

CHEROKEE COUNTY
South Carolina



*Comprehensive
Annual Financial Report*

YEAR ENDED JUNE 30, 2014

CHEROKEE COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2014

PREPARED BY FINANCE DEPARTMENT

BEN L. CLARY, ADMINISTRATOR

CHEROKEE COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2014

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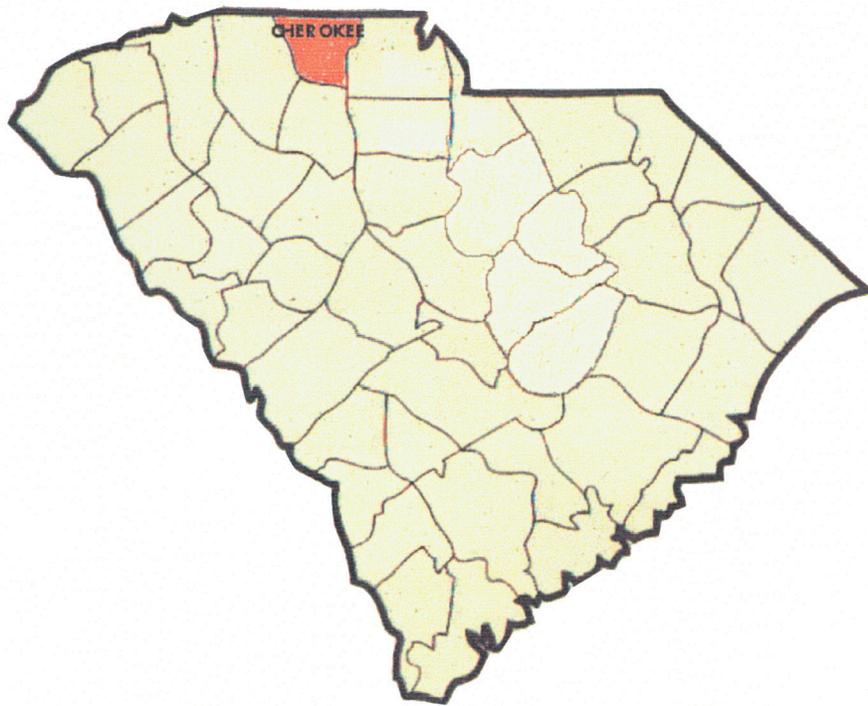
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INTRODUCTORY SECTION

CHEROKEE COUNTY

110 RAILROAD AVENUE
GAFFNEY, SC 29340-3136
TELEPHONE (864) 487-2560
TELEFAX (864) 487-2594



INTERIM COUNTY ADMINISTRATOR
BEN L. CLARY
ASSISTANT COUNTY ADMINISTRATOR
J. HOLLAND BELUE

COUNTY COUNCIL:

Dist. 1 RUFUS H. FOSTER, JR., VICE-CHAIRMAN
Dist. 2 MIKE FOWLKES
Dist. 3 STEVEN C. BLANTON, JR.
Dist. 4 TIM SPENCER, CHAIRMAN
Dist. 5 CHARLES MATHIS, JR.
Dist. 6 HOKE PARRIS
Dist. 7 TRACY A. MCDANIEL

CLERK TO COUNCIL
DORIS PEARSON

December 30, 2014

To the Honorable Tim Spencer, Chairman and member of Cherokee County Council and to the Citizens of Cherokee County:

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for Cherokee County, South Carolina. State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McAbee, Schwartz, Halliday and Co., a firm of licensed certified accountants has issued an unmodified ("clean") opinion on the Cherokee County financial statements for the year ended June 30, 2014. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Cherokee County was formed in 1897 and is located in the western part of South Carolina, known as the South Carolina Upstate. The Upstate is considered to be one of the top growth areas in both the state and the country. Cherokee County occupies 392 square miles and serves a population of 56,256. Cherokee County is empowered to levy a property tax on both real and personal property located within its boundaries.

Cherokee County has operated under the council-administrator form of government since 1976. Policymaking and legislative authority are vested in the County Council, which consists of seven (7) District Council Members elected from single-member districts to four-year staggered terms. Council annually elects a Chairman and a Vice-Chairman. The County Council is responsible for passing ordinances, adopting the budget, appointing committees; and hiring the County Administrator and Clerk to Council. The County Administrator is responsible for carrying out the policies and ordinances of the County Council, for overseeing the day-to-day operations of the County, and for appointing all non-elected County department heads.

Local Economy

The South Carolina Upstate is widely recognized as a strong competitor in the global marketplace. As a medium-sized market, the region makes up one of the strongest manufacturing centers in the nation. The region is known for its ability to attract international and domestic firms by providing a pro-business environment and all of the necessary amenities for business growth.

Within South Carolina, the Upstate is recognized as the state's most progressive and industrialized region. A wide variety of political and economic forces in the Upstate have come together to produce a region that is diverse, clean, friendly, productive and economically healthy. Since 1990, the region has welcomed a tremendous influx of corporate headquarters, high-tech manufacturers, automobile manufacturing and related suppliers, national retailers, cultural and entertainment facilities, educational programs, and many other elements that have made our region a leader in economic development. The following are several key elements that have contributed to the Upstate as it is today:

International companies from all over the world know that the South Carolina Upstate is an excellent place to do business. Almost one-half of South Carolina's foreign firms are located in the region. Few comparably sized regions in the nation have a higher concentration of foreign firms.

The Upstate's reputation can also be attributed to the pro-business attitude of the local business community and government leadership. These groups have worked diligently for many years to create an environment in which businesses can thrive. Numerous public-private partnerships have set the stage for improved communication, support for economic development, enhanced participation in public affairs and sharpening the competitive edge of the Upstate industry.

Nationally, Cherokee County is ideally positioned for economic growth. It currently enjoys three distinct selection advantages over its competitors. First, an unbeatable location on the I-85 corridor in Upstate South Carolina between two of the nation's most dynamic and fastest growing metropolitan areas (Charlotte, N.C. and Greenville/Spartanburg, S.C.); second, significantly lower cost of doing business within the confines of the County, and third, superb utility services and capacity.

Current population figures show our population over 56,200 with a 7.1% unemployment rate (unadjusted) for October 2014. During the decade we have seen our economy transform from one almost entirely dependent on agriculture and textiles (the old south) to one which is rich in diversity. While agriculture and textiles still play an important role, our economy represents almost every major sector. With our County so competitively positioned, our future outlook is very positive with the development of two industrial parks and joining a regional alliance for recruiting more industry.

In March, 2005, Duke Energy announced they have selected Cherokee County for a new potential nuclear power plant. In December 2007, Duke Energy submitted a combined construction and operating license application to the U.S. Nuclear Regulatory Commission for the proposed 2,234 mega-watt facility that was accepted for review. Duke Energy has said that the development timeline of this project rests on the recovery of the economy. They continue to actively pursue the permits required to construct this facility in the coming years. It is estimated that construction jobs could peak at approximately 4,000 during the construction phase. Once construction is complete, the plant will employ 800 to 1,000 full-time employees.

Long-term Financial Planning and Major Initiatives

Due to the extension of tariffs to wireless phones in the state, the County has a source of funding for the additional services needed in the E-911 system. We implemented the necessary services according to the tariff requirements. Cherokee County E-911 system has just been modernized so that our equipment and trained personnel continue to be one of the best in the State and Nation.

Our future projects include:

A. Office Space

We are continuing our effort to make our services in the County as efficient and available as possible. We occupied the new County Administration building beginning in December 2012 and have continued to make efforts to better serve the community. This building houses various County offices that were previously located in separate buildings in the downtown business district. This project focused on consolidating many County departments into one centrally located facility in downtown Gaffney and utilizing technology to improve efficiency and reduce costs. This project was accomplished through the use of millage that was collected specifically for the construction of a new County Administration building and from the sale of bonds.

B. Recycling

In the past, Cherokee County has been very aggressive in setting recycling and reduction goals for better management of its solid waste. The County continues to work to meet the standard reduction goal of 35% of solid waste generated within the County. While all stated goals are important, education of the general public is essential if the County remotely expects to meet these goals. Waste reduction efforts are integrated completely with efforts at educating the public about the 3 R's: Reduce, Reuse and Recycle.

C. Finance Department

During the 2013 fiscal year, the County established a Finance Department to ensure that quality financial services and information are provided. Efforts continued during this fiscal year have been to develop and document processes to facilitate financial controls and compliance, streamline accounting and financial reporting, re-enforce policies for procurement and payment of county-wide obligations and to partner with other departments and outside entities to leverage resources to meet mandates and objectives. It is the responsibility of the Finance Department to respond to changing requirements and priorities necessary to serve the County Administration and Council, the citizens, the employees, vendors and other agencies throughout the County and the State.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to Cherokee County for its comprehensive annual financial report (CAFR) ended June 30, 2013. This was the seventeenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both the U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine the eligibility for another certificate.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Administration, Treasury and Finance Departments. Each member of those departments has our sincere appreciation for their contribution toward the preparation of this report.

In closing, we would like to say that without the leadership and support of the Cherokee County Council preparation of this report would not have been possible.

Respectfully submitted,



Ben L. Clary
Interim Administrator



J. Holland Belue
Asst. County Administrator



Ann H. Boggs
Finance Director

CHEROKEE COUNTY, SOUTH CAROLINA
List of Principal Officials
June 30, 2014

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 – 56,256

Members of County Council

Tim Spencer
Rufus Foster, Jr.
Charles Mathis, Jr.
Tracy A. McDaniel
Steven Blanton
Mike Fowkes
Hoke Parris

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

Elected Officials

Jackie Williams
Merv Bishop
Brandy W. McBee
Steve Mueller
Dennis G. Fowler
Joshua Queen
Barry Barnette

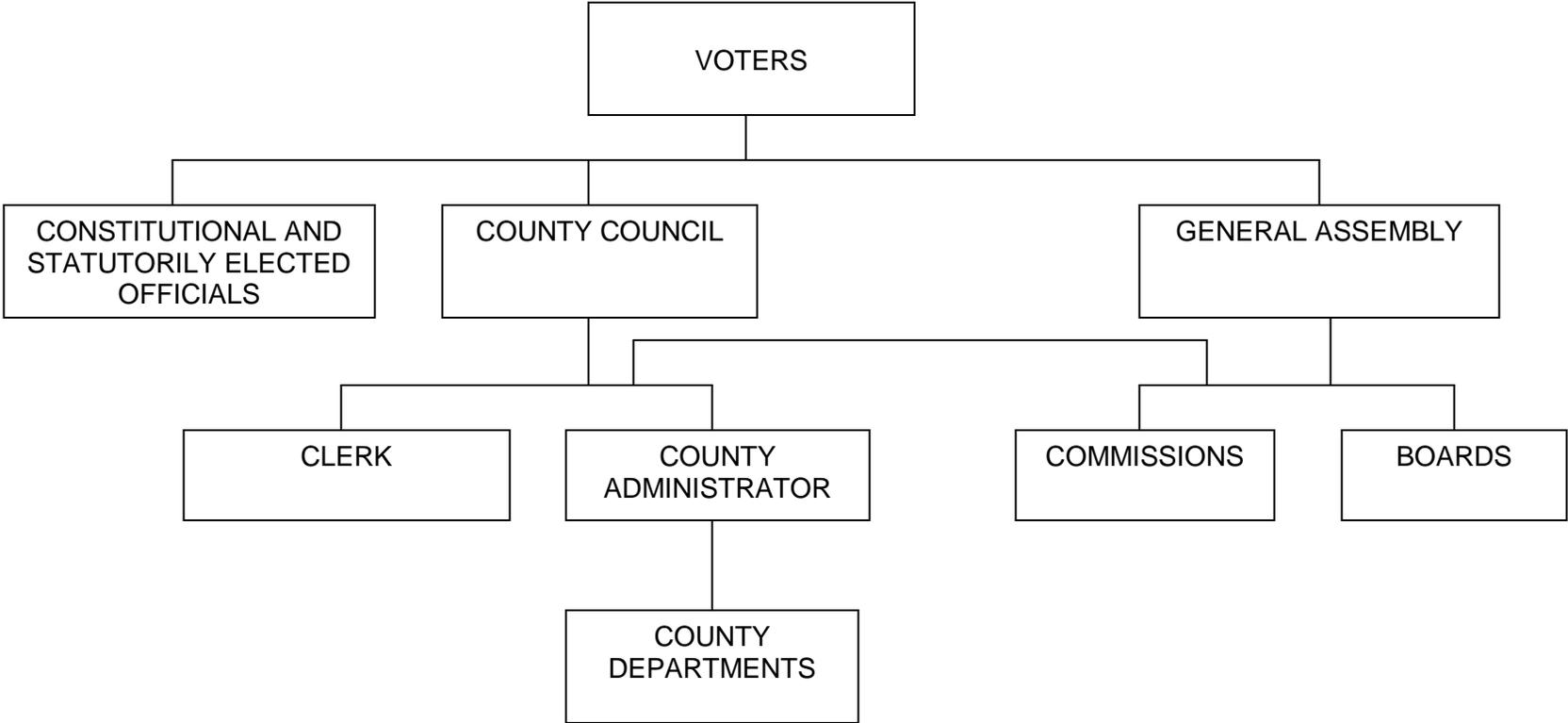
Treasurer
Auditor
Clerk of Court
Sheriff
Coroner
Probate Judge
Solicitor

