

CHEROKEE COUNTY
South Carolina



**FINANCIAL STATEMENTS
AND SCHEDULES**

YEAR ENDED JUNE 30, 2025

CHEROKEE COUNTY, SOUTH CAROLINA

FINANCIAL STATEMENTS AND SCHEDULES

YEAR ENDED JUNE 30, 2025

PREPARED BY THE FINANCE DEPARTMENT

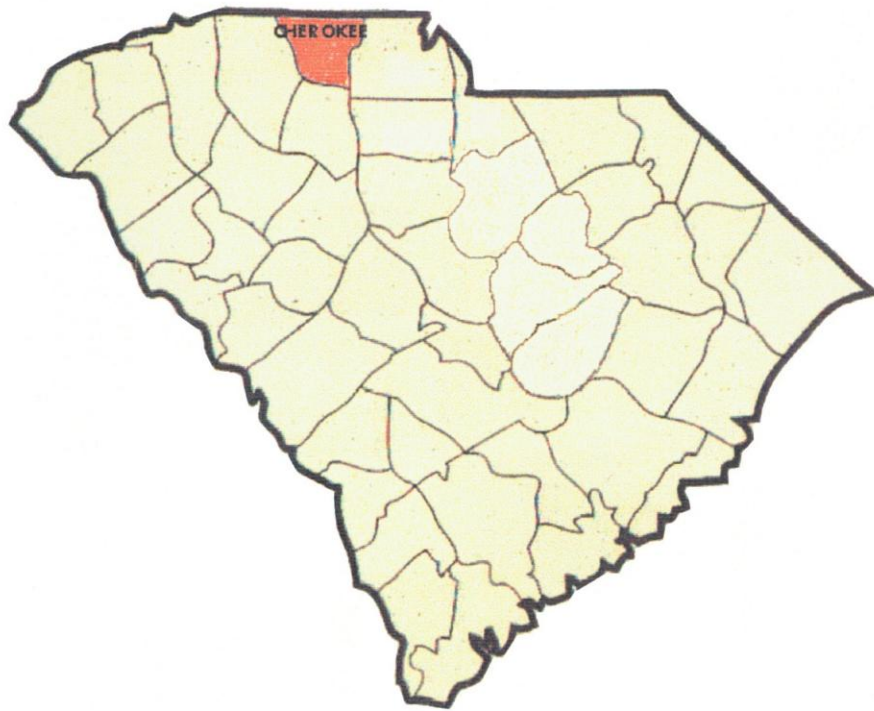
CHEROKEE COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2025

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INTRODUCTORY SECTION

CHEROKEE COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 16, 2025

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
David Smith
Elliott Hughes
Vacant
Teresa Bonner
Billy Dean Blanton
Donnie Hardin

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

Elected Officials

Sheila Carpenter
Christina Layton
Brandy W. McBee
Steve Mueller
Dennis G. Fowler
Joshua Queen
Barry Barnette

Treasurer
Auditor
Clerk of Court
Sheriff
Coroner
Probate Judge
Solicitor

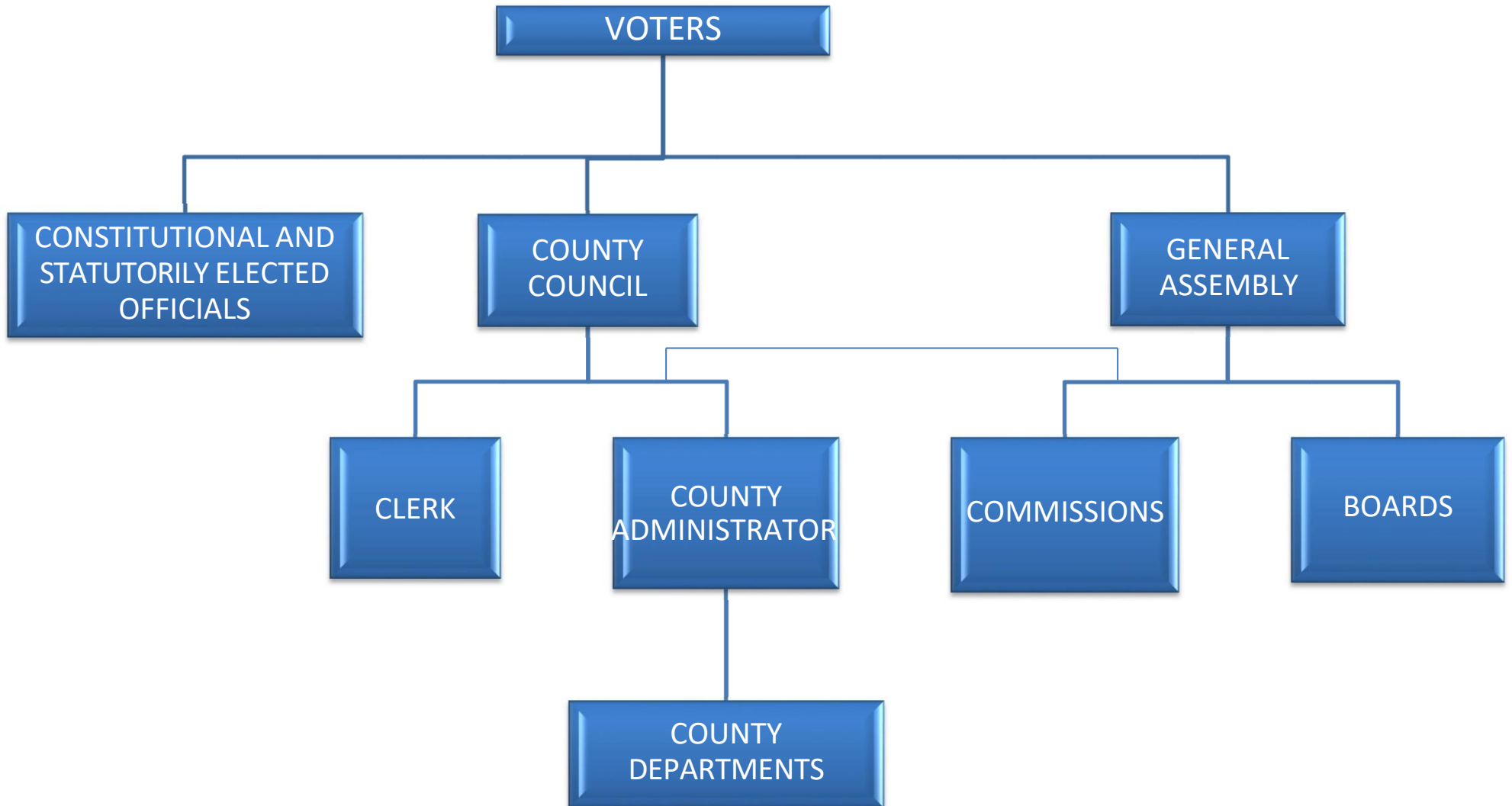
Appointed Official

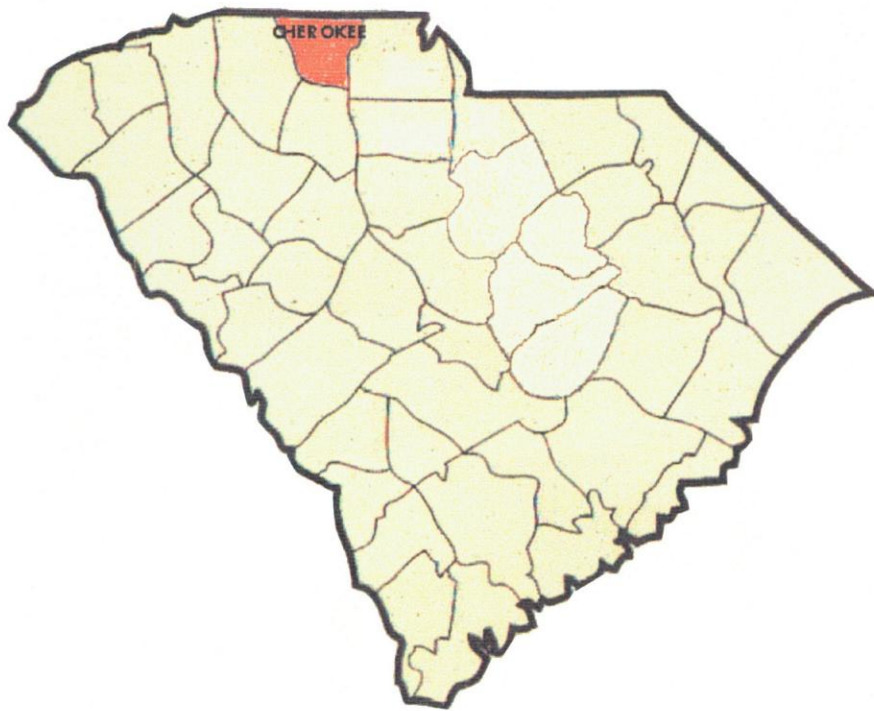
Marvin L. Bishop, Jr.
Kristy Bradley

Administrator
Assistant County Administrator

CHEROKEE COUNTY, SOUTH CAROLINA

ORGANIZATIONAL CHART





FINANCIAL SECTION



KBBA

Kochenower Blake
Blake Arango & Co., PA

Ben D. Kochenower, CPA, CVA, CICA, CGMA • Timothy S. Blake, CPA/PFS • Brandon A. Blake, CPA • Laura S. Arango, CPA

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, 2025, 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, 2025 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

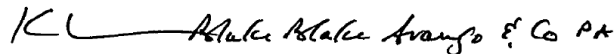
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison, the schedule of the County's proportionate share of the net pension liability and contributions, and the schedule of the County's proportionate share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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the summary schedule of court fines and fees, assessments and surcharges, and the schedule of revenues, expenditures and changes in fund balance- 9-1-1 Fund as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 29, 2025, 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 29, 2025

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, 2025. 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, 2025 by \$59,186,212 (net position). This amount is greater than net investment in capital assets by \$21,603,541. Net position categories show the portion that must be spent for specific purposes.
- The County's total net position increased by \$2,019,230 from governmental activities.
- As of June 30, 2025, the County's governmental funds reported combined ending fund balances of \$51,832,403, a decrease of \$1,384,325. Of the combined ending fund balances amount, \$22,832,455 is available for use at the County's discretion.
- At June 30, 2025, unassigned fund balance for the General Fund was \$22,832,455, or approximately 53 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 \$926,599, or over 8.9 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
	2025	2024	2024-2025
Current and Other Assets	\$ 58,816,972	62,209,501	-5.5%
Capital Assets	46,599,522	45,192,900	3.1%
Total Assets	105,416,494	107,402,401	-1.8%
Deferred Outflow of Resources			
Deferred Amounts Related to Pensions	4,959,262	4,341,755	14.2%
Deferred Amounts Related to OPEB	294,830	433,738	-32.0%
Total Assets and Deferred Outflows of Resources	110,670,586	112,177,894	-1.3%
Current Liabilities	6,758,144	10,521,654	-35.8%
Long-Term Liabilities	16,594,965	15,893,879	4.4%
Net Pension Liability	22,468,023	23,496,781	-4.4%
Net OPEB Liability	2,464,300	3,117,400	-21.0%
Total Liabilities	48,285,432	53,029,714	-8.9%
Deferred Inflow of Resources			
Deferred Amounts Related to Pensions	2,337,942	1,302,403	79.5%
Deferred Amounts Related to OPEB	861,000	710,100	21.3%
Total Liabilities and Deferred Outflows of Resources	51,484,374	55,042,217	-6.5%
Net Position			
Net Investment in Capital Assets	37,582,672	35,549,261	5.7%
Restricted	19,126,802	17,304,037	10.5%
Unrestricted	2,476,738	4,282,379	-42.2%
Total Net Position	59,186,212	57,135,677	3.6%
Total Liabilities and Net Position	\$ 110,670,586	112,177,894	-1.3%

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 \$59,186,212, as of June 30, 2025. (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 \$2,050,535. Revenues were down 3.5% and expenses increased 8.6%. However, there was still a net of 2,019,230 of revenues over expenses due to increased Operating Grants and Contributions.

Table 2
Changes in Cherokee County's Net Position

	Governmental Activities		Total Percentage Change
	2025	2024	2024-2025
Revenues:			
Program Revenues			
Charges for Services	\$ 3,601,105	3,711,168	-3.0%
Operating Grants and Contributions	11,412,370	5,871,443	94.4%
Capital Grants and Contributions	2,296,975	11,007,339	-79.1%
General Revenues:			
Property Taxes	31,975,020	30,173,968	6.0%
Other Taxes	905,428	921,617	-1.8%
Other	5,141,936	5,640,561	-8.8%
Total Revenues	55,332,834	57,326,096	-3.5%
Expenses:			
General Government	16,908,792	16,629,192	1.7%
Public Safety	18,376,824	16,413,071	12.0%
Transportation	5,481,554	6,544,786	-16.2%
Health and Human Services	877,354	1,975,281	-55.6%
Environmental and Housing	5,275,180	3,822,603	38.0%
Culture and Recreation	2,719,497	1,986,661	36.9%
Economic Development	3,495,208	1,514,611	130.8%
Unallocated Interest Expense	179,195	193,446	-7.4%
Total Expenses	53,313,604	49,079,651	8.6%
Increase (Decrease) in Net Position Before Transfers	2,019,230	8,246,445	-75.5%
Change in Net Position	2,019,230	8,246,445	-75.5%
Beginning Net Position as Originally Stated	57,135,677	48,889,232	16.9%
Prior Period Adjustments	31,305	-	100%
Beginning Net Position, Restated	57,166,982	48,889,232	16.9%
Total Liabilities and Net Position	\$ 59,186,212	57,135,677	3.6%

Change in net position. The County's total revenues decreased by 3.5 percent to approximately \$55 million, primarily as a result of decreased capital grants and contributions, and the net of increases and decreases in all other revenues. Other revenues (\$5,141,937) include primarily interest earnings on invested funds. (See Table 2).

