription obligations	201,191

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	128,592	
Change in accrued interest payable	(5,655)	
Change in compensated absences	(5,814)	
Change in unfunded OPEB costs	70,240	
Change in landfill closure/post closure costs	<u>121,790</u>	309,153

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.

347,429

Change in Net Position of Governmental Activities	<u><u>\$ 8,246,445</u></u>
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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, 2024

**Assets**

Cash	\$ 75,685,318
Taxes Receivable (Net)	297,916
Receivables	<u>895,784</u>
Total Assets	<u><u>76,879,018</u></u>

**Liabilities**

Due to Designated Recipients	<u>76,879,018</u>
Total Liabilities	<u><u>\$ 76,879,018</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, 2024

**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, 2024

**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, 2024

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

**B. Basis of Presentation, Continued**

The County has the following major 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. American Rescue Plan Fund – is used to account for financial resources received under the American Rescue Plan Act of 2021.

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, 2024

**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, 2024

**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, 2024

**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, 2024

**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 160 hours vacation to be paid to employees upon termination. Sick leave can be accumulated, up to a maximum of 480 hours, 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, 2024

**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 sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether 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, 2024

**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 are 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, 2024, were distributed as follows:

	General Fund	Capital Project Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable				
Prepays	\$ 596,259	-	40,381	636,640
Inventory	6,383	-	-	6,383
	<u>602,642</u>	<u>-</u>	<u>40,381</u>	<u>643,023</u>
Restricted For				
Emergency Communications	-	-	2,000	2,000
Law Enforcement	-	-	607,504	607,504
Health and Welfare	-	-	384,310	384,310
Environmental and Housing	-	-	272,458	272,458
Road Surface Repairs	-	-	1,732,156	1,732,156
Transportation	-	-	1	1
Culture and Recreation	-	-	2,465,354	2,465,354
Public Safety	-	-	2,424,042	2,424,042
Economic Development	-	7,608	3,906,969	3,914,577
Solicitor	-	-	509,003	509,003
Tourism	-	-	476,939	476,939
Other Purposes	-	-	25,603	25,603
Capital Projects	-	1,676,296	-	1,676,296
Debt Service	-	-	2,773,413	2,773,413
	<u>-</u>	<u>1,683,904</u>	<u>15,579,751</u>	<u>17,263,655</u>
Assigned				
Unfunded OPEB	3,117,400	-	-	3,117,400
Road Surface Repairs	1,704,482	-	-	1,704,482
County Buildings	-	-	-	-
Capital Projects	-	1,176,114	-	1,176,114
Airport	-	211,060	-	211,060
Public Safety	-	-	-	-
Economic Development	-	-	-	-
	<u>4,821,882</u>	<u>1,387,175</u>	<u>-</u>	<u>6,209,057</u>
Committed				
Fund Balance (Budget)	3,592,367	-	-	3,592,367
Unassigned	<u>25,508,625</u>	<u>-</u>	<u>-</u>	<u>25,508,625</u>
Total Fund Balances	<u>\$ 34,525,517</u>	<u>3,071,079</u>	<u>15,620,132</u>	<u>53,216,728</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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, 2024, expenditures did not exceed appropriations.

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

**A. Cash Deposits and Investments**

**Deposits**

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

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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, 2024 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, 2024, the County's deposits were as follows:

		<u>Bank Balance</u>	<u>Carrying Value</u>
Demand Deposits	Governmental	\$ 44,371,891	20,923,627
Demand Deposits	Fiduciary	<u>53,256,924</u>	<u>75,685,318</u>
Total		<u>\$ 97,628,815</u>	<u>96,608,945</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	\$ 5,796,077	
Cash and Cash Equivalents-Restricted	15,127,550	
Investments	<u>33,743,040</u>	
Total Statement of Net Assets		54,666,667
<u>Statement of Fiduciary Net Position</u>		
Cash and Cash Equivalents	75,685,318	
Total Statement of Fiduciary Net Assets		<u>75,685,318</u>
Total Cash, and Cash Equivalents		<u>130,351,985</u>
<u>Disclosure, Deposits and Investments</u>		
Carrying Value of Deposits		96,599,483
Cash on Hand		9,462
Investments		<u>33,743,040</u>
Total Disclosure, Deposits and Investments		<u>\$ 130,351,985</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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, 2024, 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	\$ 33,743,040	Daily	N/A	N/A

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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 2023 levy was assessed at \$135,111,060, 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 2023 assessed value for personal property was \$98,604,903. The total assessed value was between 4% and 10.5% of the estimated value of \$4,344,601,605. 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	\$ 507,409	272,703	234,706
Capital Fund	49,070	26,372	22,698
Nonmajor Funds			
Debt Service Fund	44,452	23,890	20,562
Library Fund	43,838	22,156	21,682
	<u>644,768</u>	<u>345,122</u>	<u>299,648</u>
Agency Funds	<u>1,323,057</u>	<u>1,077,973</u>	<u>245,084</u>
	<u>\$ 1,967,825</u>	<u>1,423,095</u>	<u>544,732</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, 2024 the balance in this account, included in the general fund, was \$1,474,533.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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, 2024 was as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 1,999,889	-	-	-	1,999,889
Construction in Progress	1,560,362	6,426,386	-	(7,948,413)	38,335
	<u>3,560,252</u>	<u>6,426,386</u>	<u>-</u>	<u>(7,948,413)</u>	<u>2,038,225</u>
Capital Assets Being Depreciated:					
Buildings	29,421,840	139,830	-	7,948,413	37,510,083
Improvements Other than Buildings	241,561	-	-	-	241,561
Machinery and Equipment	12,728,490	3,932,410	118,044	-	16,542,856
Vehicles	8,125,144	554,408	77,910	-	8,601,642
Lease Assets	1,989,023	-	-	-	1,989,023
Subscription Assets	411,128	230,000	69,267	-	571,861
Infrastructure	30,619,256	-	-	-	30,619,256
Books	555,449	67,159	-	-	622,608
	<u>84,091,891</u>	<u>4,923,807</u>	<u>265,221</u>	<u>7,948,413</u>	<u>96,698,890</u>
Less Accumulated Depreciation/Amortization:					
Buildings	13,286,445	815,979	-	(6,453)	14,095,971
Improvements Other than Buildings	206,091	4,703	-	-	210,794
Machinery and Equipment	10,273,144	751,910	118,044	6,453	10,913,463
Vehicles	6,126,289	583,107	77,910	-	6,631,486
Lease Assets	914,909	414,720	-	-	1,329,629
Subscription Assets	81,403	139,883	15,963	-	205,323
Infrastructure	18,785,927	985,555	-	-	19,771,482
Books	309,551	76,516	-	-	386,067
	<u>49,983,759</u>	<u>3,772,373</u>	<u>211,917</u>	<u>-</u>	<u>53,544,215</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>34,108,132</u>	<u>1,151,434</u>	<u>53,304</u>	<u>7,948,413</u>	<u>43,154,675</u>
Total Capital Assets, Net	<u>\$ 37,668,382</u>	<u>7,577,820</u>	<u>53,304</u>	<u>-</u>	<u>45,192,900</u>

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

**Governmental Activities**

General Government	\$ 636,319
Public Safety	1,080,075
Health and Human Services	394,730
Environmental and Housing	314,882
Transportation	1,057,095
Culture and Recreation	284,554
Economic Development	4,718
Total	<u>\$ 3,772,373</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

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

**D. Capital Assets, Continued**

**Investment in Capital Asset Calculation**

Capital Assets		
Nondepreciable	\$ 2,038,225	
Depreciable, Net	<u>43,154,675</u>	
	45,192,900	45,192,900
Non-Current Liabilities:		
Due Within One Year	1,642,772	
Due in More than One Year	<u>42,508,060</u>	
	44,150,832	
Compensated Absences	(474,755)	
Landfill Closure and Post Closure Liability	(5,741,961)	
Net OPEB Obligations	(3,117,400)	
Net Pension Liability	<u>(23,496,781)</u>	
	11,319,935	(11,319,935)
Net Asset- Capital Project- 2021 GO Bond Fund	<u>1,676,296</u>	
	1,676,296	<u>1,676,296</u>
Net Investment in Capital Assets		<u>\$ 35,549,261</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, 2024

**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, 2024, all of which are expected to be paid within one year:

<b>Interfund:</b>	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
General Fund		
Due from Capital Projects Fund	\$ 2,637,545	-
Due from American Rescue Plan	10,764	-
Due to Non-Major Special Revenue Fund	-	1,326,769
Due to Non-Major Debt Service Fund	-	1,628,197
Capital Project Fund		
Due to General Fund	-	2,637,545
American Rescue Fund		
Due to General Fund	-	10,764
Due to Special Revenue Fund	-	26,329
Non-Major Governmental Funds		
Special Revenue Funds		
Due from General Fund	1,326,769	-
Due from American Rescue Plan	26,329	-
Debt Service Fund		
Due from General Fund	1,628,197	-
	<u>\$ 5,629,604</u>	<u>5,629,604</u>

The following is a summary of interfund transfers for the year ended June 30, 2024:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund		
Transfer from Nonmajor Special Revenue Fund	\$ 406,854	-
Transfer to Nonmajor Special Revenue Fund- Economic Development	-	217,000
Capital Project		
Transfer from American Rescue Plan Fund	216,288	-
American Rescue Plan		
Transfer to Capital Project Fund	-	216,288
Nonmajor Governmental Funds		
Transfer from General Fund	217,000	-
Transfer to General Fund		406,854
	<u>\$ 840,142</u>	<u>840,142</u>