Appointed Official

Ben L. Clary
J. Holland Belue

Interim Administrator
Asst County Administrator

**CHEROKEE COUNTY, SOUTH CAROLINA
ORGANIZATIONAL CHART**





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

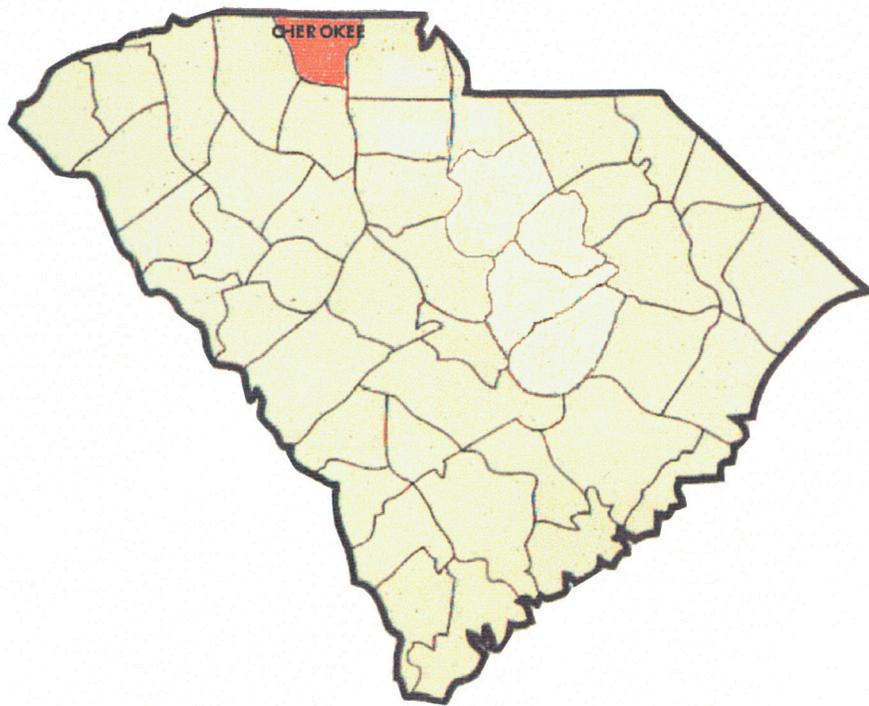
**Cherokee County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cherokee County, South Carolina as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cherokee County, South Carolina, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 1 to the financial statements, in 2014, the County adopted new accounting guidance, *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2014, on our consideration of Cherokee County, South Carolina'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 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 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 Cherokee County, South Carolina's internal control over financial reporting and compliance.

McAbee, Schwartz, Haliday & Co.

Spartanburg, South Carolina
December 30, 2014

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, 2014. 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, 2014 by \$49,375,482 (net position). Of this amount, \$10,467,306 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$3,411,539, \$3,184,220 of which was from governmental activities and \$227,319 was from business-type activities.
- As of June 30, 2014, the County's governmental funds reported combined ending fund balances of \$21,654,245, an increase of \$2,702,548 from the prior year. Of this amount \$10,437,840 is available for use at the County's discretion.
- At June 30, 2014, unassigned fund balance for the General Fund was \$10,421,313, or approximately 54 percent of total general fund expenditures and transfers out.
- The County's total long-term debt (excluding landfill closure costs, unfunded OPEB costs and compensated absences) decreased by \$587,351 or 7.36 percent during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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). The governmental activities of the County include general government, public safety, transportation, health and human services, environmental and housing, culture and recreation, and other. The business-type activities of the County include geriatric care.

Fund Financial Statements

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

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

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

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

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

Proprietary Funds - The County maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its geriatric care.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the proprietary operations, which is considered to be a major fund of the County.

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

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1
Cherokee County's Net Position

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2014	2013	2014	2013	2014	2013	2013-2014
Current and Other Assets	\$ 28,083,303	\$ 22,538,656	\$ 2,359,337	\$ 1,958,798	\$ 30,442,640	\$ 24,497,454	24.3%
Capital Assets	41,664,929	41,473,986	554,905	533,959	42,219,834	42,007,945	0.5%
Total Assets	\$ 69,748,232	\$ 64,012,642	\$ 2,914,242	\$ 2,492,757	\$ 72,662,474	\$ 66,505,399	9.3%
Current Liabilities	\$ 7,392,769	\$ 4,654,694	\$ (466,443)	\$ (595,013)	\$ 6,926,326	\$ 4,059,681	70.6%
Long-term Liabilities	15,838,757	16,025,462	521,909	456,314	16,360,666	16,481,776	-0.7%
Total Liabilities	23,231,526	20,680,156	55,466	(138,699)	23,286,992	20,541,457	13.4%
Net Position							
Net investment in capital assets	34,273,755	33,495,461	554,905	533,959	34,828,660	34,029,420	2.3%
Restricted	4,080,442	3,280,976	-	-	4,080,442	3,280,976	24.4%
Unrestricted	8,162,509	6,556,049	2,303,871	2,097,497	10,466,380	8,653,546	20.9%
Total Net Position	46,516,706	43,332,486	2,858,776	2,631,456	49,375,482	45,963,942	7.4%
Total Liabilities and Net Position	\$ 69,748,232	\$ 64,012,642	\$ 2,914,242	\$ 2,492,757	\$ 72,662,474	\$ 66,505,399	9.3%

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 \$49,375,482, as of June 30, 2014. (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. As of June 30, 2014, the County reports positive balances in all three categories of net position for the governmental activities.

Table 2
Changes in Cherokee County's Net Position

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2014	2013	2014	2013	2014	2013	2013-2014
Revenues:							
Program Revenues:							
Charges for services	\$ 2,499,784	\$ 2,495,536	\$8,566,325	\$ 8,336,570	\$11,066,109	\$10,832,106	2.2%
Operating grants and contributions	3,098,229	2,373,406	-	-	3,098,229	2,373,406	30.5%
Capital grants and contributions	485,757	1,316,162	-	-	485,757	1,316,162	-63.1%
General Revenues:							
Property taxes	18,191,690	16,663,196	-	-	18,191,690	16,663,196	9.2%
Other taxes	424,613	365,332	-	-	424,613	365,332	16.2%
Other	2,304,669	2,165,211	-	-	2,304,669	2,165,211	6.4%
Total Revenues	27,004,742	25,378,843	8,566,325	8,336,570	35,571,067	33,715,413	5.5%
Expenses:							
General government	6,931,010	7,212,409	-	-	6,931,010	7,212,409	-3.9%
Public safety	10,614,321	10,100,465	-	-	10,614,321	10,100,465	5.1%
Transportation	1,771,970	1,084,307	-	-	1,771,970	1,084,307	63.4%
Health and human services	993,175	1,052,832	-	-	993,175	1,052,832	-5.7%
Environmental and housing	2,944,477	2,800,475	-	-	2,944,477	2,800,475	5.1%
Culture and recreation	940,887	923,610	-	-	940,887	923,610	1.9%
Unallocated interest expense	428,632	297,181	-	-	428,632	297,181	44.2%
Geriatrics	-	-	7,535,056	7,665,950	7,535,056	7,665,950	-1.7%
Total Expenses	24,624,472	23,471,279	7,535,056	7,665,950	32,159,528	31,137,229	3.3%
Increase (Decrease) in Net Position Before Transfers	2,380,270	1,907,564	1,031,269	670,620	3,411,539	2,578,184	32.3%
Special Item - Forgiveness of Advance	591,850	-	(591,850)	-	-	-	0.0%
Transfers	212,100	(1,068)	(212,100)	1,068	-	-	0.0%
Change in Net Position	3,184,220	1,906,496	227,319	671,689	3,411,539	2,578,185	32.3%
Beginning Net Position	43,332,486	41,193,031	2,631,457	2,351,187	45,963,943	43,544,218	5.6%
Prior period adjustment	-	232,959	-	(391,419)	-	(158,460)	0.0%
Ending Net Position	\$46,516,706	\$43,332,486	\$2,858,776	\$2,631,457	\$49,375,482	\$45,963,942	7.4%

Change in net position. The County's total revenues increased by 5.5 percent to approximately \$35.6 million (See Table 2). This change was caused by increases in property and other taxes, operating grants and contributions and franchise and other miscellaneous fees.

The County's total cost of all programs and services increased by approximately three percent. This increase was caused primarily by increases in payroll and benefits expense, fuel and utility expense, and contract services costs.

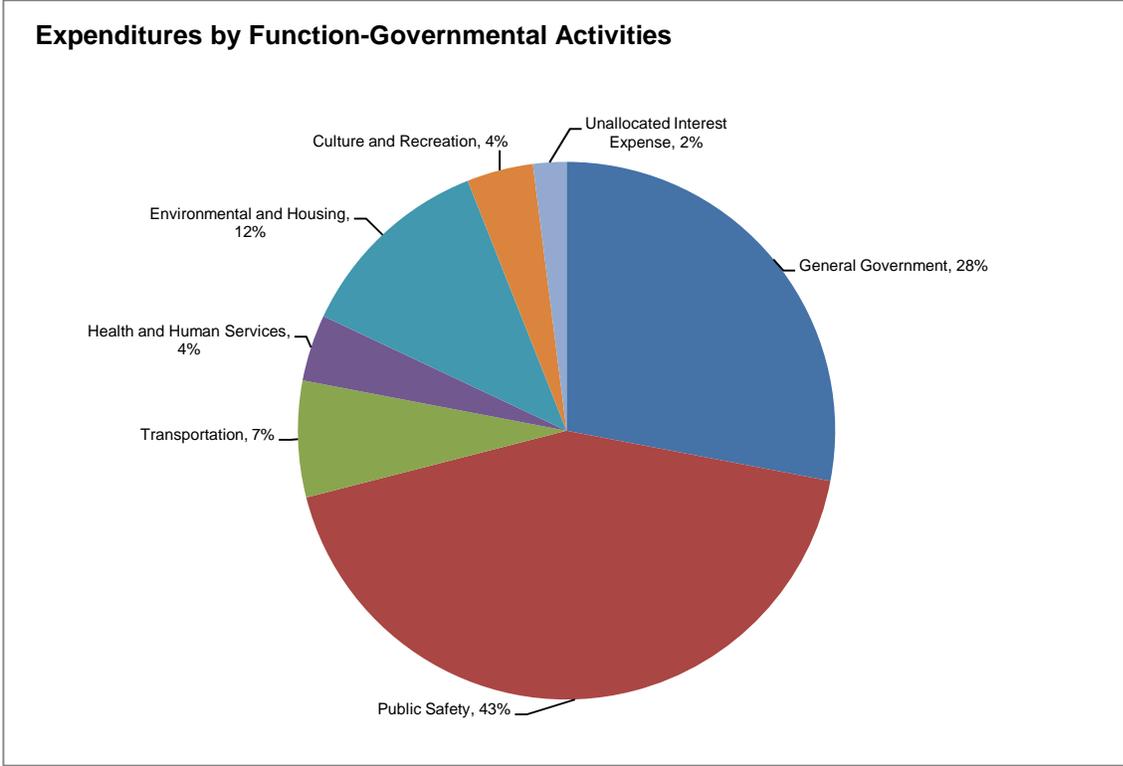
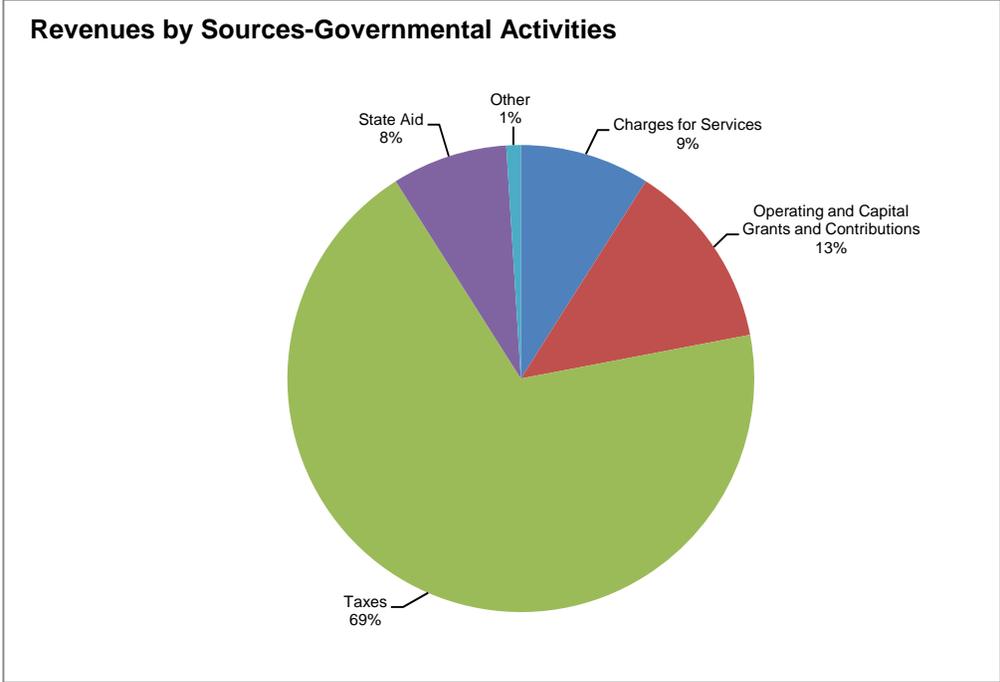
Governmental Activities