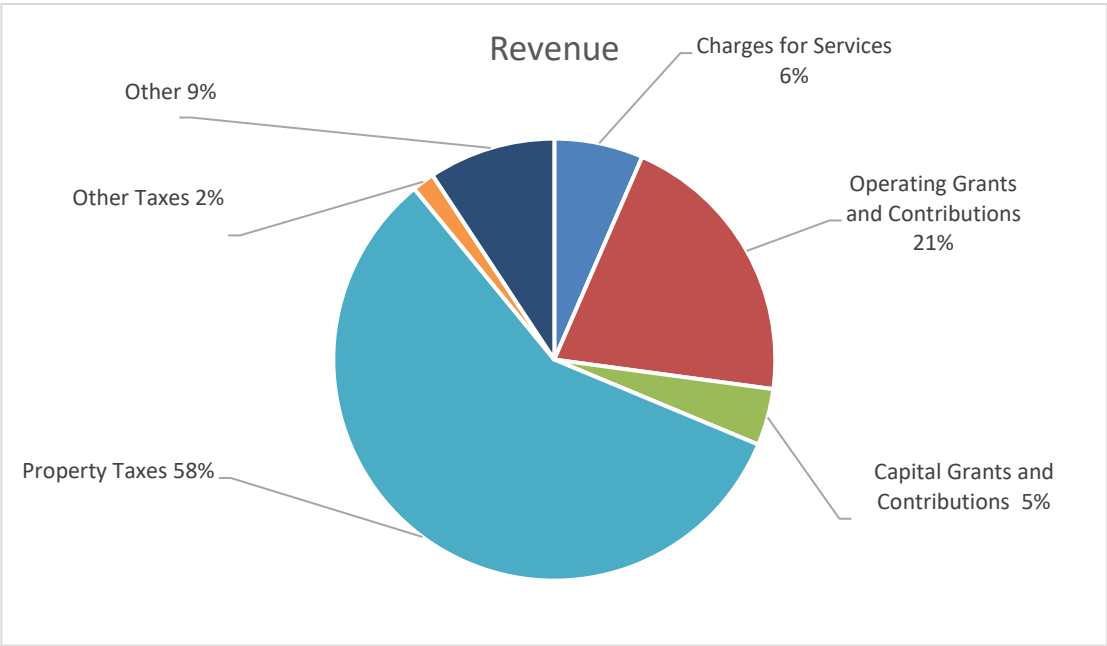
The County's total cost of all programs and services had an increase of 8.6 percent. This increase is due primarily to increases in payroll and retirement and healthcare benefits, public safety expenditures, and health and human services which includes expansion of broadband internet.

Governmental Activities

The County's governmental activities had net of expense over revenue of (\$36,003,154). These net service costs 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 \$2,019,230.

Total revenues for the County's governmental activities decreased by 3.5 percent, and total expenses increased 8.6 percent. Factors contributing to these results included:

- Decreases most dramatically in Capital Grants and Contributions
- Increases in payroll and benefits costs across all functions.
- Increases in Public Safety, Economic Development, and Culture and Recreation.



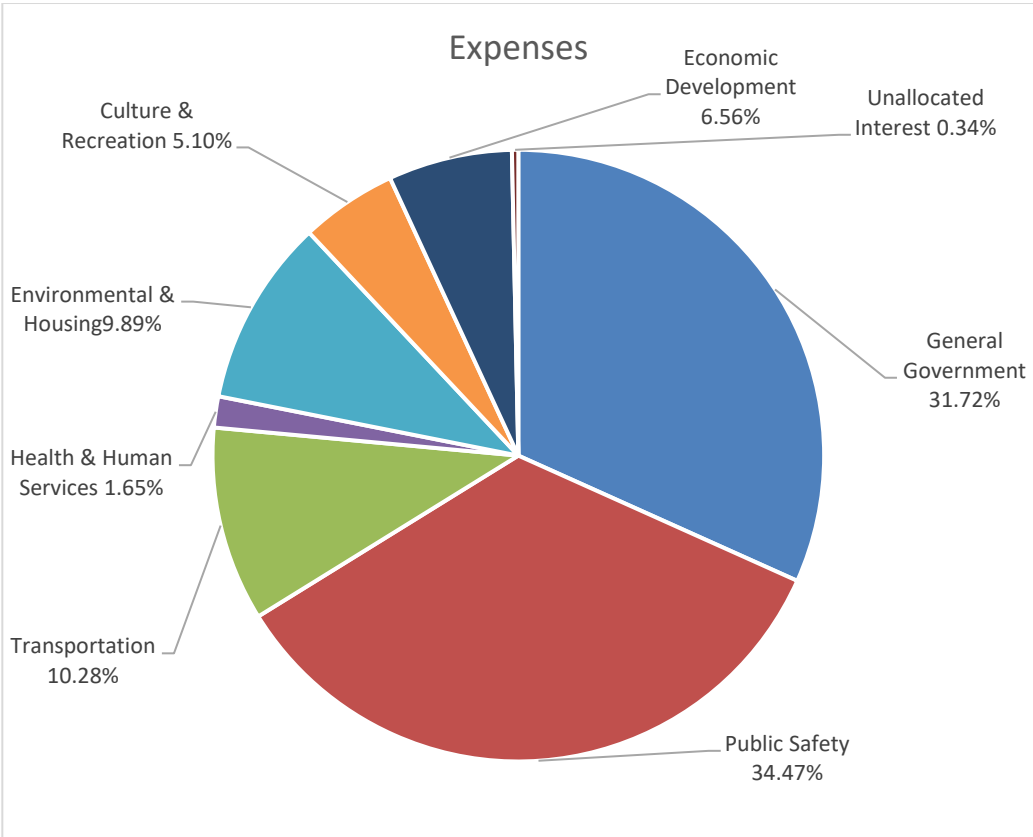
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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, 2025, the County's governmental funds reported combined ending fund balances of \$51,832,403, a decrease of \$1,415,630 from the prior year.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – continued

Approximately 44 percent of the combined fund balances (\$51,832,403) constitute unassigned fund balance of \$22,832,455, which is available for spending at the County's discretion. 10 percent of the combined fund balances (\$5,218,858) is assigned for various types of cultural, administrative and capital projects. The majority of the remaining balance is restricted (\$19,088,160) 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, (\$4,121,147) for the carryover of cash/fund balance for the 2025-2026 budget and non-spendable, which is comprised of prepaids and inventory (\$571,783).

The general fund is the chief operating fund of the County. At June 30, 2025, unassigned fund balance of the general fund was \$22,832,455 and total fund balance was \$29,591,043. As a measure of the general fund's liquidity, the unassigned fund balance represents approximately 57 percent of total general fund expenditures and transfers out.

The capital fund has a total fund balance of \$4,136,370, \$1,381,812 of which is restricted, and \$2,754,558 is assigned for capital projects. The increase in fund balance during the current fiscal year was \$1,065,291. This increase was due to several projects that were not completed before year end. All funds were spent on capital assets and infrastructure improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Actual revenues were more than the projected amounts by \$1,843,053 primarily due to increases in delinquent tax collections and local option sales tax.

Actual expenditures were under budget by \$1,932,291 due to the control and oversight measures by administration and management, which helped to keep costs within budget. Several departments such as 911 Communications, Solid Waste Collections, Roads and Bridges, Sheriff's Department and Detention Center were significantly under budget in Payroll Expenses due to positions that were budgeted but were not filled or filled for only part of the year, due to a competitive job environment with low workforce. Additionally, many of the Hurricane Helene expenses that were projected and approved in the supplemental appropriation were not realized before June 30, 2025.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2025, the County had \$46,599,522 invested in capital assets including police equipment, buildings, infrastructure, etc. (See following table). Capital assets for government activities increased by \$1,406,622 over last year.

	Governmental Activities		Total Percentage Change
	2025	2024	2024-2025
Land	\$ 2,186,059	1,999,889	9.3%
Construction in Progress	660,484	38,335	1622.9%
Buildings	38,734,603	37,510,083	3.3%
Other Improvements	241,561	241,561	0.0%
Vehicle & Equipment	27,737,391	25,144,498	10.3%
Lease Assets	662,049	1,989,023	-66.7%
Subscriptions	575,996	571,861	0.7%
Infrastructure	30,619,256	30,619,256	0.0%
Books	697,435	622,608	12.0%
Total Capital Assets	102,114,834	98,737,115	3.4%
Accumulated Depreciation	55,515,312	53,544,215	3.7%
Total Capital Assets, Net	\$ 46,599,522	45,192,900	3.1%

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 \$9,235,000 in outstanding general obligation bonds, compared to \$10,065,000 last year. That is a decrease of 8.3 percent as shown in the following table.

	Governmental Activities		Percentage Change
	2025	2024	2024-2025
General Obligation Bonds, Series 2011	\$ -	505,000	-100.0%
General Obligation Bonds, Series 2021	9,235,000	9,560,000	-3.4%
	9,235,000	10,065,000	-8.2%

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 \$19.5 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 25-26 fiscal year.

All of these factors were considered in the approval of the County's millage rate total property millage rate of 110.7 mills in 2025 and 98.7 mills in 2024.

Budgeted 2026 operating expenditures are expected to decrease by \$1,301,818, which is 7 percent below the final 2025 budget. This is due to various one-time expenses budgeted in the supplemental appropriation in 2025, such as those caused by Hurricane Helene, in addition to economic development projects, property purchases, and equipment replacement.

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, 2025

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 22,254,879
Investments	31,741,732
Accounts Receivable (Net)	3,596,173
Taxes Receivable (Net)	369,713
Other Receivables	36,266
Prepaid Items	563,688
Inventory	8,095
Due from Recreation District	246,426
Capital Assets - Not Being Depreciated	2,846,543
Capital Assets - Net of Accumulated Depreciation	43,752,979
Total Assets	105,416,494
DEFERRED OUTFLOWS OF RESOURCES	
Pensions Related Items	4,959,262
OPEB Related Items	294,830
Total Deferred Outflows of Resources	5,254,092
LIABILITIES	
Accounts Payable	1,251,170
Accrued Liabilities	495,969
Local Option Sales Tax - Property Tax Relief	1,417,275
Unearned Revenue	3,509,197
Accrued Interest Payable	84,533
Noncurrent Liabilities:	
Due Within One Year	1,528,509
Due in More than One Year	15,066,456
Net Pension Liability	22,468,023
Net OPEB Liability	2,464,300
Total Liabilities	48,285,432
DEFERRED INFLOWS OF RESOURCES	
Pensions Related Items	2,337,942
OPEB Related Items	861,000
Total Deferred Inflows of Resources	3,198,942
NET POSITION	
Net Investment in Capital Assets	37,582,672
Restricted For:	
Public Safety	4,300,443
Debt Service	3,093,250
Capital Projects	2,854,270
Tourism	1,005,011
Cultural and Recreation	3,133,292
Transportation	4,535,938
Economic Development	949,418
Health and Welfare	396,456
Other Purposes	331,182
Unrestricted (Deficit)	1,004,280
Total Net Position	\$ 59,186,212

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, 2025

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	\$ 16,908,792	1,491,248	1,135,477	1,797,214	(12,484,853)
Public Safety	18,376,824	1,503,567	3,278,798	218,700	(13,375,759)
Transportation	5,481,554	-	4,406,383	-	(1,075,171)
Health and Human Services	877,354	20,589	647,272	-	(209,493)
Environmental and Housing	5,275,180	567,081	37,817	-	(4,670,282)
Culture and Recreation	2,719,497	18,620	1,105,547	81,061	(1,514,269)
Economic Development	3,495,208	-	801,076	200,000	(2,494,132)
Unallocated Interest Expense	179,195	-	-	-	(179,195)
Total Primary Government	<u>\$ 53,313,604</u>	<u>3,601,105</u>	<u>11,412,370</u>	<u>2,296,975</u>	<u>(36,003,154)</u>
		General Revenues			
		Property Taxes		\$	31,975,020
		Accommodations Tax			252,975
		Local Hospitality Tax			411,271
		Franchise Fee			241,182
		Unrestricted State Aid to Political Subdivisions			2,527,339
		Unrestricted Investment Earnings			2,443,141
		Miscellaneous			171,456
		Total General Revenues			<u>38,022,384</u>
		Change in Net Position			2,019,230
		Net Position Beginning of Year			57,135,677
		Prior Period Adjustments			31,305
		Net Position Beginning of Year, Restated			<u>57,166,982</u>
		Net Position End of Year		\$	<u>59,186,212</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, 2025

	Major Funds				Total Governmental Funds
	General	Capital Project	American Rescue Plan	Non-Major Governmental Funds	
ASSETS					
Cash	\$ 2,950,979	2,556,670	3,162,448	13,584,781	22,254,878
Investment	31,741,732	-	-	-	31,741,732
Taxes Receivable (Net)	297,965	28,749	-	42,999	369,713
Receivables (Net)					-
Intergovernmental	2,894,500	-	-	701,674	3,596,174
Other	1,403	-	-	34,861	36,264
Due from Other Funds	-	1,473,283	-	3,770,997	5,244,280
Prepaid Items	525,046	-	-	38,642	563,688
Inventory	8,095	-	-	-	8,095
Due from Recreation District	-	246,426	-	-	246,426
Total Assets	<u>38,419,720</u>	<u>4,305,128</u>	<u>3,162,448</u>	<u>18,173,954</u>	<u>64,061,250</u>
LIABILITIES					
Accounts Payable	1,085,680	144,431	-	21,059	1,251,170
Payroll Liabilities	277,041	-	-	26,655	303,696
Other Liabilities	192,273	-	-	-	192,273
Due to Other Funds	5,244,280	-	-	-	5,244,280
Local Option Sales Tax - Property Tax Relief	1,417,275	-	-	-	1,417,275
Unearned Revenue	-	-	3,162,448	346,749	3,509,197
Total Liabilities	<u>8,216,549</u>	<u>144,431</u>	<u>3,162,448</u>	<u>394,463</u>	<u>11,917,891</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Property Taxes	252,128	24,327	-	34,501	310,956
FUND BALANCES					
Nonspendable	533,141	-	-	38,642	571,783
Restricted	-	1,381,812	-	17,706,348	19,088,160
Assigned	2,464,300	2,754,558	-	-	5,218,858
Committed	4,121,147	-	-	-	4,121,147
Unassigned	22,832,455	-	-	-	22,832,455
Total Fund Balances	<u>29,951,043</u>	<u>4,136,370</u>	<u>-</u>	<u>17,744,990</u>	<u>51,832,403</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 38,419,720</u>	<u>4,305,128</u>	<u>3,162,448</u>	<u>18,173,954</u>	<u>64,061,250</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, 2025

Fund Balances - Total Governmental Funds	\$	51,832,403
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Capital Assets	102,114,836	
Less accumulated depreciation and amortization	<u>(55,515,313)</u>	46,599,523
Deferred outflows of resources related to pensions are not reported in the funds		4,959,262
Deferred outflows of resources related to OPEB are not reported in the funds		294,830
<p>Long-term liabilities used in governmental activities are not due and payable in the current period and, therefore, are not reported in the funds</p>		
Net Pension Liability	22,468,023	
Net Other Post Employment Benefits Liability	2,464,300	
General Obligation Bonds	9,235,000	
Deferred Bond Premium	617,282	
Finance Lease Obligations	318,284	
Lease Obligations	-	
Subscription Obligations	222,770	
Compensated Absences	596,490	
Landfill Closure and Post Closure	<u>5,605,140</u>	(41,527,289)
<p>Earned revenues are considered deferred inflows of resources in fund statements and are susceptible to full accrual on the entity-wide statements</p>		
Deferred inflows of resources for taxes		310,958
Pension related deferrals		(2,337,942)
OPEB related deferrals		(861,000)
<p>Other receivables and liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds</p>		
Accrued Interest Payable		(84,533)
Net Position of Governmental Activities	<u>\$</u>	<u>59,186,212</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, 2025