During the year, transfers were used to 1) move funds from the Capital Projects Fund to the General Fund as approved in the 2023-2024 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, 2024

**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, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental Activities					
Private Placement -					
General Obligation Bonds, Series 2011	\$ 1,300,000	-	795,000	505,000	505,000
General Obligation Bonds, Series 2021	9,675,000	-	115,000	9,560,000	325,000
Direct Placement -					
Financing Leases	302,052	-	263,337	38,715	38,715
Lease Obligations	431,283	-	286,083	145,200	145,200
Subscription Obligations	334,447	204,230	201,191	337,486	118,515
Bond premium	862,126	-	128,592	733,534	116,252
Landfill Closure and					
Post Closure Liability	5,863,751	-	121,790	5,741,961	-
Net OPEB Obligation	2,941,700	313,700	138,000	3,117,400	-
Net Pension Liability	24,954,712	2,697,203	4,155,134	23,496,781	-
Compensated Absences	468,941	357,906	352,092	474,755	394,090
	<u>\$ 47,134,013</u>	<u>3,573,039</u>	<u>6,556,219</u>	<u>44,150,833</u>	<u>1,642,772</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, 2024

**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
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>\$ 505,000</u>	<u>17,170</u>	<u>522,170</u>	<u>9,560,000</u>	<u>1,523,350</u>	<u>11,083,350</u>	<u>10,065,000</u>	<u>1,540,520</u>	<u>11,605,520</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.

*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 2024.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

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

**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, 2024, calculated as follows:

	MSW	C&D Cells A, B, C & D	Total
Total Estimated Current Closure and Post Closure Care Cost	\$ 3,640,337	3,090,624	
Percentage of Landfill Capacity Used to Date	100%	68%	
Reported Liability for Closure and Post Closure Care Cost	<u>\$ 3,640,337</u>	<u>2,101,624</u>	<u>5,741,961</u>
Total Estimated Current Closure and Post Closure Care Cost Remaining to be Recognized	<u>\$ -</u>	<u>989,000</u>	
Landfill's Approximate Remaining Life in Years	<u>-</u>	<u>8.9</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, 2024. 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, 2024, demonstrating this sufficiently for SCDHEC with sufficient cash reserves and/or debt capacity.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

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

**H. Financing Leases**

Financing leases payable at June 30, 2024 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.	\$ 38,715
Less current portion	<u>38,715</u>
Long-term portion outstanding	<u>\$ -</u>
 \$590,606 capital lease with Leasing 2, Inc. for landfill compactor equipment, payable in three annual installments of \$204,818.92 including interest at 2.68% per annum, secured by landfill equipment.	 \$ -
Less current portion	<u>-</u>
Long-term portion outstanding	<u>\$ -</u>

Annual requirements to amortize all capital leases outstanding as of June 30, 2024 are as follows:

Year Ending June 30	Principal	Total Interest	Total
2025	38,715	61	38,776

The gross amount of lease assets as of June 30, 2024 was \$990,594, with accumulated depreciation of \$476,401.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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
2025	145,200	848	146,048

The gross amount of the lease assets as of June 30, 2024 was \$998,429, with accumulated depreciation of \$853,229.

The County leases miscellaneous equipment and buildings under cancelable lease arrangements. The total costs for these lease arrangements for the year ended June 30, 2024 were \$292,096.

**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 \$13,860 and is included in miscellaneous income in the statements of activities and revenues, expenditures and changes in fund balances.

**K. Subscription Obligations**

The County entered into arrangements with external parties for access to information technology for various terms under long-term, noncancelable agreements. In accordance with GASB Statement No. 96, the County records SBITA assets and liabilities based on the present value of expected payments over the term of the agreement. The expected payments are discounted using the interest rate charged, if available, or are otherwise discounted using the County's incremental borrowing rate. These subscription agreements expire at various dates through 2029, which includes renewal options likely to be exercised, have payments that range from \$66,977 to \$839 and interest rates ranging from 1.7103% to 3.7640%.

Asset Class	As of Fiscal Year-End	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 571,863	366,540

**Principal and Interest Requirements to Maturity**

Fiscal Year	As of Fiscal Year-End		
	Principal Payments	Interest Payments	Total Payments
2025	118,515	5,427	123,942
2026	95,959	3,668	99,627
2027	116,599	5,587	122,186
2028	3,166	162	3,328
2029	3,247	83	3,330
	<u>\$ 337,486</u>	<u>14,927</u>	<u>352,413</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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, 2024, 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.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**NOTE 4 - OTHER INFORMATION, Continued**

**B. Commitments and Contingencies, Continued**

*Contractual Commitments*

The County has entered into a long-term agreement with the City of Gaffney and The Town of Blacksburg 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 \$34.69 effective July 1, 2023. 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, 2024 was \$78,295.

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, 2024 was \$1,083,713. 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 2023, of the total payments made by taxpayers who were subject to this multicounty industrial park agreement, \$3,168,641 would have been received by the County but for the taxpayers' location within its multicounty industrial park. For the tax year 2023, payments-in-lieu of standard ad valorem tax payments from taxpayers within the County's multicounty industrial park totaled \$5,380,548, of which \$901,726 was due to Spartanburg County as their 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, 2024

**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 an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through 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 a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan Description

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

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 individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

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

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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 first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A 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, newly hired state, public school and higher education employees, as well as individuals first elected to the South Carolina General Assembly at or after the general election in November 2012 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. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A 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, 2024

**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. Effective July 1, 2017, employee rates were increased and capped at 9 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 until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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, 2023, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 18.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 18.41% 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, 2024, 2023, and 2022 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>
2024	18.410%	\$ 1,463,106	0.15%	\$ 11,227
2023	17.410%	\$ 1,216,122	0.15%	\$ 10,478
2022	16.410%	\$ 1,126,968	0.15%	\$ 10,301

Effective July 1, 2023, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 21.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 20.84%, 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, 2024, 2023, and 2022 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>
2024	20.840%	\$ 1,188,107	0.20%	\$ 11,402	0.20%	\$ 11,402
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

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**NOTE 4 - OTHER INFORMATION, Continued**

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

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing 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, 2023, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 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, 2023.

		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, 2024

**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, 2023, 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	\$ 58,464,402,454	34,286,961,942	24,177,440,512	58.6%	0.055266%	13,361,813
SCRS- Library					0.003398%	821,490
PORS	9,450,021,576	6,405,925,370	3,044,096,206	67.8%	0.305952%	9,313,478
						<u>23,496,781</u>

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB 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, 2024, the County reported liabilities of \$14,183,303 and \$9,313,478 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2023. 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, 2024, the County recognized net pension expenses of \$1,259,888 and \$1,083,209 for SCRS and PORS, respectively.

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS	PORS	Total
Deferred Outflows of Resources			
Difference between Expected and Actual Experience	\$ 246,247	438,301	684,548
Changes of Assumptions	217,308	202,700	420,008
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	255,285	296,668	551,953
County Contributions Subsequent to the Measurement Date	<u>1,474,334</u>	<u>1,210,912</u>	<u>2,685,246</u>
TOTAL	<u>\$ 2,193,174</u>	<u>2,148,581</u>	<u>4,341,755</u>
Deferred Inflows of Resources			
Difference between Expected and Actual Experience	\$ 39,332	-	39,332
Net difference between Projected and Actual Earnings on Pension Plan Investments	-	114,815	114,815
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	19,414	15,984	35,398
	<u>478,548</u>	<u>634,310</u>	<u>1,112,858</u>
TOTAL	<u>\$ 537,294</u>	<u>765,109</u>	<u>1,302,403</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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 \$1,474,334 and \$1,210,912 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, 2024 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. 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>
2024	\$ 226,802	247,809
2025	(336,719)	(339,165)
2026	299,782	273,658
2027	(8,319)	(9,742)
2028	-	-
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 2023 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, 2024

**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%	6.62%	3.04%
<b>Bonds</b>		26.0%	0.31%	0.08%
<b>Private Equity</b>	1	9.0%	10.91%	0.98%
<b>Private Debt</b>	1	7.0%	6.16%	0.43%
<b>Real Assets</b>		<b>12.0%</b>		
Real Estate	1	9.0%	6.41%	0.58%
Infrastructure	1	3.0%	6.62%	0.20%
Total Expected Return	2	100.0%		5.31%
Inflation for Actuarial Purposes				2.25%
				<u>7.56%</u>

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 15% 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, 2024

**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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
Plan	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	\$ 17,264,736	13,361,813	10,117,838
SCRS- Library	1,061,445	821,490	622,050
PORS	13,138,069	9,313,478	6,180,661

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules 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, 2023, and the accounting valuation report as of June 30, 2023. 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, 2024

**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	\$ 1,325,000
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	76	1,792,400
Total	130	\$ 3,117,400

**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, 2024

**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, 2024

**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, 2024 for the employer fiscal year and reporting period of July 1, 2023 to June 30, 2024. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2023 and the corresponding measurement period of July 1, 2022 to July 1, 2023. 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, 2023 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.86%
Salary Scale:	2.50%
Healthcare Cost Trend Rates:	20.12% for fiscal year end 2023, (to reflect actual experience), then 6.00% for fiscal year end 2024, 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 3.86% 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, 2024

**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>	\$ 2,941,700	-	2,941,700
<b>Changes for the Year:</b>			
Service Cost	44,500	-	44,500
Interest	108,800	-	108,800
Differences Between Expected and Actual Experience	160,400	-	160,400
Contributions - Employer	-	74,100	(74,100)
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(74,100)	(74,100)	-
Changes of Benefit Terms	-	-	-
Administrative Expense	-	-	-
Assumption Changes	(63,900)	-	(63,900)
<b>Net Changes</b>	<u>\$ 175,700</u>	<u>-</u>	<u>175,700</u>
 Balances at June 30, 2024*	 \$ 3,117,400	 -	 3,117,400

\*Measurement Date is July 1, 2023

*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)	\$ 3,521,900	3,117,400	2,777,300

*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)	\$ 2,962,000	3,117,400	3,294,900

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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, 2024, under GASB 75 the employer OPEB expense is \$14,400. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2024 from various sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 123,400	(254,300)
Changes of Assumptions	226,800	(455,800)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Employer Contributions After Measurement Date but Prior to Fiscal Year End	<u>83,538</u>	<u>-</u>
Total	<u>\$ 433,738</u>	<u>(710,100)</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>	
2025	\$ (140,000)
2026	(182,000)
2027	(45,600)
2028	7,700
2029	-
Thereafter	-

CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**NOTE 5 – TAX ABATEMENTS**

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

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

Companies 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 thirty-two (32) 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 \$2,648,897 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 \$4,921,173 to Cherokee County in the most recent fiscal year.