The County's governmental activities had net (expense) revenue of (\$18,540,702). However, these services are intended to be primarily funded by taxes, as opposed to charges for services and grants, and those taxes and other general revenues did exceed net expenses by \$3,184,220.

Total revenues for the County's governmental activities increased by 6.4 percent, and total expenses increased 4.9 percent. Factors contributing to these results included:

- Increases in property taxes, due primarily to property reassessment and a millage increase.

- Increases in fines, grants and fees, partially for infrastructure reimbursements.
- Decline in charges for services primarily for landfill fees, building permits, and court fines and fees.
- Increases in payroll and benefits expenditures across all functions.
- Transportation expenditures increased as a result of bridge construction and road repairs performed by the County. Many of these activities were performed by County personnel to control costs of infrastructure improvements.



Business-type Activities

The business-type activities had net revenues of \$1,031,269 prior to transfers from the general government and a prior period adjustment.

Revenues of the County's business-type activities increased 2.76 percent to \$8,566,325, while expenses decreased 1.71 percent to \$7,535,056. Factors contributing to these results included:

- Revenues increased due to increases in Medicare/Medicaid charges for nursing home services, partially offset by decreases in private charges for services. The Upper Payment Limit charges included in the Medicare/Medicaid revenues totaled \$1,131,297 for 2014.
- The higher demand impacted the amount of nursing staff needed causing an increase in salaries and benefits.
- The decrease in depreciation related to net capital assets.
- A decrease in rent income, as a result of the consolidation of government services at the Administration Building during fiscal years 2013 and 2014.

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, 2014, the County's governmental funds reported combined ending fund balances of \$21,654,244, an increase of \$2,702,547 from the prior year. This increase resulted from a \$1,920,516 increase in the general fund, primarily attributable to the increase in property and vehicle tax revenues and continued cost control efforts.

Approximately 48 percent of the combined fund balances (\$10,437,840) constitute unassigned fund balance, which is available for spending at the County's discretion. Thirty percent of the combined fund balances (\$6,537,682) is assigned for various types of cultural, administrative and capital projects. The majority of the remaining balance is restricted (\$4,079,190) to indicate that it is not available for new spending because it has constraints established by parties outside the government or by enabling legislation. The remainder of the balance is nonspendable; which is comprised of prepaids (\$222,300), non-current receivables (\$375,981) and permanently nonspendable library funds (\$1,252).

The general fund is the chief operating fund of the County. At June 30, 2014, unassigned fund balance of the general fund was \$10,421,313 and total fund balance was \$13,425,197. As a measure of the general fund's liquidity, the unassigned fund balance represents approximately 54 percent of total general fund expenditures and transfers out.

The capital fund has a total fund balance of \$1,924,173, of which, \$1,548,192 is assigned for capital projects. The net decrease in fund balance during the current fiscal year was \$309,634. Funds were primarily spent for the continued migration of departmental services to the new County Administration building and infrastructure improvement expenditures. The remainder of the balance is a long-term receivable due from the County Recreation District for funds provided for new building construction.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – continued

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Peachtree Centre's total revenues increased 2.76 percent in comparison to prior year revenues while expenses decreased approximately 1.71 percent over prior year expenses. Unrestricted net position of the Peachtree Centre was \$2,303,871 at June 30, 2014

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Actual revenues were higher than the projected amounts by \$1,177,499 primarily due to increased tax revenues, combined with increases in state aid and fines. Actual expenditures were under budget by \$125,765 due to the continued implementation of cost control measures in the general government, environmental and housing and transportation (roads and bridges), partially offset by increases in salary and employee benefit cost, particularly in the public safety departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2014, the County had \$76,789,535 invested in capital assets including police and fire equipment, buildings, infrastructure, etc. (See following table). This represents a net increase of \$2,906,883 or 3.93 percent, over last year.

	Governmental Activities		Business-type Activities		Totals		Total Percent Change 2013-2014
	2014	2013	2014	2013	2014	2013	
Land	\$ 1,688,895	\$ 1,688,895	\$ -	\$ -	\$ 1,688,895	\$ 1,688,895	0.0%
Construction in Progress	260,775	61,127	-	-	260,775	61,127	326.6%
Buildings	26,346,769	26,346,769	7,682,641	7,730,985	34,029,410	34,077,754	-0.1%
Other Improvements	504,668	453,487	57,534	57,534	562,202	511,021	10.0%
Equipment	13,798,430	12,513,276	1,146,397	1,127,838	14,944,827	13,641,114	9.6%
Infrastructure	24,389,791	23,022,096	-	-	24,389,791	23,022,096	5.9%
Books	913,635	880,645	-	-	913,635	880,645	3.7%
	<u>67,902,963</u>	<u>64,966,295</u>	<u>8,886,572</u>	<u>8,916,357</u>	<u>76,789,535</u>	<u>73,882,652</u>	<u>3.9%</u>
Accumulated Depreciation	(26,238,034)	(23,492,309)	(8,331,667)	(8,382,398)	(34,569,701)	(31,874,707)	8.5%
Total Net Assets	<u>\$ 41,664,929</u>	<u>\$ 41,473,986</u>	<u>\$ 554,905</u>	<u>\$ 533,959</u>	<u>\$ 42,219,834</u>	<u>\$ 42,007,945</u>	<u>0.5%</u>

Additional information on the County's capital assets can be found in Note 3(C) to the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION – continued

Long-term Debt

At year-end, the County had \$7,391,174 in outstanding general obligation bonds and capital leases, compared to \$7,978,525 last year. That is a decrease of 7.4 percent as shown in the following table.

	Governmental Activities		Business-type Activities		Totals		Total Percent Change
	2014	2013	2014	2013	2014	2013	2013-2014
General Obligation Bonds	\$ 7,380,000	\$ 7,950,000	\$ -	\$ -	\$ 7,380,000	\$ 7,950,000	-7.2%
Capital Lease	11,174	28,525	-	-	11,174	28,525	-60.8%
	<u>\$ 7,391,174</u>	<u>\$ 7,978,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,391,174</u>	<u>\$ 7,978,525</u>	<u>-7.4%</u>

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 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 currently \$13.07 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, assessed valuation, and Enterprise Fund revenues.

One major factor is that, although it has declined, the unemployment rate for the County is currently 7.1%. This was higher than the unemployment rate for the state of South Carolina (6.7%) and even higher than the national unemployment rate (5.8%).

All of these factors were considered in the approval of the 2014 increase in the County's millage rate, adjusted for reassessment, for a total property tax millage rate of 88.4 mills.

Budgeted 2015 operations expenditures (excluding capital budgeted expenditures) are expected to increase by \$1,449,347, which is 7.8 percent over the final 2014 budget. This increase is primarily due to the approval of a 2% cost of living increase for County employees. The County has added no major new programs or initiatives to the 2015 budget.

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

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CHEROKEE COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 22,703,873	\$ 288,501	\$ 22,992,374
Accounts receivable (net)	3,153,118	1,702,235	4,855,353
Taxes receivable (net)	1,111,431	-	1,111,431
Other receivables	-	313,906	313,906
Due from State	516,600	-	516,600
Assets held for sale	-	48,261	48,261
Prepaid items	222,300	6,434	228,734
Due from Recreation District	375,981	-	375,981
Capital assets - not being depreciated	1,949,671	-	1,949,671
Capital assets - net of accumulated depreciation	39,715,258	554,905	40,270,163
Total assets	\$ 69,748,232	\$ 2,914,242	\$ 72,662,474
Liabilities			
Accounts payable	\$ 3,122,593	\$ 423,765	\$ 3,546,358
Accrued liabilities	257,245	130,311	387,556
Local option sales tax - property tax relief	1,166,754	-	1,166,754
Unearned revenue	186,655	-	186,655
Accrued interest payable	42,517	-	42,517
Internal balances	1,221,745	(1,221,745)	-
Noncurrent liabilities			
Due within one year	1,395,260	201,226	1,596,486
Due in more than one year	15,838,757	521,909	16,360,666
Total liabilities	23,231,526	55,466	23,286,992
Net Position			
Net investment in capital assets	34,273,755	554,905	34,828,660
Restricted for			
Transportation	1,361,272	-	1,361,272
Public safety	2,249,938	-	2,249,938
Health and human services	257,401	-	257,401
Cultural and recreation			
Expendable	210,579	-	210,579
Nonexpendable	1,252	-	1,252
Unrestricted	8,162,509	2,303,871	10,466,380
Total net position	46,516,706	2,858,776	49,375,482
	\$ 69,748,232	\$ 2,914,242	\$ 72,662,474

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

CHEROKEE COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental activities							
General government	\$ 6,931,010	\$ 1,390,996	\$ 205,343	\$ -	\$ (5,334,671)	\$ -	\$ (5,334,671)
Public safety	10,614,321	582,832	1,460,899	63,739	(8,506,851)	-	(8,506,851)
Transportation	1,771,970	-	1,214,583	-	(557,387)	-	(557,387)
Health and human services	993,175	210,274	29,753	-	(753,148)	-	(753,148)
Environmental and housing	2,944,477	280,138	88,522	412,360	(2,163,457)	-	(2,163,457)
Culture and recreation	940,887	35,544	99,129	9,658	(796,556)	-	(796,556)
Unallocated interest expense	428,632	-	-	-	(428,632)	-	(428,632)
	<u>24,624,472</u>	<u>2,499,784</u>	<u>3,098,229</u>	<u>485,757</u>	<u>(18,540,702)</u>	<u>-</u>	<u>(18,540,702)</u>
Business-type activities							
Geriatrics	<u>7,535,056</u>	<u>8,566,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,031,269</u>	<u>1,031,269</u>
Total primary government	<u>\$ 32,159,528</u>	<u>\$ 11,066,109</u>	<u>\$ 3,098,229</u>	<u>\$ 485,757</u>	<u>(18,540,702)</u>	<u>1,031,269</u>	<u>(17,509,433)</u>
General Revenues							
Property taxes					18,191,690	-	18,191,690
Accommodations tax					106,782	-	106,782
Local accommodations tax					81,896	-	81,896
Franchise tax					235,935	-	235,935
Unrestricted state aid to political subdivisions					2,048,934	-	2,048,934
Unrestricted investment earnings					36,492	-	36,492
Miscellaneous					219,243	-	219,243
Special Item - Forgiveness of Advance					591,850	(591,850)	-
Transfers					212,100	(212,100)	-
					<u>21,724,922</u>	<u>(803,950)</u>	<u>20,920,972</u>
Total general revenues, special item and transfers					<u>21,724,922</u>	<u>(803,950)</u>	<u>20,920,972</u>
Change in net position					<u>3,184,220</u>	<u>227,319</u>	<u>3,411,539</u>
Net position - beginning of year					<u>43,332,486</u>	<u>2,631,457</u>	<u>45,963,943</u>
Net position - end of year					<u>\$ 46,516,706</u>	<u>\$ 2,858,776</u>	<u>\$ 49,375,482</u>