	Major Funds				Total Governmental Funds
	General	Capital Project	American Rescue Plan	Non-Major Governmental Funds	
REVENUES					
Taxes	\$ 25,203,453	1,659,276	-	3,885,933	30,748,662
Licenses and Permits	495,074	-	-	-	495,074
Intergovernmental	6,316,118	-	563,605	10,517,277	17,397,000
Charges for Services	1,226,260	-	-	599,836	1,826,096
Fines and Forfeits	640,516	-	-	-	640,516
Confiscated Money	92,003	-	-	2,637	94,640
Interest Income	2,359,162	164	-	4,173	2,363,499
Miscellaneous	1,062,521	-	-	643,377	1,705,898
Total Revenues	<u>37,395,107</u>	<u>1,659,440</u>	<u>563,605</u>	<u>15,653,233</u>	<u>55,271,385</u>
EXPENDITURES					
Current					
General Government	15,550,956	378,306	35,250	1,840,647	17,805,159
Public Safety	15,880,752	1,709,860	15,453	1,273,806	18,879,871
Transportation	2,288,672	20,848	262,403	2,188,275	4,760,198
Health and Human Services	557,736	-	-	47,438	605,174
Environmental and Housing	4,682,560	684,618	250,499	11,947	5,629,624
Culture and Recreation	100,275	-	-	2,391,890	2,492,165
Economic Development	-	17,895	-	3,478,166	3,496,061
Capital Outlay	810,814	296,361	-	1,015,203	2,122,378
Debt Service					
Principal Retirement	145,200	82,492	-	830,000	1,057,692
Interest and Fiscal Charges	848	16,227	-	279,613	296,688
Total Expenditures	<u>40,017,813</u>	<u>3,206,607</u>	<u>563,605</u>	<u>13,356,985</u>	<u>57,145,010</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,622,706)</u>	<u>(1,547,167)</u>	<u>-</u>	<u>2,296,248</u>	<u>(1,873,625)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	524,337	2,612,458	-	242,000	3,378,795
Transfers Out	(2,854,458)	-	-	(524,337)	(3,378,795)
SBITA & Lease Proceeds	378,353	-	-	-	378,353
Insurance Proceeds	-	-	-	79,642	79,642
Total Other Financing Sources	<u>(1,951,768)</u>	<u>2,612,458</u>	<u>-</u>	<u>(202,695)</u>	<u>457,995</u>
Net Change in Fund Balances	<u>(4,574,474)</u>	<u>1,065,291</u>	<u>-</u>	<u>2,093,553</u>	<u>(1,415,630)</u>
Fund Balances - Beginning of Year	34,525,517	3,071,079	-	15,620,132	53,216,728
Prior Period Adjustments	-	-	-	31,305	31,305
Fund Balances - Beginning, Restated	<u>34,525,517</u>	<u>3,071,079</u>	<u>-</u>	<u>15,651,437</u>	<u>53,248,033</u>
Fund Balances - End of Year	<u>\$ 29,951,043</u>	<u>4,136,370</u>	<u>-</u>	<u>17,744,990</u>	<u>51,832,403</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, 2025

Net Change in Fund Balance - Total Governmental Funds \$ (1,415,630)

Amounts reported for governmental gctivities 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	5,866,408	
Less current year depreciation and amortization expense	<u>(4,369,228)</u>	1,497,180

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		(90,557)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes		106,422
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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		(16,292)
Finance Lease		(362,061)

Principal repayments:

General obligation bonds		830,000
Finance lease		82,492
Lease obligations		145,200
Subscription obligations		131,008

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	116,252	
Change in accrued interest payable	6,112	
Change in compensated absences	(121,735)	
Change in unfunded OPEB costs	363,292	
Change in landfill closure/post closure costs	<u>136,821</u>	500,742

The cost of pension benefits earned net of employee contributions is reported in the statement of Activities as an element of pension expense. The fund financial statements report pension contributions as expenditures.

		<u>610,726</u>
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Change in Net Position of Governmental Activities		<u>\$ 2,019,230</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, 2025

Assets	
Cash	\$ 68,580,903
Taxes Receivable (Net)	1,206,543
Receivables	<u>917,628</u>
Total Assets	<u><u>70,705,074</u></u>
Liabilities	
Due to Designated Recipients	<u>70,705,074</u>
Total Liabilities	<u><u>\$ 70,705,074</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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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. 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, 2025

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, 2025

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 non-major governmental funds as of June 30, 2025, were distributed as follows:

	General Fund	Capital Project Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Nonspendable				
Prepays	\$ 525,046	-	38,642	563,688
Inventory	8,095	-	-	8,095
	<u>533,141</u>	<u>-</u>	<u>38,642</u>	<u>571,783</u>
Restricted For				
Emergency Communications	-	-	2,000	2,000
Law Enforcement	-	-	547,249	547,249
Health and Welfare	-	-	396,456	396,456
Environmental and Housing	-	-	266,939	266,939
Road Surface Repairs	-	-	4,535,937	4,535,937
Transportation	-	-	1	1
Culture and Recreation	-	-	3,133,292	3,133,292
Public Safety	-	-	3,165,353	3,165,353
Economic Development	-	5,327	949,418	954,745
Solicitor	-	-	585,840	585,840
Tourism	-	-	1,005,011	1,005,011
Other Purposes	-	-	25,602	25,602
Capital Projects	-	1,376,485	-	1,376,485
Debt Service	-	-	3,093,250	3,093,250
	<u>-</u>	<u>1,381,812</u>	<u>17,706,348</u>	<u>19,088,160</u>
Assigned				
Unfunded OPEB	2,464,300	-	-	2,464,300
County Buildings	-	349,877	-	349,877
Capital Projects	-	2,193,621	-	2,193,621
Airport	-	211,060	-	211,060
	<u>2,464,300</u>	<u>2,754,558</u>	<u>-</u>	<u>5,218,858</u>
Committed				
Fund Balance (Budget)	4,121,147	-	-	4,121,147
Unassigned				
	<u>22,832,455</u>	<u>-</u>	<u>-</u>	<u>22,832,455</u>
Total Fund Balances	<u>\$ 29,951,043</u>	<u>4,136,370</u>	<u>17,744,990</u>	<u>51,832,403</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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.

Change in Accounting Principles

Effective for the fiscal year ended June 30, 2025, the County adopted GASB Statement No. 101, *Compensated Absences*. The County performed an analysis and there is no compelling evidence that employees are more likely than not to use sick leave hours already earned. Consequently, the County has recorded no compensated sick leave liability as of June 30, 2025.

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2025

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

Encumbrances are included in budgetary expenditures. Encumbered appropriations carryforward and a reserve of fund balance is established to offset the expenditure. A reconciliation of budget to GAAP is as follows:

	General Fund	Capital Projects Fund
Budget Expenditures	\$ 40,264,466	3,401,123
Prior Year Encumbrances	-	-
Current Year Encumbrances	(246,653)	(496,773)
GAAP Expenditures	\$ 40,017,813	2,904,350

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2025, 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, 2025

**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, 2025 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, 2025, the County’s deposits were as follows:

		<u>Bank Balance</u>	<u>Carrying Value</u>
Demand Deposits	Governmental	\$ 78,088,342	53,996,610
Demand Deposits	Fiduciary	<u>45,857,279</u>	<u>68,580,903</u>
Total		<u>\$ 123,945,621</u>	<u>122,577,513</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	\$ 3,913,932	
Cash and Cash Equivalents-Restricted	18,340,946	
Investments	<u>31,741,732</u>	
Total Statement of Net Assets		53,996,610
<u>Statement of Fiduciary Net Position</u>		
Cash and Cash Equivalents	68,580,903	
Total Statement of Fiduciary Net Assets		<u>68,580,903</u>
Total Cash, and Cash Equivalents		<u>122,577,513</u>
<u>Disclosure, Deposits and Investments</u>		
Carrying Value of Deposits		90,827,927
Cash on Hand		7,854
Investments		<u>31,741,732</u>
Total Disclosure, Deposits and Investments		<u>\$ 122,577,513</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2025

**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, 2025, the County had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value Hierarchy</u>
Local Government Investment Pool	\$ 31,741,732	Daily	N/A	N/A

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2025

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

B. Taxes Receivable

Property Tax Receivable

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

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

Assessed values for real estate are established annually by the County Tax Assessor at 4% of market value for legal residence and 6% of market value for rental and other real property. Real property in the County for the 2024 levy was assessed at \$156,893,450, 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 2024 assessed value for personal property was \$101,858,753. 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	\$ 610,622	312,657	297,965
Capital Fund	58,916	30,167	28,749
Nonmajor Funds			
Debt Service Fund	53,141	27,210	25,931
Library Fund	36,899	19,831	17,068
	759,578	389,864	369,713
Agency Funds	2,472,578	1,266,035	1,206,543
	\$ 3,232,156	1,655,899	1,576,256

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, 2025 the balance in this account, included in the general fund, was \$1,417,275.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

**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, 2025 was as follows:

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 1,999,889	186,170	-	-	2,186,059
Construction in Progress	38,335	805,117	-	(182,968)	660,484
	<u>2,038,224</u>	<u>991,287</u>	<u>-</u>	<u>(182,968)</u>	<u>2,846,543</u>
Capital Assets Being Depreciated:					
Buildings	37,510,083	1,224,520	-	-	38,734,603
Improvements Other than Buildings	241,561	-	-	-	241,561
Machinery and Equipment	16,542,856	1,644,437	212,580	873,574	18,848,287
Vehicles	8,601,642	1,552,984	1,265,522	-	8,889,104
Lease Assets	1,989,023	362,061	998,429	(690,606)	662,049
Subscription Assets	571,861	16,292	12,157	-	575,996
Infrastructure	30,619,256	-	-	-	30,619,256
Books	622,608	74,827	-	-	697,435
	<u>96,698,890</u>	<u>4,875,121</u>	<u>2,488,688</u>	<u>182,968</u>	<u>99,268,291</u>
Less Accumulated Depreciation/Amortization:					
Buildings	14,095,971	985,981	-	-	15,081,952
Improvements Other than Buildings	210,794	3,908	-	-	214,702
Machinery and Equipment	10,913,463	1,150,913	209,990	212,937	12,067,323
Vehicles	6,631,486	845,853	1,188,093	(36,524)	6,252,722
Lease Assets	1,329,629	191,960	998,429	(176,413)	346,747
Subscription Assets	205,323	149,646	1,619	-	353,350
Infrastructure	19,771,482	955,958	-	-	20,727,440
Books	386,067	85,009	-	-	471,076
	<u>53,544,215</u>	<u>4,369,228</u>	<u>2,398,131</u>	<u>-</u>	<u>55,515,312</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>43,154,675</u>	<u>505,893</u>	<u>90,557</u>	<u>182,968</u>	<u>43,752,979</u>
Total Capital Assets, Net	<u>\$ 45,192,899</u>	<u>1,497,180</u>	<u>90,557</u>	<u>-</u>	<u>46,599,522</u>

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

Governmental Activities	
General Government	\$ 711,430
Public Safety	1,511,045
Health and Human Services	285,493
Environmental and Housing	495,462
Transportation	1,032,592
Culture and Recreation	328,488
Economic Development	4,718
Total	<u>\$ 4,369,228</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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

D. Capital Assets, Continued

Investment in Capital Asset Calculation

Capital Assets		
Nondepreciable	\$ 2,846,543	
Depreciable, Net	<u>43,752,980</u>	
	46,599,523	46,599,523
Non-Current Liabilities:		
Due Within One Year	1,528,509	
Due in More than One Year	<u>39,998,780</u>	
	41,527,289	
Compensated Absences	(596,490)	
Landfill Closure and Post Closure Liability	(5,605,140)	
Net OPEB Obligations	(2,464,300)	
Net Pension Liability	<u>(22,468,023)</u>	
	10,393,336	(10,393,336)
Net Asset- Capital Project- 2021 GO Bond Fund	<u>1,376,485</u>	
	1,376,485	<u>1,376,485</u>
Net Investment in Capital Assets		<u>\$ 37,582,672</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, 2025

**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, 2025, all of which are expected to be paid within one year:

	Receivable	Payable
Interfund:		
Major Funds:		
General Fund		
Due from Capital Projects Fund	\$ -	1,473,282
Due to Non-Major Special Revenue Fund	-	2,161,965
Due to Non-Major Debt Service Fund	-	1,609,033
Capital Project Fund		
Due to General Fund	1,473,282	-
Non-Major Governmental Funds		
Special Revenue Funds		
Due from General Fund	2,161,965	-
Debt Service Fund		
Due from General Fund	1,609,033	-
	\$ 5,244,280	5,244,280

The following is a summary of interfund transfers for the year ended June 30, 2025:

	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund		
Transfer from Nonmajor Special Revenue Fund	\$ 524,337	
Transfer to Capital Project Funds	-	2,612,458
Transfer to Nonmajor Special Revenue Fund		242,000
Capital Project		
Transfer from General Fund	2,612,458	-
Nonmajor Governmental Funds		
Transfer from General Fund	242,000	-
Transfer to General Fund		524,337
	\$ 3,378,795	3,378,795

During the year, transfers were used to 1) move funds from the Capital Projects Fund to the General Fund as approved in the 2024-2025 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, 2025

**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, 2025:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental Activities					
Private Placement -					
General Obligation Bonds, Series 2011	\$ 505,000	-	505,000	-	-
General Obligation Bonds, Series 2021	9,560,000	-	325,000	9,235,000	865,000
Direct Placement -					
Financing Leases	38,715	362,061	82,492	318,284	69,636
Lease Obligations	145,200	-	145,200	-	-
Subscription Obligations	337,486	16,292	131,008	222,770	102,178
Bond premium	733,534	-	116,252	617,282	104,356
Landfill Closure and					
Post Closure Liability	5,741,961	-	136,821	5,605,140	-
Net OPEB Obligation	3,117,400	229,000	882,100	2,464,300	-
Net Pension Liability	23,496,781	2,468,999	3,497,757	22,468,023	-
Compensated Absences	474,755	498,195	376,460	596,490	387,339
	<u>\$ 44,150,833</u>	<u>3,574,547</u>	<u>6,198,090</u>	<u>41,527,290</u>	<u>1,528,509</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. During the year this debt was paid off.

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, 2025

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

F. Long-term Debt, Continued

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

Fiscal Year	General Obligation Bonds, Series 2021		
	Principal	Interest	Total
2026	\$ 865,000	253,600	1,118,600
2027	905,000	227,650	1,132,650
2028	940,000	200,500	1,140,500
2029	980,000	172,300	1,152,300
2030	1,025,000	142,900	1,167,900
2031	1,065,000	112,150	1,177,150
2032	1,110,000	80,200	1,190,200
2033	1,155,000	46,900	1,201,900
2034	1,190,000	23,800	1,213,800
	\$ 9,235,000	1,260,000	10,495,000

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 2025.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

**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, 2025, calculated as follows:

	MSW	C&D Cells A, B, C & D	Total
Total Estimated Current Closure and Post Closure Care Cost	\$ 3,351,479	3,174,170	
Percentage of Landfill Capacity Used to Date	100%	71%	
Reported Liability for Closure and Post Closure Care Cost	\$ 3,351,479	2,253,661	5,605,140
Total Estimated Current Closure and Post Closure Care Cost Remaining to be Recognized	\$ -	920,509	
Landfill's Approximate Remaining Life in Years	-	8.2	

page

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, 2025. 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, 2025, demonstrating this sufficiently for SCDHEC with sufficient cash reserves and/or debt capacity.