For the county bonded debt, these taxpayers, without the benefit of the program would pay \$158,395 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 \$229,914 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 \$175,245 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 \$327,354 to Cherokee County in the most recent fiscal year.



CHEROKEE COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024

**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 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 \$246,056 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 \$189,606 to Cherokee County.

For the County bonded debt, these taxpayers, without the benefit of the program would pay \$14,713 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 \$11,338 to Cherokee County.

For the county capital project fund, these taxpayers, without the benefit of the program would pay \$16,278 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 \$12,544 to Cherokee County.

**NOTE 6 – RECLASSIFICATIONS**

During the fiscal year 2024, the Transportation C-Funds Special Revenue fund did not meet the definition of a major fund and therefore has been classified as non-major fund.

**NOTE 7 – SUBSEQUENT EVENTS**

Management has through December 30, 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, 2024, 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, 2024

	Budgeted Amounts			Various Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$ 20,960,020	20,960,020	23,668,249	2,708,229
Licenses and permits	555,000	555,000	680,567	125,567
Intergovernmental	3,880,794	3,880,794	5,499,914	1,619,120
Charges for services	1,197,200	1,197,200	1,109,646	(87,554)
Fines	617,000	617,000	664,975	47,975
Interest	175,000	175,000	2,781,661	2,606,661
Miscellaneous	1,084,300	1,084,300	1,184,256	99,956
<b>Total Revenues</b>	<b>28,469,314</b>	<b>28,469,314</b>	<b>35,589,268</b>	<b>7,119,954</b>
<b>Expenditures</b>				
<b>Current</b>				
General government				
Vehicle Maintenance	262,186	262,186	277,880	(15,694)
Pooled Vehicles	9,671	9,671	9,415	256
Administration	761,368	761,368	750,236	11,132
Finance	504,092	504,092	609,443	(105,351)
Human Resources	144,210	144,210	143,661	549
Information Technology	264,061	264,061	255,554	8,507
Risk Management	19,608	19,608	16,946	2,662
Central Services	3,435,403	3,435,403	3,349,389	86,014
EOC Complex	13,814	13,814	42,100	(28,286)
State Agency Complex	43,277	43,277	44,869	(1,592)
Broad River Electric Building	32,013	32,013	89,631	(57,618)
County Buildings	169,332	169,332	148,831	20,501
Administrative Building Complex	344,032	344,032	377,481	(33,449)
Economic Development	326,775	326,775	326,775	-
Courthouse Complex	77,697	77,697	84,511	(6,814)
Delinquent Tax Collector	202,612	202,612	180,987	21,625
Treasurer	475,472	475,472	411,394	64,077
Auditor	323,779	323,779	302,884	20,895
Building Safety/Inspectors	489,813	489,813	445,796	44,017
Tax Assessor	691,560	691,560	625,324	66,236
GIS/Mapping	108,932	108,932	60,214	48,718
Election/Voter Registration	298,407	298,407	298,008	399
Poll Workers	48,218	48,218	121,468	(73,251)
Magistrate	875,957	875,957	839,060	36,897
Register of Deeds	304,512	304,512	269,729	34,783
Clerk of Court	509,119	509,119	520,844	(11,726)
Probate Court	353,489	353,489	343,172	10,317
Attorney/Judicial	135,349	135,349	145,538	(10,190)
Clerk of Court Support	268,320	268,320	237,020	31,300
Circuit Solicitor	337,963	337,963	340,611	(2,648)
Appalachian COG	40,055	40,055	40,055	-
Cherokee Defender Corp	260,000	260,000	277,500	(17,500)
	<b>12,131,096</b>	<b>12,131,096</b>	<b>11,986,327</b>	<b>144,768</b>
Public Safety				
Code Enforcement	152,382	152,382	154,457	(2,075)
Animal Shelter	214,344	214,344	280,224	(65,880)
Enhanced E911	1,550,776	1,550,776	1,568,727	(17,951)
Fire Protection Service	650,500	650,500	650,500	-
Coroner	288,801	288,801	340,888	(52,087)
Law Enforcement Center	156,758	156,758	173,720	(16,962)
Victims Advocate	140,960	140,960	139,143	1,817
Sheriff	6,467,126	6,467,126	6,149,901	317,225
Detention Center	4,286,266	4,286,266	4,118,728	167,538
Emergency Management	255,143	255,143	248,466	6,677
	<b>\$ 14,163,056</b>	<b>14,163,056</b>	<b>13,824,756</b>	<b>338,300</b>

Cherokee County, South Carolina  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2024

	Budgeted Amounts			Various Positive (Negative)
	Original	Final	Actual	
Environmental and Housing				
Department of Public Works	\$ 212,674	212,674	220,678	(8,004)
Solid Waste Collections	-	2,475,501	2,504,066	(28,565)
Solid Waste Disposal Landfill	547,893	547,893	820,663	(272,770)
Landfill Post Closure	112,547	112,547	111,364	1,183
Recycling Center	914,298	914,298	798,492	115,806
Clemson Extension Service	2,000	2,000	-	2,000
Thicketty Creek Project	13,000	13,000	13,000	-
USDA Soil Conservation	19,650	19,650	19,650	-
	<u>1,822,062</u>	<u>4,297,563</u>	<u>4,487,913</u>	<u>(190,350)</u>
Health and Human Services				
Veterans Affairs	295,657	295,657	218,257	77,400
Alcohol and Drug Abuse	7,500	7,500	7,500	-
Health Department	35,089	35,089	35,132	(43)
Indigent Care	76,944	76,944	76,944	-
County Health & Human Services	45,000	45,000	292,096	(247,096)
Department of Social Services	29,200	29,200	19,291	9,909
Disabilities and Special Needs	50,000	50,000	50,000	-
Senior Center/Services to the Agency	30,000	30,000	30,000	-
Regional Mental Health	35,000	35,000	35,000	-
Literacy Association	15,000	15,000	15,000	-
	<u>619,390</u>	<u>619,390</u>	<u>779,220</u>	<u>(159,830)</u>
Transportation				
Roads and Bridges	<u>1,739,158</u>	<u>1,739,158</u>	<u>1,750,475</u>	<u>(11,317)</u>
Culture and Recreation				
Spartanburg Community College	100,000	100,000	100,000	-
Recreation District	-	-	536	(536)
Library	-	-	144	(144)
	<u>100,000</u>	<u>100,000</u>	<u>100,680</u>	<u>(680)</u>
Total Expenditures	<u>30,574,762</u>	<u>33,050,263</u>	<u>32,929,372</u>	<u>120,892</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,105,448)</u>	<u>(4,580,949)</u>	<u>2,659,897</u>	<u>6,999,062</u>
Other Financing Sources (Uses)				
Transfers In	3,183,299	4,580,949	406,854	(4,174,095)
Transfers Out	-	-	-	-
	<u>3,183,299</u>	<u>4,580,949</u>	<u>406,854</u>	<u>(4,174,095)</u>
Net Change in Fund Balance	1,077,851	(0)	3,066,751	3,066,751
Fund Balance - Beginning of Year	<u>31,548,766</u>	<u>31,548,766</u>	<u>31,458,766</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 32,626,617</u>	<u>31,548,766</u>	<u>34,525,517</u>	<u>3,066,751</u>

Note: The County's budget reflected an expected use of fund balance of approximately \$4,580,949.