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

FUND FINANCIAL STATEMENTS

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CHEROKEE COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 12,820,241	\$ 3,916,396	\$ 5,967,234	\$ 22,703,871
Taxes receivable (net)	986,791	29,001	95,638	1,111,430
Other receivables	2,531,164	-	348,996	2,880,160
Due from other funds	4,567,696	-	289,996	4,857,692
Due from State	789,559	-	-	789,559
Prepaid items	209,952	-	12,348	222,300
Due from Recreation District	-	375,981	-	375,981
Total assets	\$ 21,905,403	\$ 4,321,378	\$ 6,714,212	\$ 32,940,993
Liabilities				
Accounts payable	\$ 2,996,778	\$ -	\$ 10,523	\$ 3,007,301
Due to other funds	2,384,984	2,371,774	100,932	4,857,690
Accrued expenditures	232,480	-	23,899	256,379
Other liabilities	116,183	-	-	116,183
Local option sales tax - property tax relief	1,166,754	-	-	1,166,754
Unearned revenue	-	-	186,655	186,655
Advance due to enterprise fund	1,221,745	-	-	1,221,745
Total liabilities	8,118,924	2,371,774	322,009	10,812,707
Deferred Inflows of Resources				
Unavailable revenues - property taxes	361,282	25,431	87,328	474,041
Fund Balances				
Nonspendable				
Prepays	209,952	-	12,348	222,300
Long-term portion of receivables	-	375,981	-	375,981
Library	-	-	1,252	1,252
Restricted for:				
Library activities	-	-	170,945	170,945
Emergency communications	-	-	1,289,841	1,289,841
Law enforcement	-	-	555,915	555,915
Health and welfare	-	-	34,387	34,387
Road surface repairs	-	-	1,361,272	1,361,272
Culture and recreation	-	-	39,634	39,634
Social services	-	-	223,014	223,014
Public safety	-	-	103,692	103,692
Solicitor	-	-	291,393	291,393
Other purposes	-	-	9,097	9,097
Assigned				
Debt service	-	-	1,078,049	1,078,049
Unfunded OPEB	1,759,536	-	-	1,759,536
Road surface repairs	964,047	-	-	964,047
Capital projects	-	1,548,192	-	1,548,192
Emergency communications	-	-	182,330	182,330
C&D landfill	25,000	-	-	25,000
Scholarship SCC	45,349	-	-	45,349
Public safety	-	-	160,537	160,537
Economic development	-	-	108,161	108,161
Library	-	-	666,481	666,481
Unassigned	10,421,313	-	16,527	10,437,840
Total fund balance	13,425,197	1,924,173	6,304,875	21,654,245
	\$ 21,905,403	\$ 4,321,378	\$ 6,714,212	\$ 32,940,993

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

CHEROKEE COUNTY, SOUTH CAROLINA
 RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET TO
 THE STATEMENT OF NET POSITION
 JUNE 30, 2014

Fund Balances - Total Governmental Funds		\$ 21,654,245
<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>		41,664,929
<p>Resources received but reflected as unearned revenues in fund statements.</p>		474,066
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the governmental funds.</p>		
<p style="padding-left: 20px;">Other post employment benefits</p>	(1,429,091)	
<p style="padding-left: 20px;">General obligation bonds</p>	(7,380,000)	
<p style="padding-left: 20px;">Capital lease obligation</p>	(11,174)	
<p style="padding-left: 20px;">Compensated absences</p>	(318,463)	
<p style="padding-left: 20px;">Accrual for landfill closure</p>	(8,095,289)	
<p style="padding-left: 20px;">Accrued interest payable</p>	(42,517)	
	(17,276,534)	(17,276,534)
Net Position of Governmental Activities		\$ 46,516,706

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

CHEROKEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 14,332,761	\$ 801,737	\$ 2,949,330	\$ 18,083,828
Licenses and permits	146,092	-	-	146,092
Intergovernmental	2,200,576	-	3,100,583	5,301,159
Charges for services	678,999	-	37,516	716,515
Fines	657,793	-	-	657,793
Interest	19,664	16,705	124	36,493
Miscellaneous	763,779	-	1,193,194	1,956,973
	<u>18,799,664</u>	<u>818,442</u>	<u>7,280,747</u>	<u>26,898,853</u>
Expenditures				
Current				
General government	5,970,983	-	346,318	6,317,301
Public safety	8,242,972	-	1,596,683	9,839,655
Transportation	1,139,274	-	1,163,368	2,302,642
Health and human services	846,106	-	105,071	951,177
Environmental and housing	1,969,107	-	387,205	2,356,312
Culture and recreation	554	-	852,257	852,811
Capital outlay	911,964	214,703	427,550	1,554,217
Debt service				
Principal retirement	-	-	584,724	584,724
Interest and fiscal charges	-	-	268,066	268,066
	<u>19,080,960</u>	<u>214,703</u>	<u>5,731,242</u>	<u>25,026,905</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(281,296)</u>	<u>603,739</u>	<u>1,549,505</u>	<u>1,871,948</u>
Other Financing Sources (Uses)				
Sale of capital assets	26,650	-	-	26,650
Transfers in	1,895,159	-	309,000	2,204,159
Transfers out	(311,846)	(913,371)	(766,842)	(1,992,059)
	<u>1,609,963</u>	<u>(913,371)</u>	<u>(457,842)</u>	<u>238,750</u>
Special Item - Forgiveness of Advance Due to Enterprise Fund	<u>591,850</u>	<u>-</u>	<u>-</u>	<u>591,850</u>
Net Change in Fund Balances	1,920,517	(309,632)	1,091,663	2,702,548
Fund Balances - Beginning of Year	11,504,681	2,233,805	5,213,211	18,951,697
Fund Balances - End of Year	<u>\$ 13,425,198</u>	<u>\$ 1,924,173</u>	<u>\$ 6,304,875</u>	<u>\$ 21,654,245</u>

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

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, 2014

Net Change in Fund Balance - Total Governmental Funds \$ 2,702,548

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	3,098,090	
Depreciation expense	<u>(2,838,474)</u>	259,616

In the statement of activities, only the gain on the sale of assets is reported whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of the assets sold or contributed:

Net book value of asset dispositions	(68,651)	
Net book value of asset donations	<u>-</u>	(68,651)

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

Property taxes		107,862
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments:		
General obligation bonds	570,000	
Capital lease obligation	<u>17,351</u>	587,351

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

Change in accrued interest payable	3,284	
Change in compensated absences	1,264	
Change in unfunded OPEB costs	(168,905)	
Change in landfill closure/post closure costs	<u>(240,148)</u>	<u>(404,505)</u>

Change in Net Position of Governmental Activities \$ 3,184,221

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

CHEROKEE COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND
ENTERPRISE FUND FOR GERIATRICS
JUNE 30, 2014

ASSETS

Current Assets	
Cash and cash equivalents	\$ 288,501
Accounts receivable	1,702,235
Other receivables	313,906
Assets held for resale	48,261
Prepaid assets	<u>6,434</u>
Total Current Assets	<u>2,359,337</u>
Noncurrent Assets	
Advance due from other fund	1,221,745
Capital assets, net of accumulated depreciation	<u>554,905</u>
Total Noncurrent Assets	<u>1,776,650</u>
Total Assets	<u><u>\$ 4,135,987</u></u>

LIABILITIES AND NET POSITION

Current Liabilities	
Accounts payable	\$ 423,765
Accrued salaries and wages	114,747
Accrued compensated absences	201,226
Other current liabilities	<u>15,564</u>
	<u>755,302</u>
Noncurrent Liabilities	
Net post employment benefit obligation	<u>521,909</u>
Total Noncurrent Liabilities	<u>521,909</u>
Total Liabilities	<u>1,277,211</u>
Net Position	
Net investment in capital assets	554,905
Unrestricted net position	<u>2,303,871</u>
Total Net Position	<u>2,858,776</u>
Total Liabilities and Net Position	<u><u>\$ 4,135,987</u></u>

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

CHEROKEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
ENTERPRISE FUND FOR GERIATRICS
FOR THE YEAR ENDED JUNE 30, 2014

Operating Revenues	
Private charges	\$ 565,403
Medicare/Medicaid charges	7,679,466
Miscellaneous charges	29,277
	<u>8,274,146</u>
Operating Expenses	
Operating expenses before depreciation	7,438,360
Depreciation	93,982
	<u>7,532,342</u>
Net Operating Income	<u>741,804</u>
Nonoperating Revenues (Expenses)	
Rent income	292,096
Interest income	83
Amortization	(2,714)
	<u>289,465</u>
Increase in Net Position, Before Special Items and Transfers	1,031,269
Special Item - Forgiveness of Advance Due from Other Fund	(591,850)
Transfer In	2,846
Transfer Out	(214,946)
	<u>227,319</u>
Increase in Net Position	227,319
Net Position - Beginning of Year	<u>2,631,457</u>
Net Position - End of Year	<u>\$ 2,858,776</u>

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

CHEROKEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
ENTERPRISE FUND FOR GERIATRICS
FOR THE YEAR ENDED JUNE 30, 2014

Cash Flows Provided (Used) by Operating Activities	
Cash received from customers	\$ 8,007,173
Cash paid to suppliers for goods and services	(3,296,790)
Cash paid to or for the benefit of employees	(4,537,524)
	<u>172,859</u>
Cash Flows Provided by Noncapital Financing Activities	
Transfer from general fund	2,846
Transfer to general fund	(214,946)
	<u>(212,100)</u>
Cash Flows Used by Capital and Related Financing Activities	
Acquisition of capital assets	<u>(114,928)</u>
Cash Flows Provided by Investing Activities	
Interest income	83
Rent income	292,096
	<u>292,179</u>
Net Increase in Cash and Cash Equivalents	138,010
Cash and Cash Equivalents - Beginning of Year	<u>150,492</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 288,502</u></u>
Reconciliation of Operating Income to Net Cash	
Used by Operating Activities:	
Net operating income	\$ 741,804
Adjustments to reconcile net operating income to net cash used by operating activities	
Depreciation	93,982
(Increase) decrease in assets	
Accounts receivable	(490,191)
Other receivables	223,218
Due from general fund	(505,948)
Prepaid expenses	1,730
Increase (decrease) in liabilities	
Accounts payable	44,411
Accrued salaries and wages	2,418
Accrued compensated absences	(139)
Other current liabilities	(4,021)
Net post employment benefit obligation	65,595
Net Cash Used by Operating Activities	<u><u>\$ 172,859</u></u>
Noncash Investing, Capital and Financing Activities	
Certificate of needs cost amortization	\$ (2,714)

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

CHEROKEE COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

Assets

Cash	\$ 33,775,743
Other receivables	21,997
Taxes receivable, net	<u>1,254,603</u>
	<u>\$ 35,052,343</u>

Liabilities

Due to designated recipients	<u>\$ 35,052,343</u>
	<u>\$ 35,052,343</u>

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

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

The County's comprehensive 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.

The statement of net position presents the financial condition of the governmental and business-type 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 and for the business-type activities of the County. 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.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation - Continued

Government-wide Financial Statements: - Continued

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.

The County reports the following major enterprise fund:

Peachtree Centre - This fund is used to account for the County's geriatric care operations.

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.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus and Basis of Accounting - Continued

Fund Financial Statements - Continued

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Agency funds have no measurement focus, but rather are custodial in nature (assets equal liabilities).

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.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus and Basis of Accounting - Continued

Revenue - Exchange and Non-exchange Transactions - Continued

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.

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

Cash and Investments

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.

For statement of cash flows purposes, the enterprise fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

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

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

All trade and property taxes receivable are shown net of an allowance for uncollectibles.

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 or business-type activities 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 are recorded at estimated fair market value at the date of donation.