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2025

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

H. Financing Leases

Financing lease payable at June 30, 2025 is comprised of one master lease for nine vehicles as follows:

\$362,061 capital lease to Enterprise Fleet Management for vehicle equipment payable in monthly installments of principal and interest between \$557.32 and \$1,262.48 through November, 2030 ranging from 2.616% to 2.999%; Secured by vehicles.	\$ 318,285
Less current portion	<u>69,337</u>
Long-term portion outstanding	<u><u>\$ 248,948</u></u>

Annual requirements to amortize all capital leases outstanding as of June 30, 2025 are as follows:

Year Ending June 30	Principal	Interest	Total
2026	69,337	8,161	77,498
2027	71,342	6,156	77,498
2028	73,404	4,094	77,498
2029	75,527	1,971	77,498
2030	<u>28,675</u>	<u>315</u>	<u>28,990</u>
	<u>318,285</u>	<u>20,697</u>	<u>338,982</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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

I. Leases

Lease Obligation Payable

The County had been leasing a building facility for housing some of its departments for a monthly rental of \$24,341. During the year this lease was terminated.

The County leases miscellaneous equipment and buildings under cancelable lease arrangements. The total payments and costs for these lease arrangements for the year ended June 30, 2025 were \$11,933.

J. Leases as Lessor

The County has 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 \$23,763 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, include renewal options likely to be exercised, have payments that range from \$2,490 to \$52,729 and interest rates ranging from 2.038% to 3.764%.

Asset Class	As of Fiscal Year-End	
	Subscription	Accumulated
	Asset Value	Amortization
Software	\$ 575,996	353,350

Principal and Interest Requirements to Maturity

Fiscal Year	As of Fiscal Year-End		
	Principal Payments	Interest Payments	Total Payments
2026	102,178	3,692	105,870
2027	115,808	6,388	122,196
2028	2,360	130	2,490
2029	2,424	66	2,490
	\$ 222,770	10,276	233,046

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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, 2025, 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, 2025

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 \$40.74 effective July 1, 2024. 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, 2025 was \$109,425.

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, 2025 was \$1,109,143. 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 2024, of the total payments made by taxpayers who were subject to this multicounty industrial park agreement, \$2,064,887 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 \$5,035,070, of which \$884,705 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, 2025

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, 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, 2025

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, 2025

NOTE 4 - OTHER INFORMATION, Continued

D. Pension and Retirement Plans, 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, 2025

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, 2024, 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, 2025, 2024, and 2023 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>
2025	18.410%	\$ 1,699,666	0.15%	\$ 12,862
2024	18.410%	\$ 1,463,106	0.15%	\$ 11,227
2023	17.410%	\$ 1,216,122	0.15%	\$ 10,478

Effective July 1, 2024, 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, 2025, 2024, and 2023 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>
2025	20.840%	\$ 1,315,638	0.20%	\$ 12,626	0.20%	\$ 12,626
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

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2025

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. The GASB Statement No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

The June 30, 2024, 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, 2023. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 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, 2024.

	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) ¹
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹ Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 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, 2025

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, 2024, 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, 2024, 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	\$ 61,369,806,968	37,919,492,371	23,450,314,597	61.8%	0.054485%	12,776,927
SCRS-CCEDC					0.000874%	204,931
SCRS- Library	-	-	-		0.003479%	815,822
PORS	10,177,904,231	7,178,118,865	2,999,785,366	70.5%	0.305952%	8,670,343
						<u>22,468,023</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, 2025, the County reported liabilities of \$13,797,680 and \$8,670,343 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2024. 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, 2025, the County recognized net pension expenses of \$1,228,137 and \$953,587 for SCRS and PORS, respectively.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
Deferred Outflows of Resources			
Difference between Expected and Actual Experience	\$ 453,441	814,258	1,267,699
Changes of Assumptions	243,251	188,769	432,020
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	121,210	84,915	206,125
County Contributions Subsequent to the Measurement Date	<u>1,712,528</u>	<u>1,340,890</u>	<u>3,053,418</u>
TOTAL	<u>\$ 2,530,430</u>	<u>2,428,832</u>	<u>4,959,262</u>
Deferred Inflows of Resources			
Difference between Expected and Actual Experience	\$ -	49,708	66,831
Net difference between Projected and Actual Earnings on Pension Plan Investments	531,629	486,094	1,017,723
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	<u>487,999</u>	<u>765,389</u>	<u>1,253,388</u>
TOTAL	<u>\$ 1,036,751</u>	<u>1,301,191</u>	<u>2,337,942</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2025

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 \$1,712,528 and \$1,340,890 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	SCRS	PORS
2025	\$ (332,521)	(315,410)
2026	308,958	261,616
2027	(55,677)	(30,934)
2028	(139,609)	(128,521)
2029	-	-
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 2024 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, 2025

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>
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity 1	9.0%	9.60%	0.86%
Private Debt 1	7.0%	6.90%	0.48%
Real Assets	12.0%		
Real Estate 1	9.0%	4.30%	0.39%
Infrastructure 1	3.0%	7.30%	0.22%
 Total Expected Return 2	 100.0%		 5.49%
 Inflation for Actuarial Purposes			 2.25%
 Expected Rate of Return			 <u>7.74%</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 utilize Hedge Funds and are not included in the Policy Target, will be capped at 15% of total assets.

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2025

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	\$ 16,557,453	12,776,904	9,295,361
SCRS-CCEDC	265,567	204,931	149,089
SCRS- Library	1,057,213	815,822	593,520
PORS	12,561,667	8,670,343	5,483,147

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, 2024, and the accounting valuation report as of June 30, 2024. 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, 2025

NOTE 4 - OTHER INFORMATION, Continued

E. Post Employment Health Insurance Benefits

Employees covered by benefit terms. At July 1, 2024 (the valuation date) the following employees were covered by the benefit terms:

	Count	Total OPEB Liability
Inactive employees or beneficiaries currently receiving benefits	59	\$ 1,503,400
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	39	960,900
Total	98	\$ 2,464,300

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, 2025

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

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, 2025 for the employer fiscal year and reporting period of July 1, 2024 to June 30, 2025. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2024 and the corresponding measurement period of July 1, 2023 to July 1, 2024. The measurement of the total OPEB liability is based on a valuation date of July 1, 2024.

Actuarial Assumptions and Actuarial Methods

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Discount Rate: 4.09%

Salary Scale: 2.50%

Healthcare Cost Trend Rates: 6.50% for fiscal year end 2025, then decreasing 0.50% per year to an ultimate rate of 5.00%

Mortality: Employees:
PUB – 2010 Amount-Weighted General Mortality Table – Employees
Retirees:
PUB – 2010 Amount-Weighted General Mortality Table – Retirees
Surviving Spouse:
PUB – 2010 Amount-Weighted General Mortality Table – Contingent Survivor

Actuarial Cost Method: Entry Age Actuarial Cost Method

Expected Return on Assets:

None

Discount Rate:

The discount rate has been set equal to 4.09% 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, 2025

NOTE 4 - OTHER INFORMATION, Continued

E. Post Employment Health Insurance Benefits, Continued

Changes in the Net OPEB Liability

	<u>Liability</u> <u>(a)</u>	<u>Position</u> <u>(b)</u>	<u>(Asset)</u> <u>(a) - (b)</u>
Balances at July 1, 2024	\$ 3,117,400	-	3,117,400
Changes for the Year:			
Service Cost	44,500	-	44,500
Interest	120,100	-	120,100
Differences Between Expected and Actual Experience	(780,000)	-	(780,000)
Contributions - Employer	-	102,100	(102,100)
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(102,100)	(102,100)	-
Changes of Benefit Terms	-	-	-
Administrative Expense	-	-	-
Assumption Changes	64,400	-	64,400
Net Changes	<u>\$ (653,100)</u>	<u>-</u>	<u>(653,100)</u>
Balances at June 30, 2025*	\$ 2,464,300	-	2,464,300

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</u> <u>Discount Rate</u>	<u>1% Increase</u>
Employer's Net OPEB Liability/(Asset)	\$ 2,764,900	2,464,300	2,210,700

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</u> <u>Discount Rate</u>	<u>1% Increase</u>
Employer's Net OPEB Liability/(Asset)	\$ 2,320,600	2,464,300	2,628,000

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2025

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, 2025, under GASB 75 the employer OPEB expense is \$(249,400). The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2025 from various sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 86,400	(600,000)
Changes of Assumptions	119,700	(261,000)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-
Employer Contributions After Measurement Date but Prior to Fiscal Year End	88,730	-
Total	\$ 294,830	(861,000)

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

Year Ended June 30		
2026	\$	(462,600)
2027		(200,000)
2028		7,700
2029		-
2030		-
Thereafter		-
		(654,900)

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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-three (33) 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 \$1,687,353 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 \$4,570,709 to Cherokee County in the most recent fiscal year.

For the county bonded debt, these taxpayers, without the benefit of the program would pay \$101,026 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 \$211,161 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 \$111,774 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 \$304,916 to Cherokee County in the most recent fiscal year.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2025

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 \$195,248 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 \$148,588 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 \$11,690 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 \$8,896 to Cherokee County.

NOTE 6 – PRIOR PERIOD ADJUSTMENTS

The beginning fund balance of the Library Fund was restated to remove accrued leave, which is not reported under the modified accrual basis. This restatement increased beginning fund balance by \$13,067. In addition, the beginning fund balance of the Development Board Fund was adjusted by \$18,238 to correct a prior-year error.

NOTE 7 – SUBSEQUENT EVENTS

Management has through December 29, 2025, 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, 2025, 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, 2025

	Budgeted Amounts		Actual	Various Positive
	Original	Final		(Negative)
Revenues				
Taxes	\$ 23,080,520	23,080,520	25,203,453	2,122,933
Licenses and permits	560,500	560,500	495,074	(65,426)
Intergovernmental	4,112,132	7,093,141	6,316,118	(777,023)
Charges for services	1,069,700	1,169,703	1,318,263	148,560
Fines	612,500	612,500	640,516	28,016
Interest	1,530,050	2,030,050	2,359,163	329,113
Miscellaneous	907,362	1,004,737	1,062,522	57,785
Total Revenues	<u>31,872,764</u>	<u>35,551,151</u>	<u>37,395,107</u>	<u>1,843,956</u>
Expenditures				
Current				
General government				
Vehicle Maintenance	291,970	300,056	371,416	(71,360)
Solicitor's Office Building	-	-	2,200	(2,200)
Pooled Vehicles	6,129	8,747	7,765	981
Defender's Office Building	-	-	1,837	(1,837)
Administration	852,440	866,744	867,000	(256)
Finance	654,019	687,980	756,468	(68,488)
Human Resources	166,507	167,966	163,643	4,323
Information Technology	298,805	305,649	350,943	(45,294)
Risk Management	18,398	18,398	17,102	1,295
Central Services	4,146,607	6,157,619	5,970,808	186,811
Broad River Electric Building	72,400	107,400	117,710	(10,310)
State Agency Complex (Buford Street)	111,433	127,549	111,746	15,803
EOC Complex (Alma)	83,780	105,933	100,655	5,278
County Buildings	250,406	255,902	216,281	39,621
Administrative Building Complex	377,165	391,156	424,164	(33,008)
Economic Development	114,775	114,775	110,108	4,667
Courthouse Complex	83,834	93,584	80,197	13,387
Delinquent Tax Collector	228,898	245,369	262,077	(16,708)
Treasurer	518,798	522,369	519,914	2,455
Auditor	356,388	359,337	351,409	7,928
Building Safety	618,362	622,814	531,610	91,205
Tax Assessor	831,306	845,547	747,466	98,081
GIS/Mapping	127,852	128,562	76,053	52,509
Addressing	20,107	20,107	-	20,107
Election/Voter Registration	326,907	338,161	302,092	36,069
Poll Workers	48,418	118,690	118,690	0
Magistrate	948,943	957,460	918,862	38,598
Register of Deeds	295,485	297,493	288,035	9,458
Clerk of Court	563,170	675,100	679,203	(4,103)
Probate Court	468,346	471,705	473,978	(2,273)
Attorney/Judicial	136,888	177,481	168,870	8,611
Clerk of Court Support	274,389	276,417	265,750	10,667
Circuit Solicitor	444,288	446,696	436,805	9,891
Appalachian COG	40,055	40,055	40,055	-
Cherokee Defender Corp	302,000	302,000	302,000	-
	<u>14,079,268</u>	<u>16,554,821</u>	<u>16,152,912</u>	<u>401,909</u>
Public Safety				
Code Enforcement	172,784	174,076	142,056	32,020
Communications	330,285	330,285	323,112	7,173
Animal Shelter	379,867	464,013	463,363	651
Enhanced E911	1,738,378	1,940,986	1,820,434	120,552
Fire Protection Service	650,500	650,500	650,000	500
Coroner	315,629	393,414	385,150	8,264
Law Enforcement Center	176,340	176,340	174,419	1,920
Victims Advocate	159,757	162,267	156,229	6,038
Sheriff	7,188,661	7,456,486	6,782,776	673,710
Detention Center	4,723,209	4,804,434	4,621,115	183,319
Emergency Management	301,126	394,637	363,911	30,726
	<u>\$ 16,136,536</u>	<u>16,947,437</u>	<u>15,882,563</u>	<u>1,064,874</u>

Cherokee County, South Carolina
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Various Positive (Negative)
	Original	Final		
Environmental and Housing				
Department of Public Works	\$ 243,735	259,588	224,526	35,061
Solid Waste Collections	2,659,760	2,677,977	2,678,794	(817)
Solid Waste Disposal Landfill	619,461	1,170,516	1,105,530	64,986
Landfill Post Closure	120,758	124,257	104,529	19,729
Recycling Center	984,025	993,156	898,010	95,146
Clemson Extension Service	1,500	1,500	1,500	-
Thicketty Creek Project	18,000	18,000	18,000	-
USDA Soil Conservation	19,650	19,650	19,650	-
	<u>4,666,889</u>	<u>5,264,645</u>	<u>5,050,540</u>	<u>214,105</u>
Health and Human Services				
Veterans Affairs	293,029	294,772	232,766	62,006
Alcohol and Drug Abuse	7,500	7,500	7,500	-
Health Department	35,262	35,262	35,262	-
Indigent Care	69,612	69,612	69,612	-
County Human Services	146,048	146,048	146,048	-
Department of Social Services	29,200	29,200	18,006	11,194
Disabilities and Special Needs	50,000	50,000	50,000	-
Senior Center	50,000	50,000	50,000	-
Mental Health	85,000	85,000	85,000	-
Literacy Association	15,000	15,000	9,590	5,410
	<u>780,650</u>	<u>782,394</u>	<u>703,784</u>	<u>78,610</u>
Transportation				
Roads and Bridges	<u>1,903,823</u>	<u>3,060,076</u>	<u>2,374,391</u>	<u>685,685</u>
Culture and Recreation				
Spartanburg Community College	100,000	100,000	100,000	-
Library	-	-	-	-
Recreation District	-	-	275	(275)
	<u>100,000</u>	<u>100,000</u>	<u>100,275</u>	<u>(275)</u>
Total Expenditures	<u>37,667,167</u>	<u>42,709,373</u>	<u>40,264,466</u>	<u>2,444,907</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,794,403)</u>	<u>(7,158,221)</u>	<u>(2,869,358)</u>	<u>4,288,863</u>
Other Financing Sources (Uses)				
Transfers In	-	-	524,338	524,338
Transfers Out	(242,000)	(242,000)	(2,854,458)	(2,612,458)
Lease and Subscription Proceeds	-	-	378,353	378,353
	<u>(242,000)</u>	<u>(242,000)</u>	<u>(1,951,768)</u>	<u>(1,709,768)</u>
Net Change in Fund Balance	(6,036,403)	(7,400,221)	(4,821,126)	(2,579,095)
Fund Balance - Beginning of Year	<u>34,525,517</u>	<u>34,525,517</u>	<u>34,525,517</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 28,489,114</u>	<u>27,125,296</u>	<u>29,704,391</u>	<u>(2,579,095)</u>

Note: The County's budget reflected an expected use of fund balance of approximately \$7,400,221.