Cherokee County, South Carolina  
Capital Project Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Various Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,335,600	1,335,600	1,509,537	173,937
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>1,335,600</u>	<u>1,335,600</u>	<u>1,509,537</u>	<u>173,937</u>
Expenditures				
Current				
General Government				
Information Technology	146,800	146,800	193,742	(46,942)
Administration	64,385	64,385	64,198	187
Building Safety	2,900	2,900	-	2,900
Maintenance-Building	22,500	22,500	9,850	12,650
Finance	9,547	9,547	9,547	(0)
Clerk of Court	8,640	8,640	-	8,640
Circuit Solicitor	13,280	13,280	13,214	66
Courthouse Complex	30,000	30,000	30,000	-
Public Safety				
Coroner	10,000	10,000	-	10,000
Law Enforcement Center	395,000	395,000	-	395,000
Sheriff	431,210	431,210	401,263	29,947
Detention Center	156,250	156,250	254,219	(97,969)
Emergency Management	34,800	34,800	31,467	3,333
E 911	-	-	-	-
Transportation				
Road and Bridges	35,600	35,600	100,606	(65,006)
Environmental and Housing				
Solid Waste Collections	137,000	351,900	351,900	-
Solid Waste Disposal Landfill	204,819	204,819	204,819	-
Recycling	-	-	-	-
Health and Human Services				
Veteran Affairs	32,354	32,354	32,354	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,735,085</u>	<u>1,949,985</u>	<u>1,697,179</u>	<u>252,806</u>
Excess (Deficiency) of Revenues Over Expenditures	(399,485)	(614,385)	(187,641)	426,744
Other Financing Sources (Uses)				
Transfers In	<u>399,485</u>	<u>614,385</u>	<u>216,288</u>	<u>830,673</u>
Net Change in Fund Balance	-	-	28,647	28,647
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,220,589</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,249,236</u>	<u>28,647</u>

Note: 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, 2024

**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, 2024	0.055266%	0.003398%	\$ 14,183,304	\$ 7,414,780	191.28%	58.60%
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, 2024	\$ 1,474,334	\$ 1,474,334	-	\$ 7,962,979	18.51%
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, 2024

**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, 2024	0.305952%	\$ 9,313,478	\$ 5,354,156	173.95%	67.80%
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	\$ 1,210,912	\$ 1,210,912	-	\$ 5,701,091	21.24%
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, 2024

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service Cost	\$ 44,500	103,300	86,100	77,800	67,500	87,300	85,100
Interest	108,800	77,600	88,800	104,300	111,400	119,000	114,900
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	160,400	(365,600)	(83,500)	(118,600)	(43,400)	(347,500)	-
Changes of Assumptions	(63,900)	(766,700)	389,800	288,700	186,100	(33,700)	-
Benefit Payments, Including Refunds of Employee Contributions	(74,100)	(90,300)	(69,500)	(71,600)	(80,100)	(62,300)	(112,000)
<b>Net Change in Total OPEB Liability</b>	<b>175,700</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	2,941,700	3,983,400	3,571,700	3,291,100	3,049,600	3,286,800	3,198,800
Total OPEB Liability - Ending	<u>3,117,400</u>	<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	74,100	90,300	69,500	71,600	80,100	62,300	112,000
Contributions - Employee	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(74,100)	(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>-</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</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>-</b>
<b>Employer's Net OPEB Liability - Ending</b>	<b><u>3,117,400</u></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%	0.00%
<b>Covered-Employee Payroll</b>	2,814,000	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>	110.78%	104.54%	115.58%	103.64%	93.89%	87.00%	68.31%
<b>Notes to Schedule:</b>							
None							
Actuarially Determined Contribution	74,100	79,198	69,500	71,600	80,100	62,300	62,300
Contributions in Relation to the Actuarially Determined Contribution	74,100	79,198	69,500	71,600	80,100	62,300	62,300
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expected Covered-Employee Payroll	\$ 2,814,000	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	110.78%	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 Local County Accomodations Fee	201a Project Tiger	202 Infrastructure	202a Project Sunshine	203 Overmountain Endowment	204 E911 Tele Tariff	205 E911 Tele Surcharge	206 Sheriff Confiscated	207 Sheriff Drug Fund
Assets									
Cash	\$ 298,538	-	799,276	-	4,628	238,440	1,573,061	334,495	294,966
Taxes receivable (net)	-	-	-	-	-	-	-	-	-
Receivables									
Intergovernmental	-	2,500,000	-	-	-	-	94,236	-	-
Other	-	-	-	-	-	-	-	-	-
Due from other funds	-	50,000	-	-	-	(35,419)	(816,609)	-	-
Prepaid expenses	-	-	-	-	-	-	630	-	-
	<u>298,538</u>	<u>2,550,000</u>	<u>799,276</u>	<u>-</u>	<u>4,628</u>	<u>203,021</u>	<u>851,318</u>	<u>334,495</u>	<u>294,966</u>
Liabilities									
Accounts payable	700	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	334,495	-
	<u>700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,495</u>	<u>-</u>
Deferred inflows of Resources									
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	630	-	-
Restricted	297,838	2,550,000	799,276	-	4,628	203,021	850,688	-	294,966
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>297,838</u>	<u>2,550,000</u>	<u>799,276</u>	<u>-</u>	<u>4,628</u>	<u>203,021</u>	<u>851,318</u>	<u>-</u>	<u>294,966</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>298,538</u>	<u>2,550,000</u>	<u>799,276</u>	<u>-</u>	<u>4,628</u>	<u>203,021</u>	<u>851,318</u>	<u>334,495</u>	<u>294,966</u>

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

	Special Revenue Funds										
	208	209	210	211	212	213	214	215	216	217	218
	Sheriff	Sheriff	Transportation	Solicitor	Solicitor	Sheriff	Sheriff	Sheriff	Sheriff	Sheriff	Sheriff
	Jail Canteen	Inmate Telephone	C-Funds	Gambling	Estreated Bnd	Weekend Jail	Sex Offender	Hardship	Child Supp-DSS	Federal Drug	Siezed Gambling
Assets											
Cash	626,403	350,173	663,052	174,587	79,960	12,692	128,280	7,926	21,186	84,918	3,259
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-	-
Receivables											
Intergovernmental	-	-	269,828	-	-	-	-	-	1,254	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	(470)	-	-	(21,428)	(104)	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
	626,403	349,703	932,880	174,587	58,532	12,588	128,280	7,926	22,440	84,918	3,259
Liabilities											
Accounts payable	6,170	22,966	-	-	-	-	-	-	362	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
	6,170	22,966	-	-	-	-	-	-	362	-	-
Deferred inflows of Resources											
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Fund Balances											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	620,233	326,737	932,880	174,587	58,532	12,588	128,280	7,926	22,078	84,918	3,259
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	620,233	326,737	932,880	174,587	58,532	12,588	128,280	7,926	22,078	84,918	3,259
Total Liabilities, Deferred Inflows of Resources and Fund Balances	626,403	349,703	932,880	174,587	58,532	12,588	128,280	7,926	22,440	84,918	3,259

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	228	229	230	232
	Law Enforcement	Sheriff	Electronic	Local	Rural	Project	DHEC		Incentive	Carolina Thread
	Training Cntr.	D.A.R.E.	Monitoring	Hospitality Tax	Infrastructure	Peach	Grant	Restitution	Child Support	Trail
Assets										
Cash	740	16,202	286,345	151,577	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-
Receivables										
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Other	-	10,000	-	-	-	-	-	-	-	-
Due from other funds	-	-	(167,938)	-	20,102	500	1	2,797	357,067	692
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
	<u>740</u>	<u>26,202</u>	<u>118,407</u>	<u>151,577</u>	<u>20,102</u>	<u>500</u>	<u>1</u>	<u>2,797</u>	<u>357,067</u>	<u>692</u>
Liabilities										
Accounts payable	-	-	-	2,476	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,476</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	740	26,202	118,407	149,101	20,102	500	1	2,797	357,067	692
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>740</u>	<u>26,202</u>	<u>118,407</u>	<u>149,101</u>	<u>20,102</u>	<u>500</u>	<u>1</u>	<u>2,797</u>	<u>357,067</u>	<u>692</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>740</u>	<u>26,202</u>	<u>118,407</u>	<u>151,577</u>	<u>20,102</u>	<u>500</u>	<u>1</u>	<u>2,797</u>	<u>357,067</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	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	-	4,951	21,942	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Due from other funds	24,272	(3,872)	233,850	5,000	3,000	-	-	49,258	290
Prepaid expenses	-	-	-	-	-	-	-	-	-
	<u>24,272</u>	<u>1,079</u>	<u>255,791</u>	<u>5,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>49,258</u>	<u>290</u>
Liabilities									
Accounts payable	-	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
	<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	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	24,272	1,079	255,791	5,000	3,000	-	-	49,258	290
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>24,272</u>	<u>1,079</u>	<u>255,791</u>	<u>5,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>49,258</u>	<u>290</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>24,272</u>	<u>1,079</u>	<u>255,791</u>	<u>5,000</u>	<u>3,000</u>	<u>-</u>	<u>-</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	-	-	-	-	2,337	-	-	160,577	-	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other funds	5,463	47	62,821	117,776	(2,337)	58,040	2,000	-	17,794	2,970
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
	<u>5,463</u>	<u>47</u>	<u>62,821</u>	<u>117,776</u>	<u>0</u>	<u>58,040</u>	<u>2,000</u>	<u>160,577</u>	<u>17,794</u>	<u>2,970</u>
Liabilities										
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-
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	5,463	47	62,821	117,776	-	58,040	2,000	160,577	17,794	2,970
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>5,463</u>	<u>47</u>	<u>62,821</u>	<u>117,776</u>	<u>-</u>	<u>58,040</u>	<u>2,000</u>	<u>160,577</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>62,821</u>	<u>117,776</u>	<u>-</u>	<u>58,040</u>	<u>2,000</u>	<u>160,577</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	257	262	264	267	271	273	280	281	282
			Tourism Complex	Project	Project	Title IV-D	Recycle Waste	EMS	Ohsjp Coronavirus	Broadband Expan	Drug Enforcement
	Hazmat	ProjectBees	Feasibility Study	Sewer Study	Sweetwater	DSS	(Solid Waste)	Grant	Emer Funding	Initiative	Agent
Assets											
Cash	-	-	-	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-	-
Receivables											
Intergovernmental	-	-	-	-	-	26,964	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	48	-	30,000	100,000	230,014	(26,964)	-	9,189	-	750,000	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
	<u>48</u>	<u>-</u>	<u>30,000</u>	<u>100,000</u>	<u>230,014</u>	<u>0</u>	<u>-</u>	<u>9,189</u>	<u>-</u>	<u>750,000</u>	<u>-</u>
Liabilities											
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<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	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	48	-	30,000	100,000	230,014	0	-	9,189	-	750,000	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>48</u>	<u>-</u>	<u>30,000</u>	<u>100,000</u>	<u>230,014</u>	<u>0</u>	<u>-</u>	<u>9,189</u>	<u>-</u>	<u>750,000</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>48</u>	<u>-</u>	<u>30,000</u>	<u>100,000</u>	<u>230,014</u>	<u>0</u>	<u>-</u>	<u>9,189</u>	<u>-</u>	<u>750,000</u>	<u>-</u>