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 or business-type activities.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Capital Assets - Continued

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 financial position includes 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 no items that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position includes 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 then. The County only has one type of item that qualifies for reporting in this category. The net property taxes receivable estimated to be collectible in more than 60 days subsequent to June 30, 2014 are reported as deferred inflows of resources

Compensated Absences

The County's annual leave policy allows accumulation, with supervisor approval, of a maximum of four weeks vacation to be paid to employees upon termination. Sick leave can be accumulated, up to a maximum of sixty days, but it is not paid upon termination. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is recorded when accrued by the employee in the government-wide financial statements. The general fund is typically used to liquidate the liability for compensated absences.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund 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.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Long-term Obligations

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 or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position and Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) are legally or contractually required to be maintained intact. The County has classified assets held for resale, inventories, prepaid items, and long-term portions of receivables and advances as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current fiscal year.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources through either a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

Committed - This classification includes amounts that can only be used for specific purposes pursuant to constraints determined by a formal action of the government's highest level of decision making authority. County Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Council or by an official or body to which the County Council delegates authority. County Council has delegated this authority to the Assistant County Administrator. This classification captures fund balance held to meet anticipated expenditures of budget carryforwards, except where other external constraints or Council ordinances require that the fund balance be classified as restricted or committed.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Net Position and Fund Balances – continued

Unassigned - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

The County would typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of those other classified funds.

Proprietary fund equity is classified the same as in the government-wide statements.

Net Position

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

Accounting Estimates

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

Reclassifications

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

Interfund Transactions

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

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

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Interfund Transactions

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. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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 legal level of control is the department level.

Formal budgetary integration is employed as a management control device during the year.

The County Council may authorize supplemental appropriations during the year.

B. Encumbrances

Under encumbrance accounting, outstanding purchase orders are recorded in order to reserve that portion of the applicable appropriation in the governmental fund types. Encumbrances outstanding at year end are carried forward and are reported as committed fund balance.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2014, expenditures exceeded appropriations in the following departments:

General Government		
Administration	\$	11,507
Administrative Building Complex		9,715
Courthouse		9,567
Treasurer		1,459
Election Commission		32,144
Poll Workers		24,959
Clerk of Court		7,476
Probate Court		7,197
Magistrate - Gaffney		23,774
Attorney/Judicial		10,835
Circuit Solicitor		3,628
Public Safety		
Code Enforcement		1,715
Animal Shelter		6,094
Enhanced Communications/911		74,944
Coroner		26,042
Law Enforcement Center		214
Sheriff		348,799
Detention Center		103,797
Health and Human Services		
Veterans Office		2,558
Indigent Care		13,976
Environmental and Housing		
Department of Public Works		1,742
Culture and Recreation		
Library		428
Recreation District		126

Deficit Fund Equity – The following fund had a deficit fund balance as of June 30, 2014:

Special Revenue Funds		
Emergency Management	\$	26
Sheriff Confiscated Funds		21

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

A. Deposits and Investments

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 State Treasurer's Investment Pool is not rated. The County has not adopted a formal

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2014

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

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.

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, 2014 were covered by federal depository insurance or by collateral held in the pledging financial institution’s trust department in the County’s name.

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 2014 levy was assessed at \$104,916,740, 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 2014 assessed value for personal property was \$58,514,258. The County tax rate is currently 88.40 mills. The following is a schedule of current and net delinquent taxes receivable by fund:

	Gross Delinquent Taxes Receivable	Allowance for Uncollectibles	Net Delinquent Taxes Receivable	Current Taxes Receivable	Taxes Receivable (Net)
Governmental Funds					
General fund	\$ 468,521	\$ 130,156	\$ 338,365	\$ 648,426	\$ 986,791
Capital fund	35,213	9,781	25,432	3,570	29,002
Debt service fund	41,364	11,492	29,872	4,252	34,124
Library fund	35,460	6,645	28,815	406	29,221
Fire districts funds	39,657	11,018	28,639	3,651	32,290
	<u>620,215</u>	<u>169,092</u>	<u>451,123</u>	<u>660,305</u>	<u>1,111,428</u>
Agency Funds	<u>1,498,915</u>	<u>416,399</u>	<u>1,082,516</u>	<u>172,086</u>	<u>1,254,602</u>
	<u>\$ 2,119,130</u>	<u>\$ 585,491</u>	<u>\$ 1,533,639</u>	<u>\$ 832,391</u>	<u>\$ 2,366,030</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

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

B. Taxes Receivable – continued

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, 2014 the balance in this account, included in the general fund, was \$1,166,754.

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,688,895	\$ -	\$ -	\$ 1,688,895
Construction in progress	61,127	260,775	61,127	260,775
	<u>1,750,022</u>	<u>260,775</u>	<u>61,127</u>	<u>1,949,670</u>
Capital Assets Being Depreciated:				
Buildings	26,346,769	-	-	26,346,769
Improvements other than buildings	453,487	58,426	7,245	504,668
Machinery and equipment	12,513,276	1,407,583	122,429	13,798,430
Infrastructure	23,022,096	1,367,695	-	24,389,791
Books	880,645	64,736	31,746	913,635
	<u>63,216,273</u>	<u>2,898,440</u>	<u>161,420</u>	<u>65,953,293</u>
Less Accumulated Depreciation:				
Buildings	7,677,052	590,729	-	8,267,781
Improvements other than buildings	232,058	30,079	4,065	258,071
Machinery and equipment	6,984,623	1,226,320	88,684	8,122,259
Infrastructure	7,955,418	922,180	-	8,877,598
Books	643,158	69,167	-	712,325
	<u>23,492,309</u>	<u>2,838,474</u>	<u>92,749</u>	<u>26,238,034</u>
Total Capital Assets Being Depreciated, Net	<u>39,723,964</u>	<u>59,966</u>	<u>68,671</u>	<u>39,715,259</u>
Total Capital Assets, Net	<u>\$ 41,473,986</u>	<u>\$ 320,741</u>	<u>\$ 129,798</u>	<u>\$ 41,664,929</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

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

C. Capital Assets – continued

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Business-type Activities				
Capital Assets Being Depreciated:				
Buildings	\$ 7,281,571	\$ 64,035	\$ 112,379	\$ 7,233,227
Improvements other than buildings	57,534	-	-	57,534
Equipment	1,127,838	50,893	32,334	1,146,397
Capitalized interest	449,414	-	-	449,414
	<u>8,916,357</u>	<u>114,928</u>	<u>144,713</u>	<u>8,886,572</u>
Less Accumulated Depreciation:				
Buildings	6,875,010	66,746	112,379	6,829,377
Improvements other than buildings	57,534	-	-	57,534
Equipment	1,000,440	27,236	32,334	995,342
Capitalized interest	449,414	-	-	449,414
Total Capital Assets Being Depreciated, Net	<u>8,382,398</u>	<u>93,982</u>	<u>144,713</u>	<u>8,331,667</u>
Total Capital Assets, Net	<u>\$ 533,959</u>	<u>\$ 20,946</u>	<u>\$ -</u>	<u>\$ 554,905</u>

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

Governmental Activities

General government	\$ 582,646
Public safety	737,610
Health and human services	11,999
Environmental and housing	345,346
Transportation	997,235
Culture and recreation	163,638
	<u>2,838,474</u>

Business-type Activities

Geriatrics	<u>93,982</u>
Total	<u>\$ 2,932,456</u>

D. Interfund Receivables, Payables and Transfers

During the course of its operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers.

Operating subsidies are also recorded as transfers. The classification of amounts recorded as subsidies, advances or equity contributions is determined by County management. To the extent that certain transactions between funds had not been paid or received as of year-end, balances of interfund amounts receivable or payable have been recorded.

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2014

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

D. Interfund Receivables, Payables and Transfers - Continued

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The following is a summary of interfund receivables and payables at June 30, 2014:

	Receivable	Payable
Interfund:		
General Fund	\$ 4,567,696	\$ 2,384,984
Capital Projects Fund	-	2,371,774
Nonmajor Special Revenue Funds	46,946	100,934
Debt Service Fund	243,050	-
	\$ 4,857,692	\$ 4,857,692

Advances are used for long-term interfund loans. The Enterprise Fund has an outstanding advance at June 30, 2014. The General Fund is holding these advanced funds for the Enterprise Fund until the Enterprise Fund needs the funds. There is no fixed schedule for these funds to be returned.

	Receivable	Payable
General Fund	\$ -	\$ 1,221,745
Enterprise Fund	1,221,745	-
	\$ 1,221,745	\$ 1,221,745

The following is a summary of interfund transfers for the year ended June 30, 2014:

	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	\$ 1,895,159	\$ 311,846
Capital Projects Fund	-	913,371
Non-Major Special Revenue Funds	309,000	766,842
Proprietary Fund:		
Enterprise Fund	2,846	214,946
	\$ 2,207,005	\$ 2,207,005

During the year, transfers were used to 1) move funds from the Capital Projects Fund to the General Fund as approved in the 2013-2014 Budget and 2) for routine transfers of funds to and from other funds, such as covering of certain expenditures from special revenue grants. A one-time transfer of \$214,946 from the Enterprise Fund was made to recover funds paid for renovations by the General Fund in a prior year.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

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

E. Operating Lease Commitments

The County has operating leases for computer, copier and fax equipment as well as land and office spaces that are not cancelable. Commitments for rental expenses under these leases, expiring between 2015 and 2018 are as follows:

Year Ending June 30,		
2015	\$	1,855
2016		1,855
2017		1,855
2018		618
		618
	\$	6,182

Total lease expense, including lease payments based on usage, for the year ended June 30, 2014 was \$45,640.

F. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 7,950,000	\$ -	\$ 570,000	\$ 7,380,000	\$ 570,000
Capital Lease Obligation	28,525	-	17,351	11,174	17,351
Landfill Closure and Post Closure Liability	7,855,141	409,000	168,852	8,095,289	571,850
Net OPEB Obligation	1,260,186	236,638	67,733	1,429,091	-
Compensated Absences	319,727	318,463	319,727	318,463	228,916
	<u>\$ 17,413,579</u>	<u>\$ 964,101</u>	<u>\$ 1,143,663</u>	<u>\$ 17,234,017</u>	<u>\$ 1,388,117</u>
Business-type Activities					
Net OPEB Obligation	\$ 456,314	\$ 91,962	\$ 26,367	\$ 521,909	\$ -
	<u>\$ 456,314</u>	<u>\$ 91,962</u>	<u>\$ 26,367</u>	<u>\$ 521,909</u>	<u>\$ -</u>

General Obligation Bonds

The County issued general obligation bond series 2011 through SunTrust Bank for the construction of an administration building. Annual installments of \$500,000 to \$795,000 plus interest at 3.40% are to be paid through May of 2025.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

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

F. Long-term Debt - Continued

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

Fiscal Year	General Obligation Bonds		
	Principal	Interest	Total
2015	590,000	250,920	840,920
2016	610,000	230,860	840,860
2017	630,000	210,120	840,120
2018	650,000	188,700	838,700
2019-2025	4,900,000	658,070	5,558,070
	\$ 7,380,000	\$ 1,538,670	\$ 8,918,670

Capital Lease Obligation

During the year ended June 30, 2012, the County entered into a capital lease to finance the purchase of various pieces of computer equipment. The annual interest rate is 5.22%. The payments will be made monthly through February 2015. The gross amount of assets acquired under existing capital leases is \$47,366 and serves as collateral for the lease. Amortization is included in depreciation expense.

Fiscal Year	Capital Lease Obligation		
	Principal	Interest	Total
2015	\$ 11,174	\$ 220	\$ 11,394

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 2014.

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

G. Landfill Closure and Post Closure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill sites when the sites stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closing.

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2014

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

G. Landfill Closure and Post Closure Care Costs - Continued

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, 2014, calculated as follows:

	MSW	C&D Cells A, B & C	Total
Total estimated current closure and post closure care cost	\$ 5,734,289	\$ 2,361,000	
Percentage of landfill capacity used to date	100%	100%	
Reported liability for closure and post closure care cost	\$ 5,734,289	\$ 2,361,000	\$ 8,095,289
Total estimated current closure and post closure care cost remaining to be recognized	\$ -	\$ -	
Landfill's approximate remaining life in years	-	-	

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, 2014. 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.