Cherokee County, South Carolina
Capital Project Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Various Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,559,806	1,559,806	1,598,272	38,466
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,559,806	1,559,806	1,598,272	38,466
Expenditures				
Current				
General Government				
Information Technology	365,437	365,437	353,189	12,248
Administration	119,146	119,146	98,719	20,428
Building Safety	-	-	-	-
Maintenance-Building	65,029	65,029	58,337	6,692
Finance	-	-	-	-
Clerk of Court	-	-	8,640	(8,640)
Circuit Solicitor	2,500	2,500	-	2,500
Courthouse Complex	155,983	155,983	119,400	36,583
Attorney/Judicial	6,187	6,187	6,188	(1)
Election/Voter Reg	5,346	5,346	3,798	1,547
Assessor	33,470	33,470	20,000	13,470
State Agency	1,683	1,683	1,683	-
Public Safety				
Animal Shelter	1,395	1,395	1,395	-
Law Enforcement Center	874,913	874,913	743,490	131,423
Sheriff	698,653	698,653	676,830	21,823
Detention Center	400,000	400,000	430,688	(30,688)
Emergency Management	26,847	26,847	16,588	10,259
E 911	91,184	91,184	90,366	818
Communications	55,567	55,567	54,347	1,220
Transportation				
Road and Bridges	23,656	23,656	20,848	2,808
Environmental and Housing				
Recycling	53,681	53,681	52,690	991
Solid Waste Collections	612,327	612,327	605,428	6,899
Solid Waste Disposal Landfill	19,760	19,760	19,000	760
US Soil & Water Conservation	7,500	7,500	7,500	-
Thicketty Creek Project	12,000	12,000	12,000	-
Health and Human Services				
Veteran Affairs	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	3,632,264	3,632,264	3,401,123	231,141
Excess (Deficiency) of Revenues Over Expenditures				
	(2,072,458)	(2,072,458)	(1,802,851)	269,607
Other Financing Sources (Uses)				
Transfer In from General Fund	2,072,458	2,072,458	2,612,458	540,000
Net Change in Fund Balance	-	-	809,607	809,607
Fund Balance - Beginning of Year	-	-	887,241	-
Fund Balance - End of Year	\$ -	-	1,696,848	809,607

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, 2025

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	CCEDC's 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, 2025	0.054485%	0.003479%	0.000874%	\$ 13,797,680	\$ 8,088,652	170.58%	61.80%
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	6,685,051	191.83%	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%

Schedule of Employer Contribution

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2025	\$ 1,712,528	\$ 1,712,528	-	\$ 9,246,355	18.52%
June 30, 2024	1,496,622	1,496,622	-	8,088,652	18.50%
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%

CHEROKEE COUNTY
Pension Plan Required Supplementary Information
For the Year Ended June 30, 2025

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, 2025	0.289032%	\$ 8,670,343	\$ 5,701,091	152.08%	70.50%
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%

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, 2025	\$ 1,340,890	\$ 1,340,890	-	\$ 6,313,041	21.24%
June 30, 2024	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%

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, 2025

	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability							
Service Cost	44,500	44,500	103,300	86,100	77,800	67,500	87,300
Interest	120,100	108,800	77,600	88,800	104,300	111,400	119,000
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(780,000)	160,400	(365,600)	(83,500)	(118,600)	(43,400)	(347,500)
Changes of Assumptions	64,400	(63,900)	(766,700)	389,800	288,700	186,100	(33,700)
Benefit Payments, Including Refunds of Employee Contributions	(102,100)	(74,100)	(90,300)	(69,500)	(71,600)	(80,100)	(62,300)
Net Change in Total OPEB Liability	(653,100)	175,700	(1,041,700)	411,700	280,600	241,500	(237,200)
Total OPEB Liability - Beginning	3,117,400	2,941,700	3,983,400	3,571,700	3,291,100	3,049,600	3,286,800
Total OPEB Liability - Ending	2,464,300	3,117,400	2,941,700	3,983,400	3,571,700	3,291,100	3,049,600
Plan Fiduciary Net Position							
Contributions - Employer	102,100	74,100	90,300	69,500	71,600	80,100	62,300
Contributions - Employee	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(102,100)	(74,100)	(90,300)	(69,500)	(71,600)	(80,100)	(62,300)
Administrative Expenses	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	-	-	-	-	-	-	-
Employer's Net OPEB Liability - Ending	2,464,300	3,117,400	2,941,700	3,983,400	3,571,700	3,291,100	3,049,600
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	1,475,300	2,814,000	2,814,000	3,446,400	3,446,400	3,505,200	3,505,200
Employer's Net OPEB Liability as a Percentage of Covered-Employee Payroll	167.04%	110.78%	104.54%	115.58%	103.64%	93.89%	87.00%

**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, 2025

	201	201a	202	202a	203	203a	204	Special Revenue Funds	204a
	Local County	Project	Infrastructure	Project	Overmountain	DHEC Body	E911 Tele		Prject
	Accomodations Fee	Tiger		Sunshine	Endowment	Scanner Grant	Tariff		Eclipse
Assets									
Cash	\$ 437,771	-	1,465,205	-	11,197	-	287,001		-
Taxes receivable (net)	-	-	-	-	-	-	-		-
Receivables									
Intergovernmental	-	-	-	-	-	-	5,597		-
Other	6,044	-	-	-	-	-	-		-
Due from other funds	-	-	-	-	-	-	(23,758)		-
Prepaid expenses	-	-	-	-	-	-	-		-
	<u>443,815</u>	<u>-</u>	<u>1,465,205</u>	<u>-</u>	<u>11,197</u>	<u>-</u>	<u>268,840</u>		<u>-</u>
Liabilities									
Accounts payable	700	-	-	-	-	-	-		-
Accrued expenses	-	-	-	-	-	-	-		-
Unearned revenue	-	-	-	-	-	-	-		-
	<u>700</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	443,115	-	1,465,205	-	11,197	-	268,840		-
Assigned	-	-	-	-	-	-	-		-
Unassigned	-	-	-	-	-	-	-		-
Total Fund Balances	<u>443,115</u>	<u>-</u>	<u>1,465,205</u>	<u>-</u>	<u>11,197</u>	<u>-</u>	<u>268,840</u>		<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balanc									
	<u>443,815</u>	<u>-</u>	<u>1,465,205</u>	<u>-</u>	<u>11,197</u>	<u>-</u>	<u>268,840</u>		<u>-</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 FOR THE YEAR ENDED JUNE 30, 2025

	205 E911 Tele Surcharge	205a Project Henson	206 Sheriff Confiscated	206a SCC Spark Center	207 Sheriff Drug Fund	207a Blacksburg Site Project	208 Sheriff Jail Canteen	208a Edwards Site Grant	209 Sheriff Inmate Telephone	210 Transportation C-Funds
Assets										
Cash	1,302,825	-	346,749	-	291,274	-	658,913	-	238,128	2,787,591
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-
Receivables										
Intergovernmental	58,447	88,500	-	-	-	-	-	-	-	283,142
Other	-	-	-	-	-	-	10,249	-	18,569	-
Due from other funds	(532,458)	(88,500)	-	400,000	(15)	-	-	5,100	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
	<u>828,814</u>	<u>-</u>	<u>346,749</u>	<u>400,000</u>	<u>291,259</u>	<u>-</u>	<u>669,161</u>	<u>5,100</u>	<u>256,697</u>	<u>3,070,732</u>
Liabilities										
Accounts payable	-	-	-	-	-	-	253	-	10,121	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	346,749	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>346,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253</u>	<u>-</u>	<u>10,121</u>	<u>-</u>
Deferred inflows of Resources										
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-	-
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	828,814	-	-	400,000	291,259	-	668,909	5,100	246,576	3,070,732
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>828,814</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>291,259</u>	<u>-</u>	<u>668,909</u>	<u>5,100</u>	<u>246,576</u>	<u>3,070,732</u>
Total Liabilities, Deferred Inflow Resources and Fund Balan	<u>828,814</u>	<u>-</u>	<u>346,749</u>	<u>400,000</u>	<u>291,259</u>	<u>-</u>	<u>669,161</u>	<u>5,100</u>	<u>256,697</u>	<u>3,070,732</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds									
	211 Solicitor Gambling	212 Solicitor Estreated Bnd	213 Sheriff Weekend Jail	214 Sheriff Sex Offender	215 Sheriff Hardship	216 Sheriff Child Supp-DSS	217 Sheriff Federal Drug	218 Sheriff Sized Gambling	219 Law Enforcement Training Cntr.	220 Sheriff D.A.R.E.
Assets										
Cash	174,587	103,472	7,537	141,211	7,926	23,583	11,458	3,259	315	22,859
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-
Receivables										
Intergovernmental	-	-	-	-	-	1,254	-	-	-	10,000
Other	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
	<u>174,587</u>	<u>103,472</u>	<u>7,537</u>	<u>141,211</u>	<u>7,926</u>	<u>24,837</u>	<u>11,458</u>	<u>3,259</u>	<u>315</u>	<u>32,859</u>
Liabilities										
Accounts payable	-	-	-	-	-	736	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources										
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	-	-
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	174,587	103,472	7,537	141,211	7,926	24,101	11,458	3,259	315	32,859
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>174,587</u>	<u>103,472</u>	<u>7,537</u>	<u>141,211</u>	<u>7,926</u>	<u>24,101</u>	<u>11,458</u>	<u>3,259</u>	<u>315</u>	<u>32,859</u>
Total Liabilities, Deferred Inflow Resources and Fund Balan	<u>174,587</u>	<u>103,472</u>	<u>7,537</u>	<u>141,211</u>	<u>7,926</u>	<u>24,837</u>	<u>11,458</u>	<u>3,259</u>	<u>315</u>	<u>32,859</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds									
	221	290	223	225	228	229	230	232	233	234
	Electronic	Local	Rural	Project	DHEC		Incentive	Carolina Thread	Veterans	234
	Monitoring	Hospitality Tax	Infrastructure	Peach	Grant	Restitution	Child Support	Trail	Affairs	Recycle Grant (Used Oil)
Assets										
Cash	235,934	546,245	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-
Receivables										
Intergovernmental	-	-	-	-	-	-	929	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Due from other funds	(207,775)	-	20,102	500	1	3,277	362,074	692	30,482	1,079
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
	<u>28,159</u>	<u>546,245</u>	<u>20,102</u>	<u>500</u>	<u>1</u>	<u>3,277</u>	<u>363,003</u>	<u>692</u>	<u>30,482</u>	<u>1,079</u>
Liabilities										
Accounts payable	6,239	-	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
	<u>6,239</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	21,921	546,245	20,102	500	1	3,277	363,003	692	30,482	1,079
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>21,921</u>	<u>546,245</u>	<u>20,102</u>	<u>500</u>	<u>1</u>	<u>3,277</u>	<u>363,003</u>	<u>692</u>	<u>30,482</u>	<u>1,079</u>
Total Liabilities, Deferred Inflow Resources and Fund Balan	<u>28,159</u>	<u>546,245</u>	<u>20,102</u>	<u>500</u>	<u>1</u>	<u>3,277</u>	<u>363,003</u>	<u>692</u>	<u>30,482</u>	<u>1,079</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds							
	235 Recycle Grant (Waste Tire)	236 East Gaffney Lighting Project	237 Norfolk Southern Sheriff Grant	239 Victims Assistance Fund	241 School Resource Officer Grant	242 Adopt-A-Cop Program	243 Bullet Proof Vests Grant	244 Project Lifesaver
Assets								
Cash	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-
Receivables								
Intergovernmental	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Due from other funds	254,694	5,000	3,000	-	-	290	6,240	47
Prepaid expenses	-	-	-	-	-	-	-	-
	<u>254,694</u>	<u>5,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>290</u>	<u>6,240</u>	<u>47</u>
Liabilities								
Accounts payable	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
	<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>
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	254,694	5,000	3,000	-	-	290	6,240	47
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	<u>254,694</u>	<u>5,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>290</u>	<u>6,240</u>	<u>47</u>
Total Liabilities, Deferred Inflow Resources and Fund Balan								
	<u>254,694</u>	<u>5,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>290</u>	<u>6,240</u>	<u>47</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds										
	245 7th Circuit Sol Restricted	246 7th Circuit Sol Drug Forfeit	247 Emergency Management	248 Emergency Preparedness	249 Em/Co-Gen	250 Fire Insurance Tax	251 Canine K-9 Fund	252 Pandemic Influenza Planning	253 Hazmat	254 Armored Rescue Vehicle Grant	256 Project Bees
Assets											
Cash	-	-	-	-	-	-	-	-	-	-	-
Taxes receivable (net)	-	-	-	-	-	-	-	-	-	-	-
Receivables											
Intergovernmental	-	-	-	15,000	-	165,044	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	91,929	120,565	-	51,744	2,000	-	17,794	2,970	48	399,412	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
	<u>91,929</u>	<u>120,565</u>	<u>-</u>	<u>66,744</u>	<u>2,000</u>	<u>165,044</u>	<u>17,794</u>	<u>2,970</u>	<u>48</u>	<u>399,412</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	-	-	-	-	-	-	-	-	-	-	-
Fund Balances											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	91,929	120,565	-	66,744	2,000	165,044	17,794	2,970	48	399,412	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>91,929</u>	<u>120,565</u>	<u>-</u>	<u>66,744</u>	<u>2,000</u>	<u>165,044</u>	<u>17,794</u>	<u>2,970</u>	<u>48</u>	<u>399,412</u>	<u>-</u>
Total Liabilities, Deferred Inflow Resources and Fund Balan	<u>91,929</u>	<u>120,565</u>	<u>-</u>	<u>66,744</u>	<u>2,000</u>	<u>165,044</u>	<u>17,794</u>	<u>2,970</u>	<u>48</u>	<u>399,412</u>	<u>-</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds												
	257 Tourism Complex Feasibility Study	258 Regional Planning	261 Lake Whelchel Trail Expansion	262 Project Sewer Study	264 Project Sweetwater	267 Title IV-D DSS	273 EMS Grant	274 Animal Shelter Recue Fund	276 SCPRT Grant Midway Complex	281 Broadband Expan Initiative	285 Solicitors Early Assessment Prg	288 Project Fallin	289 EMS FEMA Grant
Assets													
Cash								16,176					
Taxes receivable (net)	-												
Receivables													
Intergovernmental						28,719							
Other													
Due from other funds	15,650				230,014	(28,719)	8,776	(150)	750,000		95,286	100,000	
Prepaid expenses													
	<u>15,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,014</u>	<u>-</u>	<u>8,776</u>	<u>16,026</u>	<u>750,000</u>	<u>-</u>	<u>95,286</u>	<u>100,000</u>	<u>-</u>
Liabilities													
Accounts payable								293.59					
Accrued expenses													
Unearned revenue													
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293.59</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>	<u>-</u>	<u>-</u>
Fund Balances													
Nonspendable													
Restricted	15,650				230,014		8,776	15,732	750,000		95,286	100,000	
Assigned													
Unassigned													
Total Fund Balances	<u>15,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,014</u>	<u>-</u>	<u>8,776</u>	<u>15,732</u>	<u>750,000</u>	<u>-</u>	<u>95,286</u>	<u>100,000</u>	<u>-</u>
Total Liabilities, Deferred Inflow Resources and Fund Balan	<u>15,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,014</u>	<u>-</u>	<u>8,776</u>	<u>16,026</u>	<u>750,000</u>	<u>-</u>	<u>95,286</u>	<u>100,000</u>	<u>-</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds							Total Nonmajor Special Revenue Funds	Debt Service Fund	Cherokee County Library	Development Board	Total Nonmajor Governmental Funds
	292 Cherokee 250	293 Rural Infrastructure Grant	294 Palmetto Pride Grant	295 Transportation Feasibility Grant	296 Water Capacity Improvements	297 LATCF	298 Opioid Recovery Fund					
Assets												
Cash	-	-	-	-	-	-	446,216	9,567,433	1,480,228	2,322,817	214,304	13,584,781
Taxes receivable (net)	-	-	-	-	-	-	-	-	25,931	17,068	-	42,999
Receivables												
Intergovernmental	24,000	-	-	-	-	-	-	680,631	-	21,041	-	701,674
Other	-	-	-	-	-	-	-	34,861	-	-	-	34,861
Due from other funds	28,409	-	11,166	1	-	-	25,000	2,161,965	1,609,033	-	-	3,770,997
Prepaid expenses	-	-	-	-	-	-	-	-	-	38,642	-	38,642
	<u>52,409</u>	<u>-</u>	<u>11,166</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>471,216</u>	<u>12,444,891</u>	<u>3,115,192</u>	<u>2,399,568</u>	<u>214,304</u>	<u>18,173,954</u>
Liabilities												
Accounts payable	-	-	-	-	-	-	-	18,342	-	2,718	-	21,059
Accrued expenses	-	-	-	-	-	-	-	-	-	26,655	-	26,655
Unearned revenue	-	-	-	-	-	-	-	346,749	-	-	-	346,749
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,091</u>	<u>-</u>	<u>29,373</u>	<u>-</u>	<u>394,463</u>
Deferred inflows of Resources												
Unavailable Revenues- Property Taxes	-	-	-	-	-	-	-	-	21,942	12,559	-	34,501
Fund Balances												
Nonspendable	-	-	-	-	-	-	-	-	-	38,642	-	38,642
Restricted	52,409	-	11,166	1	-	-	471,216	12,079,800	3,093,250	2,318,994	214,304	17,706,348
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>52,409</u>	<u>-</u>	<u>11,166</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>471,216</u>	<u>12,079,800</u>	<u>3,093,250</u>	<u>2,357,636</u>	<u>214,304</u>	<u>17,744,990</u>
Total Liabilities, Deferred Inflow Resources and Fund Balan	<u>52,409</u>	<u>-</u>	<u>11,166</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>471,216</u>	<u>12,444,891</u>	<u>3,115,192</u>	<u>2,399,568</u>	<u>214,304</u>	<u>18,173,954</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds									
	201 Local County Accomodations Fee	201a Project Tiger	202 Infrastructure	202a Project Sunshine	203 Overmountain Endowment	203a DHEC Body Scanner Grant	204 E911 Tele Tariff	204a Project Eclipse	205 E911 Tele Surcharge	205a Project Henson
Revenues										
Taxes	\$ 91,485		665,930	-	-	-	89,577	-	-	-
Intergovernmental	81,061	-	-	-	-	218,700	-	200,000	525,397	88,500
Interest	3,044	-	-	-	2	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
	<u>175,590</u>	<u>-</u>	<u>665,930</u>	<u>-</u>	<u>2</u>	<u>218,700</u>	<u>89,577</u>	<u>200,000</u>	<u>525,397</u>	<u>88,500</u>
Expenditures										
Current										
General government	-	-	-	-	(6,567)	-	-	-	-	-
Public safety	-	-	-	-	-	218,700	23,758	-	329,775	-
Transportation	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-	-	-
Culture and recreation	30,313	-	-	-	-	-	-	-	-	-
Economic Development	-	2,550,000	-	-	-	-	-	200,000	-	88,500
Capital outlay	-	-	-	-	-	-	-	-	218,126	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
	<u>30,313</u>	<u>2,550,000</u>	<u>-</u>	<u>-</u>	<u>(6,567)</u>	<u>218,700</u>	<u>23,758</u>	<u>200,000</u>	<u>547,901</u>	<u>88,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>145,277</u>	<u>(2,550,000)</u>	<u>665,930</u>	<u>-</u>	<u>6,569</u>	<u>-</u>	<u>65,819</u>	<u>-</u>	<u>(22,504)</u>	<u>-</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	145,277	(2,550,000)	665,930	-	6,569	-	65,819	-	(22,504)	-
Fund Balances - Beginning of Year	297,838	2,550,000	799,276	-	4,628	-	203,021	-	851,318	-
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year, Restated	297,838	2,550,000	799,276	-	4,628	-	203,021	-	851,318	-
Reclassification	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	<u>443,115</u>	<u>-</u>	<u>1,465,205</u>	<u>-</u>	<u>11,197</u>	<u>-</u>	<u>268,840</u>	<u>-</u>	<u>828,814</u>	<u>-</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2025