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

	Special Revenue Funds									
	285	288	289	292	293	294	295	296	297	298
	Solicitors Early	Project	EMS FEMA	Cherokee	Rural Infrastructure	Palmetto Pride	Transportation	Water Capacity		Opioid Recovery
	Assessment Prg	Fallin	Grant	250	Grant	Grant	Feasibility Grant	Improvements	LATCF	Fund
Assets										
Cash	-	-	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-
Receivables										
Intergovernmental	-	-	-	-	-	-	-	668,513	-	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other funds	95,286	100,000	-	27,584	-	15,588	1	-	31,791	25,000
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
	<u>95,286</u>	<u>100,000</u>	<u>-</u>	<u>27,584</u>	<u>-</u>	<u>15,588</u>	<u>1</u>	<u>668,513</u>	<u>31,791</u>	<u>25,000</u>
Liabilities										
Accounts payable	-	-	-	-	-	-	-	668,513	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	31,791	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,513</u>	<u>31,791</u>	<u>-</u>
Deferred inflows of Resources										
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-	-
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	95,286	100,000	-	27,584	-	15,588	1	-	0	25,000
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>95,286</u>	<u>100,000</u>	<u>-</u>	<u>27,584</u>	<u>-</u>	<u>15,588</u>	<u>1</u>	<u>-</u>	<u>0</u>	<u>25,000</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>95,286</u>	<u>100,000</u>	<u>-</u>	<u>27,584</u>	<u>-</u>	<u>15,588</u>	<u>1</u>	<u>668,513</u>	<u>31,791</u>	<u>25,000</u>



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

	Total Nonmajor Special Revenue Funds	Debt Service Fund	Cherokee County Library	Development Board	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash	6,150,704	1,139,785	2,428,765	185,980	9,905,234
Taxes receivable (net)	-	20,562	21,682	-	42,244
Receivables	-	-	-	-	-
Intergovernmental	3,750,603	-	35,682	-	3,786,284
Other	10,000	-	-	-	10,000
Due from other funds	1,353,099	1,628,197	-	-	2,981,295
Prepaid expenses	630	-	39,751	-	40,381
	<u>11,265,035</u>	<u>2,788,544</u>	<u>2,525,880</u>	<u>185,980</u>	<u>16,765,439</u>
<b>Liabilities</b>					
Accounts payable	701,186	-	18,120	-	719,307
Accrued expenses	-	-	35,423	9,025	44,448
Unearned revenue	366,286	-	-	-	366,286
	<u>1,067,472</u>	<u>-</u>	<u>53,543</u>	<u>9,025</u>	<u>1,130,041</u>
<b>Deferred inflows of Resources</b>					
Unavailable Revenues- Property Taxes	-	15,130	136	-	15,266
<b>Fund Balances</b>					
Nonspendable	630	-	39,751	-	40,381
Restricted	10,196,933	2,773,414	2,432,450	176,955	15,579,751
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>10,197,563</u>	<u>2,773,414</u>	<u>2,472,201</u>	<u>176,955</u>	<u>15,620,132</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>11,265,035</u>	<u>2,788,544</u>	<u>2,525,744</u>	<u>185,980</u>	<u>16,765,439</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds									
	201 Local County Accomodations Fee	201a Project Tiger	202  Infrastructure	202a Project Sunshine	203 Overmountain Endowment	204 E911 Tele Tariff	205 E911 Tele Surcharge	206 Sheriff Confiscated	207 Sheriff Drug	208 Sheriff Jail Canteen
Revenues										
Taxes	\$ 80,592		690,322	-	-	88,207	-	-	-	-
Intergovernmental	-	2,550,000	-	600,000	-	-	700,958	-	-	-
Interest	2,890	-	-	-	5	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	150,198
Confiscated money	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
	83,482	2,550,000	690,322	600,000	5	88,207	700,958	-	-	150,198
Expenditures										
Current										
General government	-	-	230,000	-	6,577	-	-	-	-	-
Public safety	-	-	-	-	-	35,419	824,342	-	74,374	22,118
Transportation	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-	-	-
Culture and recreation	23,421	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	600,000	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
	23,421	-	230,000	600,000	6,577	35,419	824,342	-	74,374	22,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,060	2,550,000	460,322	-	(6,571)	52,788	(123,385)	-	(74,374)	128,079
Other Financing Sources (Uses)										
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	60,060	2,550,000	460,322	-	(6,571)	52,788	(123,385)	-	(74,374)	128,079
Fund Balances - Beginning of Year	237,777	-	338,953	-	11,200	150,233	974,703	-	369,340	492,153
Reclassification	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	\$ 297,838	2,550,000	799,276	-	4,628	203,021	851,318	-	294,966	620,233

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024

	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 Bond	Weekend Jail	Sex Offender	Hardship	Child Supp-DSS	Federal Drug	Siezed Gambling
Revenues										
Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	1,893,443	-	-	-	-	-	7,359	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Charges for services	131,843	-	-	-	1,846	22,470	-	-	-	-
Confiscated money	-	-	918	-	-	-	-	-	8,160	-
Miscellaneous	-	-	-	30,980	-	-	-	-	-	-
	<u>131,843</u>	<u>1,893,443</u>	<u>918</u>	<u>30,980</u>	<u>1,846</u>	<u>22,470</u>	<u>-</u>	<u>7,359</u>	<u>8,160</u>	<u>-</u>
Expenditures										
Current										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	80,963	-	-	10,873	1,873	8,102	-	4,384	48,984	-
Transportation	-	3,648,076	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
	<u>80,963</u>	<u>3,648,076</u>	<u>-</u>	<u>10,873</u>	<u>1,873</u>	<u>8,102</u>	<u>-</u>	<u>4,384</u>	<u>48,984</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>50,879</u>	<u>(1,754,633)</u>	<u>918</u>	<u>20,107</u>	<u>(27)</u>	<u>14,368</u>	<u>-</u>	<u>2,975</u>	<u>(40,823)</u>	<u>-</u>
Other Financing Sources (Uses)										
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(20,349)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,428)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>50,879</u>	<u>(1,754,633)</u>	<u>918</u>	<u>(1,321)</u>	<u>(27)</u>	<u>14,368</u>	<u>-</u>	<u>2,975</u>	<u>(40,823)</u>	<u>-</u>
Fund Balances - Beginning 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>
Reclassification	<u>-</u>	<u>2,687,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>326,737</u>	<u>932,880</u>	<u>174,587</u>	<u>57,453</u>	<u>12,588</u>	<u>128,280</u>	<u>7,926</u>	<u>22,078</u>	<u>84,918</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, 2024

	Special Revenue Funds								
	219	220	221	290	223	225	228	229	230
	Law Enforcement	Sheriff	Electronic	Local	Rural	Project	DHEC		Incentive
	Training Center	D.A.R.E.	Monitoring	Hospitality Tax	Infrastructure	Peach	Grant	Restitution	Child Support
Revenues									
Taxes	-	-	-	418,798	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	43,312
Interest	-	-	-	-	-	-	-	-	-
Charges for services	-	-	244,766	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-	-
Miscellaneous	4,210	10,000	-	-	-	-	-	440	-
	4,210	10,000	244,766	418,798	-	-	-	440	43,312
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	4,526	4,859	84,722	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	4,845
Environmental and housing	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	3,497	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
	4,526	4,859	84,722	3,497	-	-	-	-	4,845
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	(316)	5,141	160,044	415,301	-	-	-	440	38,467
Other Financing Sources (Uses)									
Insurance Proceeds	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(167,938)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(167,938)	-	-	-	-	-	-
Net Change in Fund Balances	(316)	5,141	(7,894)	415,301	-	-	-	440	38,467
Fund Balances - Beginning of Year	1,056	21,061	126,301	(266,200)	20,102	500	1	2,357	318,599
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	740	26,202	118,407	149,101	20,102	500	1	2,797	357,067

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds								
	232	233	234	235	236	237	239	240	241
	Carolina Thread Trail	Veterans Affairs	Recycle Grant (Used Oil)	Recycle Grant (Waste Tire)	East Gaffney Lighting Project	Norfolk Southern Sheriff Grant	Victims Assistance Fund	7th Circuit Sol Renovations	School Resource Officer Grant
Revenues									
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	6,073	4,951	36,086	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	106,376	-	-
Confiscated money	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
	-	6,073	4,951	36,086	-	-	106,376	-	-
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	21,548	-
Transportation	-	-	-	-	-	-	-	-	-
Health and human services	-	6,449	-	-	-	-	-	-	-
Environmental and housing	-	-	4,951	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
	-	6,448.90	4,951	-	-	-	-	21,548	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(376)	-	36,086	-	-	106,376	(21,548)	-
Other Financing Sources (Uses)									
Insurance Proceeds	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	5,000	-
Transfers out	-	-	-	-	-	-	(106,376)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(106,376)	5,000	-
Net Change in Fund Balances	-	(376)	-	36,086	-	-	-	(16,548)	-
Fund Balances - Beginning of Year	692	24,648	1,079	219,705	5,000	3,000	-	16,548	49,258
Reclassification	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	692	24,272	1,079	255,791	5,000	3,000	-	-	49,258