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

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 4 - OTHER INFORMATION - Continued

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, 2014, have not yet been conducted. Therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Library Services and Construction Act, Title II

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

Litigation

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

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, 2014

NOTE 4 - OTHER INFORMATION - Continued

D. Pension Plans

Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS), both of which are cost-sharing, multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. SCRS and PORS provide retirement and disability benefits, cost of living adjustments on an adhoc basis, life insurance benefits, and survivor benefits to plan members and beneficiaries. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. A comprehensive annual financial report containing financial statements and required supplementary information for the South Carolina Retirement System and the South Carolina Police Officers Retirement System are issued and publicly available by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

The following is a recap of the mandated contribution rates:

	SCRS	PORS
Employee contributions	7.50% of salary	7.84% of salary
Employer contributions	10.45% of salary	12.44% of salary

In addition to the preceding rates, the County contributes .15% of the SCRS payroll to provide a group life insurance benefit for their SCRS participants. Also for their PORS participants, the County contributes .2% of PORS payroll to provide a group life insurance benefit and .2% of PORS payroll to provide an accidental death benefit. The required contributions are equal to the actual contributions made to SCRS and PORS.

The County's contributions to the plans for the current and preceding two fiscal years were as follows:

PRIMARY GOVERNMENT

Governmental Funds

	Employee Amount	Required Contributions % of Wages	Employer Amount	Required Contributions % of Wages	Total Contributions
SCRS					
June 30, 2014	\$ 333,899	7.50%	\$ 474,072	10.600%	\$ 807,971
June 30, 2013	314,750	7.00%	476,226	10.600%	790,976
June 30, 2012	286,629	6.50%	419,915	9.540%	706,544

CHEROKEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2014

NOTE 4 - OTHER INFORMATION - Continued

D. Pension Plans - Continued

Governmental Funds - Continued

PORS	Employee Amount	Required Contributions % of Wages	Employer Amount	Required Contributions % of Wages	Total Contributions
June 30, 2014	\$ 275,008	7.84%	\$ 450,396	12.840%	\$ 725,404
June 30, 2013	236,304	7.00%	415,220	12.300%	651,524
June 30, 2012	208,243	6.50%	376,856	11.760%	585,099

Enterprise Fund

Eligible employees of Peachtree Centre (the Centre) are participants in the South Carolina Retirement System (SCRS). The Centre's contributions made to SCRS are summarized as follows:

SCRS	Employee Amount	Required Contributions % of Wages	Employer Amount	Required Contributions % of Wages	Total Contributions
June 30, 2014	\$ 224,331	7.50%	\$ 317,053	10.600%	\$ 541,384
June 30, 2013	213,693	7.00%	323,592	10.600%	537,285
June 30, 2012	186,952	6.50%	274,245	9.540%	461,197

E. Post Employment Health Insurance Benefits

Plan Description - Single-employer defined benefit. The County pays a portion (up to \$200 per month) of the cost of the Medicare supplemental care premium for its retirees who meet the eligibility requirements. In order to qualify, an employee must have at least ten years of employment credit with Cherokee County and the last five years must be consecutive in a full time permanent position with Cherokee County. The retirees are required to pay the remaining amount for the insurance. The plan does not issue a financial report.

Funding Policy - As of the year end, twenty-five retirees are taking advantage of the program. The program was initiated by County Council resolution. These costs are funded on a pay-as-you-go basis. Current year expenditures recognized in the general fund and the enterprise fund amounted to \$49,726 and \$2,880, respectively.

Annual Other Post - Employment Benefits (OPEB) Cost and Net OPEB Obligation - The County's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 4 - OTHER INFORMATION - Continued

E. Post Employment Health Insurance Benefits - Continued

The following table shows the components of the County's annual OPEB costs for the year, the amount actuarially contributed to the plan, and changes in the County's net OPEB obligation for the post-employment health insurance benefits:

	General Government	Peachtree Centre	Total
Annual Required Contribution	\$ 238,254	\$ 92,746	\$ 331,000
Interest on OPEB Obligation	49,450	19,250	68,700
Adjustment to Annual Required Contribution	(51,466)	(20,034)	(71,500)
Annual OPEB Costs	236,238	91,962	328,200
Contributions Made	(67,733)	(26,367)	(94,100)
Increase in Net OPEB Obligation	168,505	65,595	234,100
Net OPEB Obligation - Beginning of Year	1,260,186	456,314	1,716,500
Net OPEB Obligation - End of Year	<u>\$ 1,428,691</u>	<u>\$ 521,909</u>	<u>\$ 1,950,600</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years are as follows:

For the Year Ended June 30	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 328,200	\$ 94,100	28.67%	\$ 1,950,600
2013	312,100	80,500	25.79%	1,716,500
2012	444,500	95,200	21.42%	1,484,900

Funding Status and Progress - As of July 1, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$3,482,000. The covered payroll (annual payroll of active employees covered by the plan) was \$10,600,100, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 34.2%.

Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CHEROKEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

NOTE 4 - OTHER INFORMATION - Continued

E. Post Employment Health Insurance Benefits - Continued

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based upon the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the July 2012 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 4.00% investment rate of return, projected salary increases of 2.50%, inflation rate of 2.5% and the healthcare cost trend rate to be 8.50%. The UAAL is being amortized as a level percentage of projected payroll on an open basis over a 30 year period. A copy of the complete actuarial report is available at our county offices located at 110 Railroad Avenue, Gaffney, SC 29340.

NOTE 5 – CHANGES IN ACCOUNTING PRINCIPAL

For the fiscal year ended June 30, 2014, the County implemented Governmental Accounting Standards Board (GASB) Statement Number 65, *Items Previously Reported as Assets and Liabilities*. GASB No. 65 established accounting and financial reporting standards that reclassify, as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows/inflows of resources, certain items that were previously reported as assets and liabilities. Additionally, GASB No. 65 limits the uses of the term “deferred” to items reported as deferred outflows of resources or deferred inflows of resources.

REQUIRED SUPPLEMENTARY INFORMATION

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CHEROKEE COUNTY, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Revenues				
Taxes	\$ 13,793,810	\$ 13,793,810	\$ 14,332,761	\$ 538,951
Licenses and permits	130,500	130,500	146,092	15,592
Intergovernmental	1,868,800	1,868,800	2,200,576	331,776
Charges for services	615,525	615,525	678,999	63,474
Fines	540,250	540,250	657,793	117,543
Interest	-	-	19,664	19,664
Miscellaneous	673,280	673,280	763,779	90,499
Total Revenues	<u>17,622,165</u>	<u>17,622,165</u>	<u>18,799,664</u>	<u>1,177,499</u>
Expenditures				
Current				
General government				
Vehicle Maintenance	208,728	208,728	198,793	9,935
Administration	476,173	476,173	487,680	(11,507)
Pooled Vehicles	7,750	7,750	4,867	2,883
Finance	332,236	332,236	330,675	1,561
Human Resources	50,829	50,829	49,547	1,282
Information Technology	105,207	105,207	104,215	992
Central Purchasing	1,500	1,500	(47,687)	49,187
Central Services	1,298,217	1,298,217	793,289	504,928
County Buildings	134,430	134,430	130,253	4,177
Administrative Building Complex	177,840	177,840	187,555	(9,715)
Courthouse	35,900	35,900	45,467	(9,567)
Development Board	57,000	57,000	35,619	21,381
Delinquent Tax Collector	105,411	105,411	95,529	9,882
Treasurer	269,876	269,876	271,335	(1,459)
Auditor	236,184	236,184	230,202	5,982
Building Inspectors	244,150	244,150	241,961	2,189
Tax Assessor	331,592	331,592	323,387	8,205
Risk Management	47,462	47,462	44,990	2,472
Addressing	49,477	49,477	49,005	472
GIS/Mapping	71,964	71,964	69,863	2,101
Election Commission	61,578	61,578	93,722	(32,144)
Poll Workers	12,096	12,096	37,055	(24,959)
Voter Registration	75,815	75,815	74,255	1,560
Magistrate - Gaffney	616,240	616,240	640,014	(23,774)
Clerk of Court	217,656	217,656	225,132	(7,476)
Probate Court	239,472	239,472	246,669	(7,197)
Register of Deeds	202,493	202,493	198,654	3,839
Attorney/Judicial	76,673	76,673	87,508	(10,835)
Clerk of Court Support	219,231	219,231	212,192	7,039
Circuit Solicitor	185,102	185,102	188,730	(3,628)
Victims Advocate	151,109	151,109	146,424	4,685
Appalachian COG	35,000	35,000	34,083	917
Cherokee Defender Corp	140,000	140,000	140,000	-
	<u>6,474,391</u>	<u>6,474,391</u>	<u>5,970,983</u>	<u>503,408</u>
Public Safety				
Code Enforcement	94,653	94,653	96,368	(1,715)
Communications	348,998	348,998	338,130	10,868
Animal Shelter	98,007	98,007	104,101	(6,094)
Enhanced Communications/911	808,652	808,652	883,596	(74,944)
Fire Protection	226,500	226,500	225,606	894
Coroner	108,577	108,577	134,619	(26,042)
Law Enforcement Center	109,540	109,540	109,754	(214)
Sheriff	3,192,535	3,192,535	3,541,334	(348,799)
Detention Center	2,576,729	2,576,729	2,680,526	(103,797)
Emergency Preparedness	132,278	132,278	128,938	3,340
	<u>7,696,469</u>	<u>7,696,469</u>	<u>8,242,972</u>	<u>(546,503)</u>

CHEROKEE COUNTY, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Environmental and Housing				
Department of Public Works	43,662	43,662	45,404	(1,742)
Solid Waste Collections	1,081,036	1,081,036	1,057,779	23,257
C and D Landfill	296,405	296,405	275,371	21,034
Solid Waste Disposal	97,558	97,558	87,745	9,813
Recycling Center	484,614	484,614	462,288	22,326
Clemson Ext Service	24,120	24,120	24,120	-
Thicketty Creek Project	8,900	8,900	8,900	-
USDA Soil Conservation	7,500	7,500	7,500	-
	<u>2,043,795</u>	<u>2,043,795</u>	<u>1,969,107</u>	<u>74,688</u>
Health and Human Services				
Veterans Office	137,502	137,502	140,060	(2,558)
Alcohol and Drug Abuse	7,500	7,500	7,500	-
Health Department	33,760	33,760	33,760	-
Indigent Care	193,255	193,255	207,231	(13,976)
County Health and Human Services	292,096	292,096	292,096	-
Social Services	29,200	29,200	26,459	2,741
Habilitation Services	50,000	50,000	50,000	-
Service to Aging	35,000	35,000	35,000	-
Regional Mental Health	35,000	35,000	35,000	-
Piedmont Community Acts	4,000	4,000	4,000	-
Literacy Association	15,000	15,000	15,000	-
	<u>832,313</u>	<u>832,313</u>	<u>846,106</u>	<u>(13,793)</u>
Transportation				
Roads and Bridges	1,200,583	1,200,583	1,139,274	61,309
	<u>1,200,583</u>	<u>1,200,583</u>	<u>1,139,274</u>	<u>61,309</u>
Culture and Recreation				
Library	-	-	428	(428)
Recreation district	-	-	126	(126)
	<u>-</u>	<u>-</u>	<u>554</u>	<u>(554)</u>
Capital Outlay	959,174	959,174	911,964	47,210
Total Expenditures	<u>19,206,725</u>	<u>19,206,725</u>	<u>19,080,960</u>	<u>125,765</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,584,560)</u>	<u>(1,584,560)</u>	<u>(281,296)</u>	<u>1,303,264</u>
Other Financing Sources (Uses)				
Sale of capital assets	20,000	20,000	26,650	6,650
Transfers in	1,873,560	1,873,560	1,895,159	21,599
Transfers out	(309,000)	(309,000)	(311,846)	(2,846)
Total Other Financing Sources (Uses)	<u>1,584,560</u>	<u>1,584,560</u>	<u>1,609,963</u>	<u>25,403</u>
Special Item - Forgiveness of Advance Due to Enterprise Fund	-	-	591,850	591,850
Net Change in Fund Balance	-	-	1,920,517	1,920,517
Fund Balance - Beginning of Year	<u>9,651,087</u>	<u>9,651,087</u>	<u>11,504,681</u>	<u>1,853,594</u>
Fund Balance - End of Year	<u>\$ 9,651,087</u>	<u>\$ 9,651,087</u>	<u>\$ 13,425,198</u>	<u>\$ 3,774,111</u>

Note: The budget is prepared and monitored on a U.S. generally accepted accounting principles (GAAP) basis of accounting.