	206	206a	207	207a	208	208a	209	210	211	212	Special Rev
	Sheriff	SCC Spark	Sheriff	Blacksburg	Sheriff	Edwards	Sheriff	Transportation	Solicitor	Solicitor	213
	Confiscated	Center	Drug	Site Project	Jail Canteen	Site Grant	Inmate Telephone	C-Funds	Gambling	Estreated Bond	Sheriff
											Weekend Jail
Revenues											
Taxes	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	10,100	-	4,326,127	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	104,516	-	110,486	-	-	-	792
Confiscated money	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	400,000	-	34,300	-	-	-	-	-	50,772	-
	-	400,000	-	34,300	104,516	10,100	110,486	4,326,127	-	50,772	792
Expenditures											
Current											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	3,707	-	55,840	-	112,308	-	-	5,833	5,844
Transportation	-	-	-	-	-	-	-	2,188,275	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	34,300	-	5,000	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	78,339	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
	-	-	3,707	34,300	55,840	5,000	190,647	2,188,275	-	5,833	5,844
Excess (Deficiency) of Revenues											
Over (Under) Expenditures	-	400,000	(3,707)	-	48,676	5,100	(80,161)	2,137,852	-	44,940	(5,051)
Other Financing Sources (Uses)											
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	-	400,000	(3,707)	-	48,676	5,100	(80,161)	2,137,852	-	44,940	(5,051)
Fund Balances - Beginning of Year	-	-	294,966	-	620,233	-	326,737	932,880	174,587	58,532	12,588
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year, Restated	-	-	294,966	-	620,233	-	326,737	932,880	174,587	58,532	12,588
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	-	400,000	291,259	-	668,909	5,100	246,576	3,070,732	174,587	103,472	7,537

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2025

	Revenue Funds					Special Revenue Funds					
	214 Sheriff Sex Offender	215 Sheriff Hardship	216 Sheriff Child Supp-DSS	217 Sheriff Federal Drug	218 Sheriff Sized Gambling	219 Law Enforcement Training Center	220 Sheriff D.A.R.E.	221 Electronic Monitoring	290 Local Hospitality Tax	223 Rural Infrastructure	225 Project Peach
Revenues											
Taxes	-	-	-	-	-	-	-	-	411,291	-	-
Intergovernmental	-	-	6,419	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Charges for services	21,734	-	-	-	-	-	-	215,617	-	-	-
Confiscated money	-	-	-	2,637	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	5,825	10,000	-	-	-	-
	<u>21,734</u>	<u>-</u>	<u>6,419</u>	<u>2,637</u>	<u>-</u>	<u>5,825</u>	<u>10,000</u>	<u>215,617</u>	<u>411,291</u>	<u>-</u>	<u>-</u>
Expenditures											
Current											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	8,803	-	4,396	76,097	-	6,250	3,343	104,328	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	14,147	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Debt service											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
	<u>8,803</u>	<u>-</u>	<u>4,396</u>	<u>76,097</u>	<u>-</u>	<u>6,250</u>	<u>3,343</u>	<u>104,328</u>	<u>14,147</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,931</u>	<u>-</u>	<u>2,023</u>	<u>(73,460)</u>	<u>-</u>	<u>(425)</u>	<u>6,657</u>	<u>111,289</u>	<u>397,144</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)											
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(207,775)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(207,775)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	12,931	-	2,023	(73,460)	-	(425)	6,657	(96,486)	397,144	-	-
Fund Balances - Beginning of Year	128,280	7,926	22,078	84,918	3,259	740	26,202	118,407	149,101	20,102	500
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year, Restated	128,280	7,926	22,078	84,918	3,259	740	26,202	118,407	149,101	20,102	500
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	<u>141,211</u>	<u>7,926</u>	<u>24,101</u>	<u>11,458</u>	<u>3,259</u>	<u>315</u>	<u>32,859</u>	<u>21,920</u>	<u>546,245</u>	<u>20,102</u>	<u>500</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds											
	228 DHEC Grant	229 Restitution	230 Incentive Child Support	232 Carolina Thread Trail	233 Veterans Affairs	234 Recycle Grant (Used Oil)	235 Recycle Grant (Waste Tire)	236 East Gaffney Lighting Project	237 Norfolk Southern Sheriff Grant	238 Body Worn Camera Award	239 Victims Assistance Fund	241 School Resource Officer Grant
Revenues												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	11,265	-	6,209	7,525	16,959	-	-	-	-	470,122
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	107,775	-
Confiscated money	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	480	-	50,822	-	-	-	-	-	-	-	-
	-	480	11,265	50,822	6,209	7,525	16,959	-	-	-	107,775	470,122
Expenditures												
Current												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	11,958
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	5,329	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	7,525	-	-	-	-	-	-
Culture and recreation	-	-	-	50,822	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	458,164
Debt service												
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	5,329	50,822.00	-	7,525	-	-	-	-	-	470,122
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	480	5,936	-	6,209	-	16,959	-	-	-	107,775	-
Other Financing Sources (Uses)												
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(18,056)	-	-	-	(107,775)	(49,258)
Total other financing sources (uses)	-	-	-	-	-	-	(18,056)	-	-	-	(107,775)	(49,258)
Net Change in Fund Balances	-	480	5,936	-	6,209	-	(1,097)	-	-	-	-	(49,258)
Fund Balances - Beginning of Year	1	2,797	357,067	692	24,272	1,079	255,791	5,000	3,000	-	-	49,258
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year, Restated	1	2,797	357,067	692	24,272	1,079	255,791	5,000	3,000	-	-	49,258
Reclassification	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	1	3,277	363,003	692	30,482	1,079	254,694	5,000	3,000	-	-	-