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds									
	242	243	244	245	246	247	248	249	250	251
	Adopt-A-Cop Program	Bullet Proof Vests Grant	Project Lifesaver	7th Circuit Sol Restricted	7th Circuit Sol Drug Forfeit	Emergency Management	Emergency Preparedness	Em/Co-Gen	Fire Insurance Tax	Canine K-9 Fund
Revenues										
Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	14,137	-	70,000	-	83,035	40,000	-	160,577	-
Interest	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	94,424	-	-	-	-	-
	-	14,137	-	70,000	94,424	83,035	40,000	-	160,577	-
Expenditures										
Current										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	14,137	-	48,334	4,801	12,057	51,681	-	138,545	-
Transportation	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	70,978	-	-	-	-
Debt service										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
	-	14,137	-	48,334	4,801	83,035	51,681	-	138,545	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	21,666	89,622	-	(11,681)	-	22,032	-
Other Financing Sources (Uses)										
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	-	21,666	89,622	-	(11,681)	-	22,032	-
Fund Balances - Beginning of Year	290	5,463	47	41,155	28,154	-	69,721	2,000	138,545	17,794
Reclassification	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	290	5,463	47	62,821	117,776	-	58,040	2,000	160,577	17,794

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds						
	252	253	256	257	258	262	267
	Pandemic Influenza Planning	Hazmat	Project Bees	Tourism Complex Feasibility Study	Regional Planning	Project Sewer Study	Title IV-D DSS
Revenues							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	500,000	50,000	100,000	161,429
Interest	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>50,000</u>	<u>100,000</u>	<u>161,429</u>
Expenditures							
Current							
General government	-	-	-	-	50,000	-	-
Public safety	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	49,237
Environmental and housing	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Economic Development	-	-	200,000	470,000	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>470,000</u>	<u>50,000</u>	<u>-</u>	<u>49,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>30,000</u>	<u>-</u>	<u>100,000</u>	<u>112,192</u>
Other Financing Sources (Uses)							
Insurance Proceeds	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(112,192)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,192)</u>
Net Change in Fund Balances	-	-	(200,000)	30,000	-	100,000	-
Fund Balances - Beginning of Year	<u>2,970</u>	<u>48</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>230,014</u>	<u>-</u>
Reclassification	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>2,970</u>	<u>48</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>100,000</u>	<u>230,014</u>

CHEROKEE COUNTY, SOUTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds									
	273 EMS Grant	281 Broadband Exp Initiative	285 Solicitors Early Assesment Prg	288 Project Fallin	292 Cherokee 250	294 Palmetto Pride Grant	295 Transportation Feasibility Grant	296 Water Capacity Improvements	297 LATCF	298 Opiod Recovery Funds
Revenues										
Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	8,776	-	-	-	11,600	-	-	1,924,226	68,209	25,000
Interest	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	1	-	-	-
	<u>8,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,600</u>	<u>-</u>	<u>1</u>	<u>1,924,226</u>	<u>68,209</u>	<u>25,000</u>
Expenditures										
Current										
General government	-	-	-	-	-	-	-	1,924,226	-	-
Public safety	8,465	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	4,795	-	-	-	-
Culture and recreation	-	500,000	-	-	7,759	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	68,209	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
	<u>8,465</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>7,759</u>	<u>4,795</u>	<u>-</u>	<u>1,924,226</u>	<u>68,209</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>311</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>3,841</u>	<u>(4,795)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Other Financing Sources (Uses)										
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
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>311</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>3,841</u>	<u>(4,795)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Fund Balances - Beginning of Year	<u>8,878</u>	<u>1,250,000</u>	<u>95,286</u>	<u>100,000</u>	<u>23,743</u>	<u>20,382</u>	<u>-</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>	<u>-</u>
Fund Balances - End of Year	<u>9,189</u>	<u>750,000</u>	<u>95,286</u>	<u>100,000</u>	<u>27,584</u>	<u>15,588</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>25,000</u>



CHEROKEE COUNTY, SOUTH CAROLINA  
 NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2024

	Total Nonmajor Special Revenue Funds	Debt Service Fund	Cherokee County Library	Development Board	Total Nonmajor Governmental Funds
Revenues					
Taxes	1,277,920	1,350,150	1,140,952	-	3,769,021
Intergovernmental	9,059,171	-	168,447	-	9,227,619
Interest	2,895	-	-	567	3,462
Charges for services	657,498	-	20,291	-	677,789
Confiscated money	9,078	-	-	-	9,078
Miscellaneous	140,054	-	31,460	55,000	226,514
	<u>11,146,616</u>	<u>1,350,150</u>	<u>1,361,150</u>	<u>55,567</u>	<u>13,913,482</u>
Expenditures					
Current					
General government	2,210,803	-	-	-	2,210,803
Public safety	1,505,109	-	-	-	1,505,108
Transportation	3,648,076	-	-	-	3,648,076
Health and human services	60,531	-	-	-	60,531
Environmental and housing	9,746	-	-	-	9,746
Culture and recreation	534,677	-	1,139,384	-	1,674,061
Economic Development	1,270,000	-	-	231,311	1,501,311
Capital outlay	139,187	-	94,761	-	233,947
Debt service	-				
Principal retirement	-	910,000	-	-	910,000
Interest and fiscal charges	-	310,273	-	-	310,273
	<u>9,378,129</u>	<u>1,220,273</u>	<u>1,234,145</u>	<u>231,311</u>	<u>12,063,856</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,768,487</u>	<u>129,877</u>	<u>127,005</u>	<u>(175,744)</u>	<u>1,849,626</u>
Other Financing Sources (Uses)					
Insurance Proceeds	-	-	122,067	-	122,067
Transfers in	5,000	-	-	212,000	217,000
Transfers out	(406,854)	-	-	-	(406,854)
Total other financing sources (uses)	<u>(401,854)</u>	<u>-</u>	<u>122,067</u>	<u>212,000</u>	<u>(67,787)</u>
Net Change in Fund Balances	<u>1,365,553</u>	<u>129,877</u>	<u>249,072</u>	<u>36,256</u>	<u>1,781,839</u>
Fund Balances - Beginning of Year	<u>6,143,416</u>	<u>2,643,537</u>	<u>2,223,129</u>	<u>140,699</u>	<u>11,150,780</u>
Reclassification	<u>-</u>				<u>2,687,513</u>
Fund Balances - End of Year	<u>10,196,483</u>	<u>2,773,414</u>	<u>2,472,201</u>	<u>176,955</u>	<u>15,620,132</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2024

	Cherokee No. 1	Spartanburg No. 2	Support Office	Out of Town Surety Bonds	Clerk of Court Bondsmen	Condemnation Suits	Finance Officer	Magistrates Cash Bonds	Tax Collector
<b>Assets</b>									
Cash	\$ 73,286,981	-	49,815	14,516	76,194	178,549	.	195,638	1,746,581
Taxes Receivable (Net)	245,449	8,878	-	-	-	-	-	-	-
Other Receivables	752,128	1,119	-	-	-	-	-	-	-
	<u>74,284,557</u>	<u>9,997</u>	<u>49,815</u>	<u>14,516</u>	<u>76,194</u>	<u>178,549</u>	<u>-</u>	<u>195,638</u>	<u>1,746,581</u>
<b>Liabilities</b>									
Due to Other Designated Recipients	74,284,557	9,997	49,815	14,516	76,194	178,549	-	195,638	1,746,581
	<u>74,284,557</u>	<u>9,997</u>	<u>49,815</u>	<u>14,516</u>	<u>76,194</u>	<u>178,549</u>	<u>-</u>	<u>195,638</u>	<u>1,746,581</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2024

	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	\$ -	-	43,591	88,688	-	-	4,764	-	-	-	-
Taxes Receivable (Net)	2,880	3	-	-	4,380	-	-	1,923	494	17,146	-
Other Receivables		-	-	-	-	142,537	-	-	-	-	-
	<u>2,880</u>	<u>3</u>	<u>43,591</u>	<u>88,688</u>	<u>4,380</u>	<u>142,537</u>	<u>4,764</u>	<u>1,923</u>	<u>494</u>	<u>17,146</u>	<u>-</u>
Liabilities											
Due to Other Designated Recipients	2,880	3	43,591	88,688	4,380	142,537	4,764	1,923	494	17,146	-
	<u>\$ 2,880</u>	<u>3</u>	<u>43,591</u>	<u>88,688</u>	<u>4,380</u>	<u>142,537</u>	<u>4,764</u>	<u>1,923</u>	<u>494</u>	<u>17,146</u>	<u>-</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2024