CHEROKEE COUNTY, SOUTH CAROLINA
 SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
 FOR RETIREE HEALTH PLANS
 FOR THE YEAR ENDED JUNE 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2008	\$ -	\$ 3,960,000	\$ 3,960,000	0%	\$ 10,815,127	36.62%
July 1, 2010	-	4,046,400	4,046,400	0%	10,753,268	37.63%
July 1, 2012	-	3,482,000	3,482,000	0%	10,600,100	32.85%

Schedule of Employer Contributions

Fiscal Year End	Annual Required Contribution	Estimated Employer Contribution	Percent Funded
June 30, 2009	\$ 495,000	\$ 79,000	16.0%
June 30, 2010	474,000	86,000	18.1%
June 30, 2011	422,500	90,600	21.4%
June 30, 2012	446,400	95,200	21.3%
June 30, 2013	314,500	80,500	25.6%
June 30, 2014	331,000	94,100	28.4%

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**COMBINING AND INDIVIDUAL NONMAJOR FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2014

Special Revenue Funds

	Carolina Thread Trail	Over Mtn Endowment	911 Telephone	E911 Surcharge	Drug Enforce Agent	Sheriff Seized Gambling Monies	Used Oil
Assets							
Cash	\$ 692	\$ 6,656	\$ 204,881	\$ 1,139,362	\$ 10,426	\$ 3,276	\$ -
Taxes receivable (net)	-	-	-	-	-	-	-
Other receivables	-	-	-	150,801	-	-	25
Due from other funds	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
	<u>\$ 692</u>	<u>\$ 6,656</u>	<u>\$ 204,881</u>	<u>\$ 1,290,163</u>	<u>\$ 10,426</u>	<u>\$ 3,276</u>	<u>\$ 25</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	22,551	322	10,426	-	25
Accrued expenses	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>22,551</u>	<u>322</u>	<u>10,426</u>	<u>-</u>	<u>25</u>
Deferred Inflows of Resources							
Unavailable revenues - property taxes	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	692	6,656	-	1,289,841	-	3,276	-
Assigned	-	-	182,330	-	-	-	-
Unassigned	-	-	-	-	-	-	-
	<u>692</u>	<u>6,656</u>	<u>182,330</u>	<u>1,289,841</u>	<u>-</u>	<u>3,276</u>	<u>-</u>
	<u>\$ 692</u>	<u>\$ 6,656</u>	<u>\$ 204,881</u>	<u>\$ 1,290,163</u>	<u>\$ 10,426</u>	<u>\$ 3,276</u>	<u>\$ 25</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET - CONTINUED
 JUNE 30, 2014

Special Revenue Funds

	Waste Tire	Sheriff Drug	Jail Canteen	Inmate Telephone	East Gaffney Lighting Project	Victory Trail Fund	Title IV-D Family Court
Assets							
Cash	\$ -	\$ 455	\$ 23,819	\$ 80,289	\$ 5,000	\$ 32,286	\$ -
Taxes receivable (net)	-	-	-	-	-	-	-
Other receivables	11,789	-	-	-	-	-	15,591
Due from other funds	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
	<u>\$ 11,789</u>	<u>\$ 455</u>	<u>\$ 23,819</u>	<u>\$ 80,289</u>	<u>\$ 5,000</u>	<u>\$ 32,286</u>	<u>\$ 15,591</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	11,789	-	6	59	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
	<u>11,789</u>	<u>-</u>	<u>6</u>	<u>59</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources							
Unavailable revenues - property taxes	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	455	-	-	5,000	32,286	-
Assigned	-	-	23,813	80,230	-	-	-
Unassigned	-	-	-	-	-	-	15,591
	<u>-</u>	<u>455</u>	<u>23,813</u>	<u>80,230</u>	<u>5,000</u>	<u>32,286</u>	<u>15,591</u>
	<u>\$ 11,789</u>	<u>\$ 455</u>	<u>\$ 23,819</u>	<u>\$ 80,289</u>	<u>\$ 5,000</u>	<u>\$ 32,286</u>	<u>\$ 15,591</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET - CONTINUED
 JUNE 30, 2014

	Special Revenue Funds							
	Solicitor Renovations	Adopt-A-Cop	"C" Funds	Restrict Solicitor	Estreated Bonds	Weekend Jail	Sex Offender	EPD
Assets								
Cash	\$ 18,071	\$ -	\$ 1,361,272	\$ 235,429	\$ 8,567	\$ 48,127	\$ 29,547	\$ 34,339
Taxes receivable (net)	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Due from other funds	-	105	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
	<u>\$ 18,071</u>	<u>\$ 105</u>	<u>\$ 1,361,272</u>	<u>\$ 235,429</u>	<u>\$ 8,567</u>	<u>\$ 48,127</u>	<u>\$ 29,547</u>	<u>\$ 34,339</u>
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,601	\$ -
Due to other funds	-	5	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
	<u>-</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,601</u>	<u>-</u>
Deferred Inflows of Resources								
Unavailable revenues - property taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	18,071	-	1,361,272	235,429	8,567	-	26,946	34,339
Assigned	-	-	-	-	-	48,127	-	-
Unassigned	-	100	-	-	-	-	-	-
	<u>18,071</u>	<u>100</u>	<u>1,361,272</u>	<u>235,429</u>	<u>8,567</u>	<u>48,127</u>	<u>26,946</u>	<u>34,339</u>
	<u>\$ 18,071</u>	<u>\$ 105</u>	<u>\$ 1,361,272</u>	<u>\$ 235,429</u>	<u>\$ 8,567</u>	<u>\$ 48,127</u>	<u>\$ 29,547</u>	<u>\$ 34,339</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET - CONTINUED
 JUNE 30, 2014

	Special Revenue Funds							
	Fire Insurance	Sheriff Hardship	Sheriff DSS	Federal Drug	Title IV-D Incentives	Bulletproof Vests	Solicitor	Emergency Management
Assets								
Cash	\$ -	\$ 10,807	\$ 43,965	\$ 479,603	\$ 179,067	\$ 6,350	\$ 29,326	\$ -
Taxes receivable (net)	-	-	-	-	-	-	-	-
Other receivables	103,692	-	-	5,350	-	-	-	5,620
Due from other funds	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
	<u>\$ 103,692</u>	<u>\$ 10,807</u>	<u>\$ 43,965</u>	<u>\$ 484,953</u>	<u>\$ 179,067</u>	<u>\$ 6,350</u>	<u>\$ 29,326</u>	<u>\$ 5,620</u>
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,350	\$ -	\$ -
Due to other funds	-	-	-	2,414	18	-	-	5,646
Accrued expenses	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,414</u>	<u>18</u>	<u>5,350</u>	<u>-</u>	<u>5,646</u>
Deferred Inflows of Resources								
Unavailable revenues - property taxes	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	103,692	10,807	43,965	482,539	179,049	1,000	29,326	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(26)
	<u>103,692</u>	<u>10,807</u>	<u>43,965</u>	<u>482,539</u>	<u>179,049</u>	<u>1,000</u>	<u>29,326</u>	<u>(26)</u>
	<u>\$ 103,692</u>	<u>\$ 10,807</u>	<u>\$ 43,965</u>	<u>\$ 484,953</u>	<u>\$ 179,067</u>	<u>\$ 6,350</u>	<u>\$ 29,326</u>	<u>\$ 5,620</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET - CONTINUED
 JUNE 30, 2014

Special Revenue Funds

	Library	Development Board	LETC	Hazmat	SC DHEC HPP Grant	Annual Law Enforcement Camp
Assets						
Cash	\$ 834,760	\$ 111,090	\$ 5,755	\$ 48	\$ -	\$ 2,633
Taxes receivable (net)	29,221	-	-	-	-	-
Other receivables	27,054	-	-	-	29,074	-
Due from other funds		-	-	-	-	-
Prepaid expenses	12,348	-	-	-	-	-
	<u>\$ 903,383</u>	<u>\$ 111,090</u>	<u>\$ 5,755</u>	<u>\$ 48</u>	<u>\$ 29,074</u>	<u>\$ 2,633</u>
Liabilities						
Accounts payable	\$ 2,572	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	29,074	-
Accrued expenses	20,970	2,929	-	-	-	-
Unearned revenue	-	-	-	-	-	-
	<u>23,542</u>	<u>2,929</u>	<u>-</u>	<u>-</u>	<u>29,074</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable revenues - property taxes	28,815	-	-	-	-	-
Fund Balances						
Nonspendable	13,600	-	-	-	-	-
Restricted	170,945	-	-	48	-	-
Assigned	666,481	108,161	5,755	-	-	2,633
Unassigned	-	-	-	-	-	-
	<u>851,026</u>	<u>108,161</u>	<u>5,755</u>	<u>48</u>	<u>-</u>	<u>2,633</u>
	<u>\$ 874,568</u>	<u>\$ 111,090</u>	<u>\$ 5,755</u>	<u>\$ 48</u>	<u>\$ 29,074</u>	<u>\$ 2,633</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2014