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds									
	242 Adopt-A-Cop Program	243 Bullet Proof Vests Grant	244 Project Lifesaver	245 7th Circuit Sol Restricted	246 7th Circuit Sol Drug Forfeit	247 Emergency Management	248 Emergency Preparedness	249 Em/Co-Gen	250 Fire Insurance Tax	251 Canine K-9 Fund
Revenues										
Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	31,563	-	70,000	-	55,570	55,000	-	165,044	-
Interest	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	658	-	-	2,789	-	-	-	-	-
	<u>-</u>	<u>32,221</u>	<u>-</u>	<u>70,000</u>	<u>2,789</u>	<u>55,570</u>	<u>55,000</u>	<u>-</u>	<u>165,044</u>	<u>-</u>
Expenditures										
Current										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	31,444	-	40,892	-	9,522	27,125	-	160,577	-
Transportation	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	46,048	19,171	-	-	-
Debt service										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>31,444</u>	<u>-</u>	<u>40,892</u>	<u>-</u>	<u>55,570</u>	<u>46,297</u>	<u>-</u>	<u>160,577</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>777</u>	<u>-</u>	<u>29,108</u>	<u>2,789</u>	<u>-</u>	<u>8,703</u>	<u>-</u>	<u>4,467</u>	<u>-</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	-	777	-	29,108	2,789	-	8,703	-	4,467	-
Fund Balances - Beginning of Year	290	5,463	47	62,821	117,776	-	58,040	2,000	160,577	17,794
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year, Restated	290	5,463	47	62,821	117,776	-	58,040	2,000	160,577	17,794
Reclassification	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	<u>290</u>	<u>6,240</u>	<u>47</u>	<u>91,929</u>	<u>120,565</u>	<u>-</u>	<u>66,744</u>	<u>2,000</u>	<u>165,044</u>	<u>17,794</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds									
	253	254	256	257	258	261	262	264	267	273
	Hazmat	Sheriff Cops Program	Project Bees	Tourism Complex Feasibility Study	Regional Planning	Lake Wheelchel Trail Expansion	Project Sewer Study	Project Sweetwater	Title IV-D DSS	EMS Grant
Revenues										
Taxes	-		-	-	-			-	-	-
Intergovernmental	-	399,412	200,000	-	50,000	98,000	-	-	183,582	8,776
Interest	-		-	-	-			-	-	-
Charges for services	-		-	-	-			-	-	-
Confiscated money	-		-	-	-			-	-	-
Miscellaneous	-		-	-	-			-	-	-
	<u>-</u>	<u>399,412</u>	<u>200,000</u>	<u>-</u>	<u>50,000</u>	<u>98,000.00</u>	<u>-</u>	<u>-</u>	<u>183,582</u>	<u>8,776</u>
Expenditures										
Current										
General government	-		-		50,000			-	-	-
Public safety	-		-	-	-			-	-	9,189
Transportation	-		-	-	-			-	-	-
Health and human services	-		-	-	-			-	42,109	-
Environmental and housing	-		-	-	-			-	-	-
Culture and recreation	-		-	-	-	98,000.00		-	-	-
Economic Development	-		200,000	14,350	-		100,000	-	-	-
Capital outlay	-		-	-	-			-	-	-
Debt service										
Principal retirement	-		-	-	-			-	-	-
Interest and fiscal charges	-		-	-	-			-	-	-
	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>14,350</u>	<u>50,000</u>	<u>98,000.00</u>	<u>100,000</u>	<u>-</u>	<u>42,109</u>	<u>9,189</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures										
	<u>-</u>	<u>399,412</u>	<u>-</u>	<u>(14,350)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>141,473</u>	<u>(413)</u>
Other Financing Sources (Uses)										
Insurance Proceeds	-		-	-	-			-	-	-
Transfers in	-		-	-	-			-	-	-
Transfers out	-		-	-	-			-	(141,473)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(141,473)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>399,412</u>	<u>-</u>	<u>(14,350)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(413)</u>
Fund Balances - Beginning of Year	<u>48</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>230,014</u>	<u>-</u>	<u>9,189</u>
Prior Period Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year, Restated	<u>48</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>230,014</u>	<u>-</u>	<u>9,189</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>48</u>	<u>399,412</u>	<u>-</u>	<u>15,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,014</u>	<u>-</u>	<u>8,776</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds									
	274	276	281	285	288	292	294	295	296	297
	Animal Shelter Rescue Fund	SCPRT Grant Midway Complex	Broadband Exp Initiative	Solicitors Early Assesment Prg	Project Fallin	Cherokee 250	Palmetto Pride Grant	Transportation Feasibility Grant	Water Capacity Improvements	LATCF
Revenues										
Taxes			-	-	-	-	-	-		-
Intergovernmental		750,000	-	-	-	45,320	-	-	1,797,214	31,791
Interest			-	-	-	-	-	-		-
Charges for services	20,295		-	-	-	-	-	-		-
Confiscated money			-	-	-	-	-	-		-
Miscellaneous	19,554		-	-	-	-	-	-		-
	<u>39,849.00</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,320</u>	<u>-</u>	<u>-</u>	<u>1,797,214</u>	<u>31,791</u>
Expenditures										
Current										
General government			-	-	-	-	-	-	1,797,214	-
Public safety	24,117		-	-	-	-	-	-		-
Transportation			-	-	-	-	-	-		-
Health and human services			-	-	-	-	-	-		-
Environmental and housing			-	-	-	-	-	-		-
Culture and recreation			750,000	-	-	20,495	4,422	-		-
Economic Development			-	-	-	-	-	-		-
Capital outlay			-	-	-	-	-	-		31,791
Debt service										
Principal retirement			-	-	-	-	-	-		-
Interest and fiscal charges			-	-	-	-	-	-		-
	<u>24,116.75</u>	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>20,495</u>	<u>4,422</u>	<u>-</u>	<u>1,797,214</u>	<u>31,791</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,732.25</u>	<u>750,000</u>	<u>(750,000)</u>	<u>-</u>	<u>-</u>	<u>24,825</u>	<u>(4,422)</u>	<u>-</u>	<u>-</u>	<u>-</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	15,732.25	750,000	(750,000)	-	-	24,825	(4,422)	-	-	-
Fund Balances - Beginning of Year	-	-	750,000	95,286	100,000	27,584	15,588	1	-	-
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year, Restated	-	-	750,000	95,286	100,000	27,584	15,588	1	-	-
Reclassification	-	-	-	-	-	-	-	-	-	-
Fund Balances - End of Year	<u>15,732</u>	<u>750,000</u>	<u>-</u>	<u>95,286</u>	<u>100,000</u>	<u>52,409</u>	<u>11,166</u>	<u>1</u>	<u>-</u>	<u>-</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	298 Opioid Recovery Funds	Total Nonmajor Special Revenue Funds	Debt Service Fund	Cherokee County Library	Development Board	Total Nonmajor Governmental Funds
Revenues						
Taxes	-	1,258,283	1,429,449	1,198,202	-	3,885,933
Intergovernmental	446,216	10,355,871	-	161,405	-	10,517,277
Interest	-	3,046	-	-	1,127	4,173
Charges for services	-	581,216	-	18,620	-	599,836
Confiscated money	-	2,637	-	-	-	2,637
Miscellaneous	-	575,201	-	6,176	62,000	643,377
	<u>446,216</u>	<u>12,776,254</u>	<u>1,429,449</u>	<u>1,384,403</u>	<u>63,127</u>	<u>15,653,233</u>
Expenditures						
Current						
General government	-	1,840,647	-	-	-	1,840,647
Public safety	-	1,273,806	-	-	-	1,273,806
Transportation	-	2,188,275	-	-	-	2,188,275
Health and human services	-	47,438	-	-	-	47,438
Environmental and housing	-	11,947	-	-	-	11,947
Culture and recreation	-	963,777	-	1,428,113	-	2,391,890
Economic Development	-	3,192,150	-	-	286,016	3,478,166
Capital outlay	-	851,639	-	163,564	-	1,015,203
Debt service						
Principal retirement	-	-	830,000	-	-	830,000
Interest and fiscal charges	-	-	279,613	-	-	279,613
	<u>-</u>	<u>10,369,679</u>	<u>1,109,613</u>	<u>1,591,677</u>	<u>286,016</u>	<u>13,356,985</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures						
	<u>446,216</u>	<u>2,406,575</u>	<u>319,837</u>	<u>(207,274)</u>	<u>(222,889)</u>	<u>2,296,248</u>
Other Financing Sources (Uses)						
Insurance Proceeds	-	-	-	79,642	-	79,642
Transfers in	-	-	-	-	242,000	242,000
Transfers out	-	(524,338)	-	-	-	(524,337)
Total other financing sources (uses)	<u>-</u>	<u>(524,338)</u>	<u>-</u>	<u>79,642</u>	<u>242,000</u>	<u>(202,695)</u>
Net Change in Fund Balances	446,216	1,882,238	319,837	(127,632)	19,111	2,093,553
Fund Balances - Beginning of Year	25,000	10,197,563	2,773,413	2,472,201	176,955	15,620,132
Prior Period Adjustments	-	-	-	13,067	18,238	31,305
Fund Balances - Beginning of Year, Restated	25,000	10,197,563	2,773,413	2,485,268	195,193	15,651,437
Reclassification	-	-	-	-	-	-
Fund Balances - End of Year	<u>471,216</u>	<u>12,079,800</u>	<u>3,093,250</u>	<u>2,357,636</u>	<u>214,304</u>	<u>17,744,990</u>

Cherokee County, South Carolina
 Agency Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2025

	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	Deputy B Parker Education Fund
Assets										
Cash	\$ 65,959,814	-	52,414	12,750	76,643	214,851	-	198,182	1,891,095	20,926
Taxes Receivable (Net)	911,123	36,880	-	-	-	-	-	-	-	-
Other Receivables	770,332	-	-	-	-	-	-	-	-	-
	<u>67,641,269</u>	<u>36,880</u>	<u>52,414</u>	<u>12,750</u>	<u>76,643</u>	<u>214,851</u>	<u>-</u>	<u>198,182</u>	<u>1,891,095</u>	<u>20,926</u>
Liabilities										
Due to Other Designated Recipients	67,641,269	36,880	52,414	12,750	76,643	214,851	-	198,182	1,891,095	20,926
	<u>67,641,269</u>	<u>36,880</u>	<u>52,414</u>	<u>12,750</u>	<u>76,643</u>	<u>214,851</u>	<u>-</u>	<u>198,182</u>	<u>1,891,095</u>	<u>20,926</u>

Cherokee County, South Carolina
 Agency Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2025

	Community College	City of Chesnee	Sheriff's Drug Fund	Detention Ctr Commissary	Recreation District	Mini Bottle Tax	Town of Blacksburg- Bonds	Town of Blacksburg	Macedonia Fire District	City of Gaffney	Spartanburg 1% Fee In Lieu
Assets											
Cash	\$ -	-	45,212	109,017	-	-	-	-	-	-	-
Taxes Receivable (Net)	13,815	-	-	-	21,145	-	-	12,204	16,600	139,814	-
Other Receivables		-	-	-	-	147,297	-	-	-	-	-
	<u>13,815</u>	<u>-</u>	<u>45,212</u>	<u>109,017</u>	<u>21,145</u>	<u>147,297</u>	<u>-</u>	<u>12,204</u>	<u>16,600</u>	<u>139,814</u>	<u>-</u>
Liabilities											
Due to Other Designated Recipients	13,815	-	45,212	109,017	21,145	147,297	-	12,204	16,600	139,814	-
	<u>\$ 13,815</u>	<u>-</u>	<u>45,212</u>	<u>109,017</u>	<u>21,145</u>	<u>147,297</u>	<u>-</u>	<u>12,204</u>	<u>16,600</u>	<u>139,814</u>	<u>-</u>

Cherokee County, South Carolina
 Agency Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2025

	Blacksburg Fire District	Cherokee Creek Fire District	Gaffney Area Fire District	Grassy Pond Fire District	CKC Fire District	Buffalo Fire District	Corinth Fire District	Antioch Fire District	DMW Fire District	Goucher White Plains FD	Library	TOTALS
Assets												
Cash	\$ -	-	-	-	-	-	-	-	-	-	-	68,580,903
Taxes Receivable (Net)	7,126	10,427	-	238	2,232	1,058	2,282	1,290	1,837	6,209	22,262	1,206,543
Other Receivables	-	-	-	-	-	-	-	-	-	-	-	917,628
	<u>7,126</u>	<u>10,427</u>	<u>-</u>	<u>238</u>	<u>2,232</u>	<u>1,058</u>	<u>2,282</u>	<u>1,290</u>	<u>1,837</u>	<u>6,209</u>	<u>22,262</u>	<u>70,705,074</u>
Liabilities												
Due to Other Designated Recipients	7,126	10,427	-	238	2,232	1,058	2,282	1,290	1,837	6,209	22,262	70,705,074
	<u>\$ 7,126</u>	<u>10,427</u>	<u>-</u>	<u>238</u>	<u>2,232</u>	<u>1,058</u>	<u>2,282</u>	<u>1,290</u>	<u>1,837</u>	<u>6,209</u>	<u>22,262</u>	<u>70,705,074</u>

Schedule 8
Cherokee County, South Carolina
Agency Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
School District - Cherokee No. 1				
Assets				
Cash	\$ 73,286,981	207,950,798	215,277,965	65,959,814
Taxes Receivable (Net)	729,155	2,714,373	2,532,405	911,123
Other Receivables	752,127	2,430,432	2,412,228	770,332
	<u>74,768,263</u>	<u>213,095,603</u>	<u>220,222,598</u>	<u>67,641,269</u>
Liabilities				
Due to Other Designated Recipients	<u>74,768,263</u>	<u>213,095,603</u>	<u>220,222,598</u>	<u>67,641,269</u>
School District - Sptbg. No.1				
Assets				
Cash	-	1,331,530	1,331,530	-
Taxes Receivable (Net)	33,607	114,627	111,354	36,880
Other Receivables	1,119	-	1,119	-
	<u>34,726</u>	<u>1,446,157</u>	<u>1,444,003</u>	<u>36,880</u>
Liabilities				
Due to Other Designated Recipients	<u>34,726</u>	<u>1,446,157</u>	<u>1,444,003</u>	<u>36,880</u>
Support Office				
Assets				
Cash	<u>49,815</u>	<u>2,599</u>	-	<u>52,414</u>
Liabilities				
Due to Other Designated Recipients	<u>49,815</u>	<u>2,599</u>	-	<u>52,414</u>
Clerk of Court - Out of Town Surety Bond				
Assets				
Cash	<u>14,516</u>	<u>3,978</u>	<u>5,744</u>	<u>12,750</u>
Liabilities				
Due to Other Designated Recipients	<u>14,516</u>	<u>3,978</u>	<u>5,744</u>	<u>12,750</u>
Clerk of Court - Bondsmen				
Assets				
Cash	<u>76,194</u>	<u>449</u>	-	<u>76,643</u>
Liabilities				
Due to Other Designated Recipients	<u>76,194</u>	<u>449</u>	-	<u>76,642.74</u>
Condemnation Suits				
Assets				
Cash	<u>178,549</u>	<u>36,301</u>	-	<u>214,851</u>
Liabilities				
Due to Other Designated Recipients	<u>178,549</u>	<u>36,301</u>	-	<u>214,851</u>

Cherokee County, South Carolina
Agency Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Magistrate Cash Bonds				
Assets				
Cash	195,638	116,999	114,455	198,182
Liabilities				
Due to Other Designated Recipients	195,638	116,999	114,455	198,182
Tax Collector				
Assets				
Cash	1,746,581	2,298,263	2,153,750	1,891,095
Liabilities				
Due to Other Designated Recipients	1,746,581	2,298,263	2,153,750	1,891,095
Community College				
Assets				
Cash	-	1,018,885	1,018,885	-
Taxes Receivable (Net)	10,904	40,981	38,070	13,815
Other Receivables	-	-	-	-
	10,904	1,059,866	1,056,955	13,815
Liabilities				
Due to Other Designated Recipients	10,904	1,059,866	1,056,955	13,815
City of Chesnee				
Assets				
Cash	-	66,918	66,918	-
Taxes Receivable (Net)	13	15	28	-
Other Receivables	-	-	-	-
	13	66,933	66,946	-
Liabilities				
Due to Other Designated Recipients	13	66,933	66,946	-
Sheriff's Drug Fund				
Assets				
Cash	43,591	2,537	917	45,212
Liabilities				
Due to Other Designated Recipients	\$ 43,591	2,537	917	45,212

Cherokee County, South Carolina
 Agency Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Year Ended June 30, 2025

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Detention Center Commissary				
Assets				
Cash	\$ 88,688	20,329	-	109,017
Liabilities				
Due to Other Designated Recipients	88,688	20,329	-	109,017
Recreation District				
Assets				
Cash	-	1,551,860	1,551,860	-
Taxes Receivable (Net)	16,580	62,598	58,033	21,145
Other Receivables	-	-	-	-
	16,580	1,614,458	1,609,893	21,145
Liabilities				
Due to Other Designated Recipients	16,580	1,614,458	1,609,893	21,145
Mini Bottle Tax				
Assets				
Cash	-	342,957	342,957	-
Other Receivable	142,537	147,297	142,537	147,297
	142,537	490,254	485,494	147,297
Liabilities				
Due to Other Designated Recipients	142,537	490,254	485,494	147,297
Town of Blacksburg - Bonds				
Assets				
Cash	4,764	-	4,764	-
Liabilities				
Due to Other Designated Recipients	4,764	-	4,764	-
Town of Blacksburg				
Assets				
Cash	-	859,413	859,413	-
Taxes Receivable (Net)	7,278	33,466	28,540	12,204
Other Receivables	-	-	-	-
	7,278	892,879	887,953	12,204
Liabilities				
Due to Other Designated Recipients	\$ 7,278	892,879	887,953	12,204