	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	\$ -	-	-	-	-	-	-	-	-	-	-	75,685,318
Taxes Receivable (Net)	610	1,438	5,474	1,116	1,106	314	894	458	348	495	4,509	297,916
Other Receivables	-	-	-	-	-	-	-	-	-	-	-	895,784
	<u>610</u>	<u>1,438</u>	<u>5,474</u>	<u>1,116</u>	<u>1,106</u>	<u>314</u>	<u>894</u>	<u>458</u>	<u>348</u>	<u>495</u>	<u>4,509</u>	<u>76,879,018</u>
Liabilities												
Due to Other Designated Recipients	610	1,438	5,474	1,116	1,106	314	894	458	348	495	4,509	76,879,018
	<u>\$ 610</u>	<u>1,438</u>	<u>5,474</u>	<u>1,116</u>	<u>1,106</u>	<u>314</u>	<u>894</u>	<u>458</u>	<u>348</u>	<u>495</u>	<u>4,509</u>	<u>76,879,018</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<b>School District - Cherokee No. 1</b>				
Assets				
Cash	\$ 66,538,400	190,395,387	183,646,806	73,286,981
Taxes Receivable (Net)	1,074,627	2,734,050	3,563,228	245,449
Other Receivables	2,358	1,582,178	832,408	752,127
	<u>67,615,385</u>	<u>194,711,615</u>	<u>188,042,442</u>	<u>74,284,557</u>
Liabilities				
Due to Other Designated Recipients	<u>67,615,385</u>	<u>194,711,615</u>	<u>188,042,442</u>	<u>74,284,557</u>
<b>School District - Sptbg. No.1</b>				
Assets				
Cash	-	1,609,584	1,609,584	-
Taxes Receivable (Net)	7,343	80,205	78,670	8,878
Other Receivables	1,119	-	-	1,119
	<u>8,462</u>	<u>1,689,790</u>	<u>1,688,255</u>	<u>9,997</u>
Liabilities				
Due to Other Designated Recipients	<u>8,462</u>	<u>1,689,790</u>	<u>1,688,255</u>	<u>9,997</u>
<b>Support Office</b>				
Assets				
Cash	<u>53,236</u>	<u>4,883</u>	<u>8,304</u>	<u>49,815</u>
Liabilities				
Due to Other Designated Recipients	<u>53,236</u>	<u>4,883</u>	<u>8,304</u>	<u>49,815</u>
<b>Clerk of Court - Out of Town Surety Bond</b>				
Assets				
Cash	<u>12,692</u>	<u>5,090</u>	<u>3,265</u>	<u>14,516</u>
Liabilities				
Due to Other Designated Recipients	<u>12,692</u>	<u>5,090</u>	<u>3,265</u>	<u>14,516</u>
<b>Clerk of Court - Bondsmen</b>				
Assets				
Cash	<u>75,971</u>	<u>223</u>	<u>-</u>	<u>76,194</u>
Liabilities				
Due to Other Designated Recipients	<u>75,971</u>	<u>223</u>	<u>-</u>	<u>76,194</u>
<b>Condemnation Suits</b>				
Assets				
Cash	<u>297,964</u>	<u>-</u>	<u>119,415</u>	<u>178,549</u>
Liabilities				
Due to Other Designated Recipients	<u>297,964</u>	<u>-</u>	<u>119,415</u>	<u>178,549</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<b>Magistrate Cash Bonds</b>				
Assets				
Cash	<u>238,490</u>	<u>95,679</u>	<u>138,531</u>	<u>195,638</u>
Liabilities				
Due to Other Designated Recipients	<u>238,490</u>	<u>95,679</u>	<u>138,531</u>	<u>195,638</u>
<b>Tax Collector</b>				
Assets				
Cash	<u>1,518,000</u>	<u>1,925,861</u>	<u>1,697,280</u>	<u>1,746,581</u>
Liabilities				
Due to Other Designated Recipients	<u>1,518,000</u>	<u>1,925,861</u>	<u>1,697,280</u>	<u>1,746,581</u>
<b>Community College</b>				
Assets				
Cash	-	1,077,975	1,077,975	-
Taxes Receivable (Net)	<u>13,848</u>	<u>37,725</u>	<u>48,693</u>	<u>2,880</u>
	<u>13,848</u>	<u>1,115,699</u>	<u>1,126,667</u>	<u>2,880</u>
Liabilities				
Due to Other Designated Recipients	<u>13,848</u>	<u>1,115,699</u>	<u>1,126,667</u>	<u>2,880</u>
<b>City of Chesnee</b>				
Assets				
Cash	-	156,750	156,750	-
Taxes Receivable (Net)	94	125	215	4
Other Receivables	-	-	-	-
	<u>94</u>	<u>156,875</u>	<u>156,965</u>	<u>4</u>
Liabilities				
Due to Other Designated Recipients	<u>94</u>	<u>156,875</u>	<u>156,965</u>	<u>4</u>
<b>Sheriff's Drug Fund</b>				
Assets				
Cash	<u>45,436</u>	<u>-</u>	<u>1,845</u>	<u>43,591</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 45,436</u>	<u>-</u>	<u>1,845</u>	<u>43,591</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<b>Detention Center Commissary</b>				
Assets				
Cash	\$ 112,349	-	23,661	88,688
Liabilities				
Due to Other Designated Recipients	112,349	-	23,661	88,688
<b>Recreation District</b>				
Assets				
Cash	-	1,650,743	1,650,743	-
Taxes Receivable (Net)	20,957	57,260	73,837	4,380
	20,957	1,708,004	1,724,580	4,380
Liabilities				
Due to Other Designated Recipients	20,957	1,708,004	1,724,580	4,380
<b>Mini Bottle Tax</b>				
Assets				
Cash	-	190,290	190,290	(0)
Other Receivable	132,407	142,537	132,407	142,537
	132,407	332,827	322,698	142,537
Liabilities				
Due to Other Designated Recipients	132,407	332,827	322,698	142,537
<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	-	1,773,374	1,773,374	-
Taxes Receivable (Net)	7,875	23,782	29,734	1,923
	7,875	1,797,156	1,803,108	1,923
Liabilities				
Due to Other Designated Recipients	\$ 7,875	1,797,156	1,803,108	1,923

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<b>Macedonia Fire District</b>				
Assets				
Cash	\$ -	316,002	316,002	-
Taxes Receivable (Net)	3,191	7,308	10,005	494
	<u>3,191</u>	<u>323,310</u>	<u>326,007</u>	<u>494</u>
Liabilities				
Due to Other Designated Recipients	<u>3,191</u>	<u>323,310</u>	<u>326,007</u>	<u>494</u>
<b>City of Gaffney</b>				
Assets				
Cash	-	4,057,449	4,057,449	-
Taxes Receivable (Net)	58,900	200,507	242,261	17,146
	<u>58,900</u>	<u>4,257,956</u>	<u>4,299,710</u>	<u>17,146</u>
Liabilities				
Due to Other Designated Recipients	<u>58,900</u>	<u>4,257,956</u>	<u>4,299,710</u>	<u>17,146</u>
<b>Blacksburg Fire District</b>				
Assets				
Cash	-	465,447	465,447	-
Taxes Receivable (Net)	37,284	43,090	79,764	610
	<u>37,284</u>	<u>508,538</u>	<u>545,212</u>	<u>610</u>
Liabilities				
Due to Other Designated Recipients	<u>37,284</u>	<u>508,538</u>	<u>545,212</u>	<u>610</u>
<b>Cherokee Creek Fire District</b>				
Assets				
Cash	-	586,618	586,618	-
Taxes Receivable (Net)	1,865	13,678	14,104	1,438
	<u>1,865</u>	<u>600,295</u>	<u>600,722</u>	<u>1,438</u>
Liabilities				
Due to Other Designated Recipients	<u>1,865</u>	<u>600,295</u>	<u>600,722</u>	<u>1,438</u>
<b>Gaffney Area Fire District</b>				
Assets				
Cash	-	1,179,141	1,179,141	-
Taxes Receivable (Net)	13,172	58,260	65,957	5,474
	<u>13,172</u>	<u>1,237,400</u>	<u>1,245,098</u>	<u>5,474</u>
Liabilities				
Due to Other Designated Recipients	<u>13,172</u>	<u>1,237,400</u>	<u>1,245,098</u>	<u>5,474</u>
<b>Grassy Pond Fire District</b>				
Assets				
Cash	-	216,510	216,510	-
Taxes Receivable (Net)	1,005	10,159	10,048	1,116
	<u>1,005</u>	<u>226,668</u>	<u>226,558</u>	<u>1,116</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 1,005</u>	<u>226,668</u>	<u>226,558</u>	<u>1,116</u>



Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<b>CKC Fire District</b>				
Assets				
Cash	-	126,527	126,527	-
Taxes Receivable (Net)	1,232	10,314	10,440	1,106
	<u>1,232</u>	<u>136,841</u>	<u>136,967</u>	<u>1,106</u>
Liabilities				
Due to Other Designated Recipients	1,232	136,841	136,967	1,106
	<u>1,232</u>	<u>136,841</u>	<u>136,967</u>	<u>1,106</u>
<b>Buffalo Fire District</b>				
Assets				
Cash	-	70,723	70,723	-
Taxes Receivable (Net)	403	2,980	3,069	314
	<u>403</u>	<u>73,703</u>	<u>73,792</u>	<u>314</u>
Liabilities				
Due to Other Designated Recipients	403	73,703	73,792	314
	<u>403</u>	<u>73,703</u>	<u>73,792</u>	<u>314</u>
<b>Corinth Fire District</b>				
Assets				
Cash	-	127,256	127,256	-
Taxes Receivable (Net)	849	8,181	8,136	894
	<u>849</u>	<u>135,436</u>	<u>135,391</u>	<u>894</u>
Liabilities				
Due to Other Designated Recipients	849	135,436	135,391	894
	<u>849</u>	<u>135,436</u>	<u>135,391</u>	<u>894</u>
<b>Antioch Fire District</b>				
Assets				
Cash	-	186,034	186,034	-
Taxes Receivable (Net)	3,268	7,091	9,900	458
	<u>3,268</u>	<u>193,125</u>	<u>195,934</u>	<u>458</u>
Liabilities				
Due to Other Designated Recipients	3,268	193,125	195,934	458
	<u>3,268</u>	<u>193,125</u>	<u>195,934</u>	<u>458</u>
<b>DMW Fire District</b>				
Assets				
Cash	-	101,369	101,369	-
Taxes Receivable (Net)	436	3,294	3,382	348
	<u>436</u>	<u>104,664</u>	<u>104,751</u>	<u>348</u>
Liabilities				
Due to Other Designated Recipients	\$ 436	104,664	104,751	348
	<u>\$ 436</u>	<u>104,664</u>	<u>104,751</u>	<u>348</u>