Cherokee County, South Carolina
Agency Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Macedonia Fire District				
Assets				
Cash	\$ -	356,331	356,331	-
Taxes Receivable (Net)	1,872	36,193	21,465	16,600
Other Receivables	-	-	-	-
	<u>1,872</u>	<u>392,524</u>	<u>377,796</u>	<u>16,600</u>
Liabilities				
Due to Other Designated Recipients	<u>1,872</u>	<u>392,524</u>	<u>377,796</u>	<u>16,600</u>
City of Gaffney				
Assets				
Cash	-	4,402,736	4,402,736	-
Taxes Receivable (Net)	64,905	361,936	287,027	139,814
	<u>64,905</u>	<u>4,764,672</u>	<u>4,689,763</u>	<u>139,814</u>
Liabilities				
Due to Other Designated Recipients	<u>64,905</u>	<u>4,764,672</u>	<u>4,689,763</u>	<u>139,814</u>
Blacksburg Fire District				
Assets				
Cash	-	493,943	493,943	-
Taxes Receivable (Net)	2,308	17,287	12,469	7,126
Other Receivables	-	-	-	-
	<u>2,308</u>	<u>511,230</u>	<u>506,412</u>	<u>7,126</u>
Liabilities				
Due to Other Designated Recipients	<u>2,308</u>	<u>511,230</u>	<u>506,412</u>	<u>7,126</u>
Cherokee Creek Fire District				
Assets				
Cash	-	418,126	418,126	-
Taxes Receivable (Net)	5,445	27,696	22,714	10,427
Other Receivables	-	-	-	-
	<u>5,445</u>	<u>445,822</u>	<u>440,840</u>	<u>10,427</u>
Liabilities				
Due to Other Designated Recipients	<u>5,445</u>	<u>445,822</u>	<u>440,840</u>	<u>10,427</u>
Gaffney Area Fire District				
Assets				
Cash	-	1,379,104	1,379,104	-
Taxes Receivable (Net)	20,722	24,077	44,799	-
Other Receivables	-	-	-	-
	<u>20,722</u>	<u>1,403,181</u>	<u>1,423,903</u>	<u>-</u>
Liabilities				
Due to Other Designated Recipients	<u>20,722</u>	<u>1,403,181</u>	<u>1,423,903</u>	<u>-</u>
Grassy Pond Fire District				
Assets				
Cash	-	225,864	225,864	-
Taxes Receivable (Net)	4,224	5,395	9,381	238
Other Receivables	-	-	-	-
	<u>4,224</u>	<u>231,259</u>	<u>235,245</u>	<u>238</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 4,224</u>	<u>231,259</u>	<u>235,245</u>	<u>238</u>

Cherokee County, South Carolina
 Agency Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Year Ended June 30, 2025

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
CKC Fire District				
Assets				
Cash	-	148,195	148,195	-
Taxes Receivable (Net)	4,189	9,441	11,398	2,232
Other Receivables	-	-	-	-
	<u>4,189</u>	<u>157,636</u>	<u>159,593</u>	<u>2,232</u>
Liabilities				
Due to Other Designated Recipients	<u>4,189</u>	<u>157,636</u>	<u>159,593</u>	<u>2,232</u>
Buffalo Fire District				
Assets				
Cash	-	73,940	73,940	-
Taxes Receivable (Net)	1,188	3,549	3,679	1,058
Other Receivables	-	-	-	-
	<u>1,188</u>	<u>77,489</u>	<u>77,619</u>	<u>1,058</u>
Liabilities				
Due to Other Designated Recipients	<u>1,188</u>	<u>77,489</u>	<u>77,619</u>	<u>1,058</u>
Corinth Fire District				
Assets				
Cash	-	140,844	140,844	-
Taxes Receivable (Net)	3,383	8,606	9,707	2,282
Other Receivables	-	-	-	-
	<u>3,383</u>	<u>149,450</u>	<u>150,551</u>	<u>2,282</u>
Liabilities				
Due to Other Designated Recipients	<u>3,383</u>	<u>149,450</u>	<u>150,551</u>	<u>2,282</u>
Antioch Fire District				
Assets				
Cash	-	319,554	319,554	-
Taxes Receivable (Net)	1,735	4,659	5,104	1,290
Other Receivables	-	-	-	-
	<u>1,735</u>	<u>324,213</u>	<u>324,658</u>	<u>1,290</u>
Liabilities				
Due to Other Designated Recipients	<u>1,735</u>	<u>324,213</u>	<u>324,658</u>	<u>1,290</u>
DMW Fire District				
Assets				
Cash	-	136,162	136,162	-
Taxes Receivable (Net)	1,318	5,296	4,777	1,837
Other Receivables	-	-	-	-
	<u>1,318</u>	<u>141,458</u>	<u>140,939</u>	<u>1,837</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 1,318</u>	<u>141,458</u>	<u>140,939</u>	<u>1,837</u>

Cherokee County, South Carolina
Agency Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Goucher White Plains Fire District				
Assets				
Cash	\$ -	163,722	163,722	-
Taxes Receivable (Net)	1,876	14,903	10,570	6,209
Other Receivables	-	-	-	-
	<u>1,876</u>	<u>178,625</u>	<u>174,292</u>	<u>6,209</u>
Liabilities				
Due to Other Designated Recipients	<u>1,876</u>	<u>178,625</u>	<u>174,292</u>	<u>6,209</u>
Library				
Assets				
Cash	-	1,780,100	1,780,100	-
Taxes Receivable (Net)	17,068	65,452	60,258	22,262
Other Receivables	-	-	-	-
	<u>17,068</u>	<u>1,845,552</u>	<u>1,840,358</u>	<u>22,262</u>
Liabilities				
Due to Other Designated Recipients	<u>17,068</u>	<u>1,845,552</u>	<u>1,840,358</u>	<u>22,262</u>
Deputy B Parker Kids Education Fund				
Assets				
Cash	-	22,183	1,256	20,926
Other Receivables	-	-	-	-
	<u>-</u>	<u>22,183</u>	<u>1,256</u>	<u>20,926</u>
Liabilities				
Due to Other Designated Recipients	<u>-</u>	<u>22,183</u>	<u>1,256</u>	<u>20,926</u>
Total - All Agency Funds				
Assets				
Cash	75,685,318	225,664,619	232,769,034	68,580,903
Taxes Receivable (Net)	927,770	3,550,550	3,271,778	1,206,543
Other Receivables	895,784	2,577,729	2,555,884	917,628
	<u>77,508,872</u>	<u>231,792,898</u>	<u>238,596,696</u>	<u>70,705,074</u>
Liabilities				
Due to Other Designated Recipients	<u>\$ 77,508,872</u>	<u>231,792,898</u>	<u>238,596,696</u>	<u>70,705,074</u>



COMPLIANCE SECTION

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

Cherokee County
Magistrate Court and General Session
Summary Schedule of Court Fines and Fees, Assessments and Surcharges
June 30, 2025

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	219,526	1,390,633	-	1,610,159
Court fines and assessments remitted to State Treasurer	107,824	763,536	-	871,360
Total Court Fines and Assessments retained	111,702	627,097	-	738,799
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	28,235	11,332	-	39,567
Assessments retained	8,577	59,632	-	68,209
Total Surcharges and Assessments retained for victim services	36,812	70,964	-	107,776

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC):

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	-	-	-
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	-	68,209	68,209
Victim Service Surcharges Retained by City/County Treasurer	-	39,567	39,567
Interest Earned	-	-	-
Grant Funds Received	-	-	-
Grant from:			
General Funds Transferred to Victim Service Fund	-	-	-
Contribution Received from Victim Service Contracts:			
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) City of	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	-	107,776	107,776
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	-	-	-
Operating Expenditures	-	-	-
Victim Service Contract(s):			
(1) Entity's Name	-	-	-
(2) Entity's Name	-	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	-	-	-
(2) Rape Crisis Center:	-	-	-
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	107,776	-
Total Expenditures from Victim Service Fund/Program (B)	-	107,776	107,776
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	-	-
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	-	-	-

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

FOR THE FISCAL YEAR ENDING:

June 30, 2025

	YTD ACTUAL 9-1-1 FUND
REVENUES**	
Intergovernmental Revenues:	
State	525,397
Local	89,577
TOTAL REVENUE ALL SOURCES	614,974
EXPENDITURES**	
Public Safety Communications:	
Personnel Services	130,146
General Operating	22,227
Repairs and Maintenance	15,997
Contractual Services	62,198
Supplies	77
Equipment	122,888
Total Public Safety Communications	353,533
Capital Outlay	218,126
Depreciation	-
TOTAL EXPENDITURES	571,659
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	43,315
OTHER FINANCING SOURCES (USES)	
Transfers In	-
Transfers Out	-
TOTAL OTHER FINANCING SOURCES (USES)	-
NET CHANGE IN FUND BALANCE	43,315
FUND BALANCE, Beginning of Year	1,054,339
FUND BALANCE, End of Year	1,097,654

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

None Noted

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

None Noted

Kochenower Blake Blake Arango & Co., PA

Audited by:

KC *Blake Blake Arango & Co PA*

Signature

12/29/2025

Date

CHEROKEE COUNTY

**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, 2025**

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 aggregate remaining fund information of Cherokee County, as of and for the year ended June 30, 2025 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 29, 2025.

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.

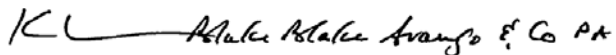
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

 K. A. Arango & Co PA

Gaffney, SC
December 29, 2025



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, 2025. 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, 2025.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our compliance audit describe in the accompanying schedule of findings and questioned costs. The County's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

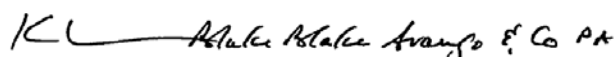
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 aggregate remaining fund information of the County, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 29, 2025, 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.

 K. Esteban Arango & Co PA

Gaffney, SC
January 12, 2026

CHEROKEE COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

DIRECT FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Grant I.D. No.	Federal (Direct and Pass-Through) Expenditure	Pass-Through to Subrecipients
U.S. DEPARTMENT OF THE TREASURY				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds <i>Pass-through the SC Rural Infrastructure Authority</i>	21.027	1505-0271	563,605	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Water Capacity Improvements	21.027	A-23-C036	1,797,214	1,797,214
Total Coronavirus State and Local Fiscal Recovery Funds			2,360,818	1,797,214
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	1505-0276	31,791	
Total Local Assistance and Tribal Consistency Fund			31,791	
Total U.S. Department of the Treasury			2,392,609	1,797,214
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<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	
Total U.S. Department of Housing and Urban Development			50,000	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Pass-through SC Emergency Management Division</i>				
Emergency Management Performance Grant	97.042	22EMPG01-S/ LEMPG23-11	55,570	
Total Emergency Management Performance Grant			55,570	
Disaster Grants-Public Assistance (Presidentially Declared Disasters) FEMA 4829	97.036	4829	80,256	
Total Fema Grant 4829			80,256	-
Total U.S. Department of Homeland Security			135,826	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Pass-through the SC Department of Social Services</i>				
Child Support Enforcement- Clerk of Court	93.563		47,438	
Child Support Enforcement- Sheriff	93.563		4,396	
Total Child Support Enforcement			51,834	-
<i>Pass-through the SC Department of Health and Environmental Control</i>				
COVID-19 CK 19-1904 Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Disease (ELC) Detection and Mitigation of COVID-19 in Confinement Facilities	93.323		218,700	
Total CK19-1904			218,700	-
Total U.S. Department of Health and Human Services			270,534	-
Total Federal Awards			2,848,969	1,797,214

Cherokee County

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

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, 2025. 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, 2025

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, 2025

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 x No _____

Identification of major federal programs:

Federal Assistance	
<u>Listing Number</u>	
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 x No _____

Cherokee County
Schedule of Findings and Questioned Costs, Continued
June 30, 2025

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:

2025-001 Compliance Finding: Subrecipient Monitoring – Audit Verification

Federal Agency: Department of The Treasury

Pass-through Entity: SC Rural Infrastructure Authority

Federal Program: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – Water Capacity Improvements

Assistance Listing Number: 21.027

Criteria

In accordance with 2 CFR 200.332(g) a pass-through entity must verify that a subrecipient is audited as required by subpart F.

Subpart F:

§ 200.501 Audit requirements.

(a) ***Audit required.*** A non-Federal entity that expends \$1,000,000 (\$750,000 prior to the 2024 uniform Guidance (UG) revisions) or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

Condition

Cherokee County did not adequately verify that the subrecipient obtained the required single audit or program-specific audit in accordance with 2 CFR 200.332. Although Cherokee County was aware that the subrecipient would be subject to audit requirements based on federal expenditures, Cherokee County did not obtain or otherwise confirm receipt of the required audit report by the applicable submission deadline of September 30, 2025. Upon further inquiry it was determined that the subrecipient did not have a single audit or program-specific audit by September 30, 2025.

Cause

The County did not perform sufficient follow-up procedures to confirm subrecipient compliance with single audit requirements after being notified that the subrecipient would be subject to audit for the year-ended December 31, 2024.

Effect

Failure to verify receipt of the required audit prevented Cherokee County from complying with their policies and procedures and with federal regulation in a timely manner.

Recommendation

We recommend that Cherokee County enhance its subrecipient monitoring procedures to include documented follow-up and verification that subrecipients subject to single audit requirements submit the required audit reports within the applicable timeframes, in accordance with 2 CFR 200.332.



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COUNTY
ADMINISTRATOR
Marvin L. Bishop Jr.

ASST. COUNTY
ADMINISTRATOR
Kristy Bradley

COUNTY COUNCIL:
DIST. 1 Teresa Bonner
DIST. 2 Billy Dean Blanton
DIST. 3 Donnie Hardin
DIST. 4 Tim Spencer, Chairman
DIST. 5 Elliott Hughes
DIST. 6 David Smith, Vice-Chairman
DIST. 7 Vacant

January 12, 2026

Management agrees with the auditor's finding 2025-01 Subrecipient Monitoring – Audit Verification. The following action will be taken to ensure that the Subrecipient complies with the single audit requirement:

- The Finance Director, Kristie Howell, will correspond with the Subrecipient, Grassy Pond Water Company, to clearly state the single audit requirement and due dates.
- Cherokee County will request written correspondence from the subrecipient, outlining their course of action and timeline to complete the single audit.
- Cherokee County will follow-up with Grassy Pond Water Company on a bi-weekly basis until the 2024 single audit has been submitted, and monthly to ensure that the 2025 audit is being completed as well.
- All correspondence will be documented.

Marvin L. Bishop, Jr.

Administrator

Kristie Howell

Finance Director