Cherokee County, South Carolina  
Agency Funds  
Combining Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<b>Goucher White Plains Fire District</b>				
Assets				
Cash	\$ -	190,966	190,966	-
Taxes Receivable (Net)	931	5,006	5,442	496
	<u>931</u>	<u>195,973</u>	<u>196,408</u>	<u>496</u>
Liabilities				
Due to Other Designated Recipients	931	195,973	196,408	496
	<u>931</u>	<u>195,973</u>	<u>196,408</u>	<u>496</u>
<b>Library</b>				
Assets				
Cash	-	1,834,220	1,834,220	-
Taxes Receivable (Net)	21,682	59,055	76,228	4,509
	<u>21,682</u>	<u>1,893,275</u>	<u>1,910,448</u>	<u>4,509</u>
Liabilities				
Due to Other Designated Recipients	21,682	1,893,275	1,910,448	4,509
	<u>21,682</u>	<u>1,893,275</u>	<u>1,910,448</u>	<u>4,509</u>
<b>Total - All Agency Funds</b>				
Assets				
Cash	68,897,302	208,344,100	201,556,084	75,685,318
Taxes Receivable (Net)	1,268,962	3,362,069	4,333,114	297,916
Other Receivables	135,884	1,724,715	964,816	895,784
	<u>70,302,148</u>	<u>213,430,884</u>	<u>206,854,014</u>	<u>76,879,018</u>
Liabilities				
Due to Other Designated Recipients	\$ 70,302,148	213,430,884	206,854,014	76,879,018
	<u>\$ 70,302,148</u>	<u>213,430,884</u>	<u>206,854,014</u>	<u>76,879,018</u>

Cherokee County, South Carolina  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Function and Activity  
 June 30, 2024

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Vehicles	Lease Assets	Subscriptions Assets	Infrastructure	Books	TOTAL
General Government	\$ 395,886	25,379	12,630,923	106,756	3,398,373	872,048	24,594	490,485	-	-	17,944,443
Public Safety	254,958	-	9,787,571	23,332	8,698,870	4,426,705	110,814	81,376	-	-	23,383,626
Transportation	-	-	139,221	-	1,076,971	391,597	97,868	-	30,619,256	-	32,324,913
Health and Human Services	418,494	12,957	4,610,437	-	74,177	317,315	1,065,140	-	-	-	6,498,519
Environmental and Housing	715,026	-	5,731,293	73,288	2,730,424	2,479,893	690,607	-	-	-	12,420,531
Culture and Recreation	215,526	-	4,610,638	38,185	564,041	90,494	-	-	-	622,609	6,141,493
Economic Development	-	-	-	-	-	23,590	-	-	-	-	23,590
	<u>\$ 1,999,889</u>	<u>38,335</u>	<u>37,510,083</u>	<u>241,561</u>	<u>16,542,856</u>	<u>8,601,642</u>	<u>1,989,023</u>	<u>571,861</u>	<u>30,619,256</u>	<u>622,609</u>	<u>98,737,115</u>

Cherokee County, South Carolina  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 June 30, 2024

Function and Activity	Balance Jun 30, 2023	Additions	Retirements	Reclassification	Balance June 30, 2024
General Government	\$ 18,130,707	866,833	33,155	(1,045,320)	17,919,064
Public Safety	19,986,961	3,550,966	128,921	-	23,409,005
Transportation	32,324,914	-	-	-	32,324,914
Health and Human Services	3,968,083	1,472,160	-	1,045,320	6,485,563
Environmental and Housing	7,175,623	5,305,375	47,511	-	12,433,487
Culture and Recreation	6,042,265	154,861	55,634	-	6,141,492
Economic Development	23,590	-	-	-	23,590
Total	87,652,143	11,350,193	265,221	-	98,737,115



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, 2024

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	175,545	1,440,770	-	1,616,315
Court fines and assessments remitted to State Treasurer	93,762	786,081	-	879,843
<b>Total Court Fines and Assessments retained</b>	<b>81,783</b>	<b>654,689</b>	<b>-</b>	<b>736,472</b>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained	28,319	11,563	-	39,882
Assessments retained	5,643	60,491	-	66,134
<b>Total Surcharges and Assessments retained for victim services</b>	<b>33,962</b>	<b>72,054</b>	<b>-</b>	<b>106,016</b>

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC):

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year – Beginning Balance</b>	-	-	-
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	-	66,494	66,494
Victim Service Surcharges Retained by City/County Treasurer	-	39,882	39,882
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>	-	106,376	106,376
<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>	-	106,376	106,376

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

**FOR THE FISCAL YEAR ENDING: June 30, 2024**

**\*\*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	700,958
Local	88,207
Fees and Service Charges:	
Interest and Investment Income/(loss):	-
Other:	-
<b>TOTAL REVENUE ALL SOURCES</b>	<b>789,164</b>
<b>EXPENDITURES**</b>	
Public Safety Communications:	
Personnel Services	387,254
General Operating	20,453
Repairs and Maintenance	18,962
Contractual Services	91,811
Supplies	4
Equipment	309,146
Service Charges	-
Other	-
Total Public Safety Communications	827,629
Capital Outlay	32,131
Depreciation	-
<b>TOTAL EXPENDITURES</b>	<b>859,760</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(70,596)</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>(70,596)</b>
FUND BALANCE, Beginning of Year	1,124,936
<b>FUND BALANCE, End of Year</b>	<b>1,054,339</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

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, 2024**



## 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, 2024 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 December 30, 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.

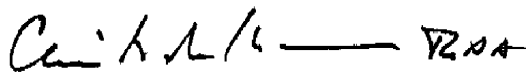
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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  
December 30, 2024

Independent Auditors' Report on Compliance for  
Each Major Federal Program and on Internal Control  
Over Compliance and Report on Schedule of Expenditures  
of Federal Awards 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, 2024. 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 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, 2024.

***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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.

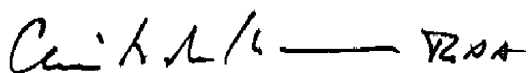
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 30, 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 30, 2024



**CHEROKEE COUNTY**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024

<b>DIRECT FEDERAL GRANTOR</b> <b>Pass-Through Grantor</b> <b>Program Title</b>	Assistance Listing Number	Grant I.D. No.	Federal (Direct and Pass-Through) Expenditure	Pass-Through to Subrecipients
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds <i>Pass-through the SC Rural Infrastructure Authority</i>	21.027	1505-0271	5,933,113	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Water Capacity Improvements	21.027	A-23-C036	1,924,226	1,924,226
<b>Total Coronavirus State and Local Fiscal Recovery Funds</b>			7,857,339	1,924,226
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	1505-0276	68,209	-
<b>Total Local Assistance and Tribal Consistency Fund</b>			68,209	-
<b>Total U.S. Department of the Treasury</b>			7,925,548	1,924,226
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Pass-through SC Department of Commerce</i> Community Development Block Grant	14.218	4-RP-22-001	50,000	-
Total Community Development Block Grant			50,000	-
<b>Total U.S. Department of Housing and Urban Development</b>			50,000	-
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Pass-through SC Emergency Management Division</i>  Emergency Management Performance Grant	97.042	22EMPG01-S/ LEMPG23-11	83,035	-
<b>Total Emergency Management Performance Grant</b>			83,035	-
<b>Total U.S. Department of Homeland Security</b>			83,035	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Pass-through the SC Department of Social Services</i> Child Support Enforcement- Clerk of Court	93.563		54,082	-
Child Support Enforcement- Sheriff	93.563		4,384	-
<b>Total Child Support Enforcement</b>			58,466	-
<b>Total U.S. Department of Health and Human Services</b>			58,466	-
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Pass through the Cherokee County School District</i>  COVID-19 Education Stabilization Fund	84.425U	CCSD Broadband Expansion 3/23	500,000	-
<b>Total COVID-19 Education Stabilization Fund</b>			500,000	-
<b>Total U.S Department of Education</b>				
<b>Total Federal Awards</b>			8,617,049	1,924,226

SEE ACCOMPANYING NOTES TO SCHEDULE OF FEDERAL AWARDS

## **Cherokee County**

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

Year Ended June 30, 2024

#### **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, 2024. 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 – Program Costs**

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, 2024

**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, 2024

**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.

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes \_\_\_\_\_ No   x  

Significant deficiency(ies) identified?

Yes \_\_\_\_\_ No   x  

Noncompliance material to financial statements noted?

Yes \_\_\_\_\_ No   x  

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?

Yes \_\_\_\_\_ No   x  

Significant deficiency(ies) identified?

Yes \_\_\_\_\_ No   x  

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

Unmodified

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

Yes \_\_\_\_\_ No   x  

Identification of major federal programs:

Federal  
Assistance  
Listing Number

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

21.027                      COVID-19 - SLFRF - Water Capacity  
   Improvements

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, 2024

**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.