Special Revenue Funds							
	Sheriff Confiscated Funds	Restitution	Dare	Fire Districts	Others	Debt Service Fund	Totals
Assets							
Cash	\$ 139,794	\$ 926	\$ 30,914	\$ -	\$ 18,956	\$ 830,746	\$ 5,967,234
Taxes receivable (net)	-	-	-	32,293	-	34,124	95,638
Other receivables	-	-	-	-	-	-	348,996
Due from other funds	46,840	-	-	1	-	243,050	289,996
Prepaid expenses	-	-	-	-	-	-	12,348
	<u>\$ 186,634</u>	<u>\$ 926</u>	<u>\$ 30,914</u>	<u>\$ 32,294</u>	<u>\$ 18,956</u>	<u>\$ 1,107,920</u>	<u>\$ 6,714,212</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,523
Due to other funds	-	-	22	2,790	15,785	-	100,932
Accrued expenses	-	-	-	-	-	-	23,899
Unearned revenue	186,655	-	-	-	-	-	186,655
	<u>186,655</u>	<u>-</u>	<u>22</u>	<u>2,790</u>	<u>15,785</u>	<u>-</u>	<u>322,009</u>
Deferred Inflows of Resources							
Unavailable revenues - property taxes	-	-	-	28,642	-	29,871	87,328
	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,642</u>	<u>-</u>	<u>29,871</u>	<u>87,328</u>
Fund Balances							
Nonspendable	-	-	-	-	-	-	13,600
Restricted	-	926	30,892	-	3,171	-	4,079,190
Assigned	(21)	-	-	-	-	1,078,049	2,195,558
Unassigned	-	-	-	862	-	-	16,527
	<u>(21)</u>	<u>926</u>	<u>30,892</u>	<u>862</u>	<u>3,171</u>	<u>1,078,049</u>	<u>6,304,875</u>
	<u>\$ 186,634</u>	<u>\$ 926</u>	<u>\$ 30,914</u>	<u>\$ 32,294</u>	<u>\$ 18,956</u>	<u>\$ 1,107,920</u>	<u>\$ 6,714,212</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds							
	Carolina Thread Trail	Over Mtn Endowment	911 Telephone	E911 Surcharge	River Drive Water Project	Drug Enforce Agent	Sheriff Seized Gambling Monies	Used Oil
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	170,590	574,308	254,578	16,226	-	2,772
Interest	-	7	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
	<u>-</u>	<u>7</u>	<u>170,590</u>	<u>574,308</u>	<u>254,578</u>	<u>16,226</u>	<u>-</u>	<u>2,772</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	6,901	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	254,578	-	-	2,772
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	4,814	-	-	-	-
Debt service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,715</u>	<u>254,578</u>	<u>-</u>	<u>-</u>	<u>2,772</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>7</u>	<u>170,590</u>	<u>562,593</u>	<u>-</u>	<u>16,226</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(145,000)	(310,000)	-	(16,226)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(145,000)</u>	<u>(310,000)</u>	<u>-</u>	<u>(16,226)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	7	25,590	252,593	-	-	-	-
Fund Balances - Beginning of Year	<u>692</u>	<u>6,649</u>	<u>156,740</u>	<u>1,037,248</u>	<u>-</u>	<u>-</u>	<u>3,276</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 692</u>	<u>\$ 6,656</u>	<u>\$ 182,330</u>	<u>\$ 1,289,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,276</u>	<u>\$ -</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds							
	Waste Tire	EMS Grant	Victim Assistance	Sheriff Drug	Jail Canteen	Inmate Telephone	East Gaffney Lighting Project	Regional Planning
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	33,895	10,457	-	-	-	-	-	50,000
Interest	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-	-
Miscellaneous	-	-	94,171	-	28,380	67,092	-	-
	<u>33,895</u>	<u>10,457</u>	<u>94,171</u>	<u>-</u>	<u>28,380</u>	<u>67,092</u>	<u>-</u>	<u>50,000</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	50,000
Public safety	-	-	-	-	5,470	7,580	-	-
Transportation	-	-	-	-	-	-	-	-
Health and human services	-	10,457	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	19,074	47,157	-	-
Debt service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
	<u>-</u>	<u>10,457</u>	<u>-</u>	<u>-</u>	<u>24,544</u>	<u>54,737</u>	<u>-</u>	<u>50,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33,895</u>	<u>-</u>	<u>94,171</u>	<u>-</u>	<u>3,836</u>	<u>12,355</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(33,895)	-	(94,171)	-	-	-	-	-
Total other financing sources (uses)	<u>(33,895)</u>	<u>-</u>	<u>(94,171)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	3,836	12,355	-	-
Fund Balances - Beginning of Year	-	-	-	455	19,977	67,875	5,000	-
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 455</u>	<u>\$ 23,813</u>	<u>\$ 80,230</u>	<u>\$ 5,000</u>	<u>\$ -</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds						
	Solid Waste	Victory Trail Fund	Title IV-D Family Court	Solicitor Renovations	Adopt-A-Cop	"C" Funds	Restrict Solicitor
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,000	-	169,307	-	-	1,214,583	-
Interest	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	99	-	50,000
	<u>4,000</u>	<u>-</u>	<u>169,307</u>	<u>-</u>	<u>99</u>	<u>1,214,583</u>	<u>50,000</u>
Expenditures							
Current							
General government	-	-	-	-	-	-	49,844
Public safety	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	1,163,368	-
Health and human services	-	-	263	-	-	-	-
Environmental and housing	4,000	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	13,690	-	-	-	-
Debt service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
	<u>4,000</u>	<u>-</u>	<u>13,953</u>	<u>-</u>	<u>-</u>	<u>1,163,368</u>	<u>49,844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>155,354</u>	<u>-</u>	<u>99</u>	<u>51,215</u>	<u>156</u>
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(139,763)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(139,763)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	15,591	-	99	51,215	156
Fund Balances - Beginning of Year	<u>-</u>	<u>32,286</u>	<u>-</u>	<u>18,071</u>	<u>-</u>	<u>1,310,057</u>	<u>235,273</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ 32,286</u>	<u>\$ 15,591</u>	<u>\$ 18,071</u>	<u>\$ 99</u>	<u>\$ 1,361,272</u>	<u>\$ 235,429</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds						
	Estreated Bonds	Weekend Jail	Sex Offender	EPD	Fire Insurance	Sheriff Hardship	Sheriff DSS
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	103,692	-	11,286
Interest	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-
Miscellaneous	1,864	16,570	5,577	-	-	-	-
	<u>1,864</u>	<u>16,570</u>	<u>5,577</u>	<u>-</u>	<u>103,692</u>	<u>-</u>	<u>11,286</u>
Expenditures							
Current							
General government	413	-	-	-	-	-	4,262
Public safety	-	3,792	2,601	1,989	-	-	-
Transportation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	89,926	-	-
Environmental and housing	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	4,929	-	7,055	-	-	-
Debt service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
	<u>413</u>	<u>8,721</u>	<u>2,601</u>	<u>9,044</u>	<u>89,926</u>	<u>-</u>	<u>4,262</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,451</u>	<u>7,849</u>	<u>2,976</u>	<u>(9,044)</u>	<u>13,766</u>	<u>-</u>	<u>7,024</u>
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,451	7,849	2,976	(9,044)	13,766	-	7,024
Fund Balances - Beginning of Year	<u>7,116</u>	<u>40,277</u>	<u>23,970</u>	<u>43,384</u>	<u>89,926</u>	<u>10,807</u>	<u>36,941</u>
Fund Balances - End of Year	<u>\$ 8,567</u>	<u>\$ 48,126</u>	<u>\$ 26,946</u>	<u>\$ 34,340</u>	<u>\$ 103,692</u>	<u>\$ 10,807</u>	<u>\$ 43,965</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds							
	Federal Drug	Title IV-D Incentives	Bulletproof Vests	Solicitor	Emergency Management	Library	Development Board	
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 805,926	\$ -	\$ -
Intergovernmental	-	34,945	5,350	-	58,389	99,129	25,000	-
Interest	38	-	-	-	-	72	7	-
Charges for services	-	-	-	-	-	37,516	-	-
Confiscated money	843,602	-	-	3,187	-	-	-	-
Miscellaneous	-	-	1,000	-	-	9,656	35,000	8,605
	<u>843,640</u>	<u>34,945</u>	<u>6,350</u>	<u>3,187</u>	<u>58,389</u>	<u>952,299</u>	<u>60,007</u>	<u>8,605</u>
Expenditures								
Current								
General government	-	-	-	1,609	-	-	140,190	-
Public safety	131,601	-	5,350	5,343	2,161	-	-	8,789
Transportation	-	-	-	-	-	-	-	-
Health and human services	-	425	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	852,257	-	-
Capital outlay	264,060	-	-	-	28,467	3,041	-	-
Debt service								
Principal retirement	-	-	-	-	-	17,724	-	-
Interest and fiscal charges	-	-	-	-	-	792	-	-
	<u>395,661</u>	<u>425</u>	<u>5,350</u>	<u>6,952</u>	<u>30,628</u>	<u>873,814</u>	<u>140,190</u>	<u>8,789</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>447,979</u>	<u>34,520</u>	<u>1,000</u>	<u>(3,765)</u>	<u>27,761</u>	<u>78,485</u>	<u>(80,183)</u>	<u>(184)</u>
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	90,000	-
Transfers out	-	-	-	-	(27,787)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,787)</u>	<u>-</u>	<u>90,000</u>	<u>-</u>
Net Change in Fund Balances	447,979	34,520	1,000	(3,765)	(26)	78,485	9,817	(184)
Fund Balances - Beginning of Year	<u>34,561</u>	<u>144,528</u>	<u>-</u>	<u>33,091</u>	<u>-</u>	<u>772,541</u>	<u>98,344</u>	<u>5,939</u>
Fund Balances - End of Year	<u>\$ 482,540</u>	<u>\$ 179,048</u>	<u>\$ 1,000</u>	<u>\$ 29,326</u>	<u>\$ (26)</u>	<u>\$ 851,026</u>	<u>\$ 108,161</u>	<u>\$ 5,755</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds						
	Hazmat	SC DHEC HPP Grant	Annual Law Enforcement Camp	Sheriff Confiscated Funds	Dare	Fire Districts	Palmetto Pride
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,187,720	\$ -
Intergovernmental	-	34,076	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Confiscated money	-	-	-	-	-	-	-
Miscellaneous	-	-	2,500	-	23,110	-	1,855
	<u>-</u>	<u>34,076</u>	<u>2,500</u>	<u>-</u>	<u>23,110</u>	<u>1,187,720</u>	<u>1,855</u>
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public safety	-	-	2,367	21	7,808	1,404,910	-
Transportation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Environmental and housing	-	-	-	-	-	-	1,855
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	33,783	-	-	1,480	-	-
Debt service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
	<u>-</u>	<u>33,783</u>	<u>2,367</u>	<u>21</u>	<u>9,288</u>	<u>1,404,910</u>	<u>1,855</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>293</u>	<u>133</u>	<u>(21)</u>	<u>13,822</u>	<u>(217,190)</u>	<u>-</u>
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	219,000	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,000</u>	<u>-</u>
Net Change in Fund Balances	-	293	133	(21)	13,822	1,810	-
Fund Balances - Beginning of Year	<u>48</u>	<u>(293)</u>	<u>2,500</u>	<u>-</u>	<u>17,069</u>	<u>(948)</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ 2,633</u>	<u>\$ (21)</u>	<u>\$ 30,891</u>	<u>\$ 862</u>	<u>\$ -</u>

CHEROKEE COUNTY, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds					Debt Service Fund	Totals
	Associated Hardwood	Grassy Pond Water Works	DHEC Grant	Restitution	Others		
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 955,684	\$ 2,949,330
Intergovernmental	100,000	124,000	4,000	-	-	-	3,100,583
Interest	-	-	-	-	-	-	124
Charges for services	-	-	-	-	-	-	37,516
Confiscated money	-	-	-	-	-	-	846,789
Miscellaneous	-	-	-	926	-	-	346,405
	<u>100,000</u>	<u>124,000</u>	<u>4,000</u>	<u>926</u>	<u>-</u>	<u>955,684</u>	<u>7,280,747</u>
Expenditures							
Current							
General government	100,000	-	-	-	-	-	346,318
Public safety	-	-	-	-	-	-	1,596,683
Transportation	-	-	-	-	-	-	1,163,368
Health and human services	-	-	4,000	-	-	-	105,071
Environmental and housing	-	124,000	-	-	-	-	387,205
Culture and recreation	-	-	-	-	-	-	852,257
Capital outlay	-	-	-	-	-	-	427,550
Debt service	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	567,000	584,724
Interest and fiscal charges	-	-	-	-	-	267,274	268,066
	<u>100,000</u>	<u>124,000</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>834,274</u>	<u>5,731,242</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>926</u>	<u>-</u>	<u>121,410</u>	<u>1,549,505</u>
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	309,000
Transfers out	-	-	-	-	-	-	(766,842)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(457,842)</u>
Net Change in Fund Balances	-	-	-	926	-	121,410	1,091,663
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,172</u>	<u>956,639</u>	<u>5,213,211</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 926</u>	<u>\$ 3,172</u>	<u>\$ 1,078,049</u>	<u>\$ 6,304,874</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 JUNE 30, 2014

	School District		Support Office	Clerk of Court				Tax Collector
	Cherokee No. 1	Spartanburg No. 2		Out of Town Surety Bonds	Bondsmen	Finance Officer	Magistrates Cash Bonds	
Assets								
Cash	\$ 32,335,871	\$ -	\$ 26,419	\$ 3,996	\$ 75,770	\$ 79,873	\$ 279,336	\$ 851,815
Other receivables	-	-	-	-	-	-	-	-
Taxes receivable - net	1,178,119	36,083	-	-	-	-	-	-
	<u>\$ 33,513,990</u>	<u>\$ 36,083</u>	<u>\$ 26,419</u>	<u>\$ 3,996</u>	<u>\$ 75,770</u>	<u>\$ 79,873</u>	<u>\$ 279,336</u>	<u>\$ 851,815</u>
Liabilities								
Due to other designated recipients	\$ 33,513,990	\$ 36,083	\$ 26,419	\$ 3,996	\$ 75,770	\$ 79,873	\$ 279,336	\$ 851,815
	<u>\$ 33,513,990</u>	<u>\$ 36,083</u>	<u>\$ 26,419</u>	<u>\$ 3,996</u>	<u>\$ 75,770</u>	<u>\$ 79,873</u>	<u>\$ 279,336</u>	<u>\$ 851,815</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CONTINUED
 JUNE 30, 2014

	Cherokee Tech	City of Chesnee	Sheriff's Drug Fund	Inmate Trust Funds	Recreation District	CCCADA - Mini Bottle Tax	Macedonia	Total
Assets								
Cash	\$ -	\$ -	\$ 87,111	\$ 19,576	\$ -	\$ 15,976	\$ -	\$ 33,775,743
Other receivables	-	-	-	-	-	21,997	-	21,997
Taxes receivable - net	11,719	1,458	-	-	23,782	-	3,442	1,254,603
	<u>\$ 11,719</u>	<u>\$ 1,458</u>	<u>\$ 87,111</u>	<u>\$ 19,576</u>	<u>\$ 23,782</u>	<u>\$ 37,973</u>	<u>\$ 3,442</u>	<u>\$ 35,052,343</u>
Liabilities								
Due to other designated recipients	\$ 11,719	\$ 1,458	\$ 87,111	\$ 19,576	\$ 23,782	\$ 37,973	\$ 3,442	\$ 35,052,343
	<u>\$ 11,719</u>	<u>\$ 1,458</u>	<u>\$ 87,111</u>	<u>\$ 19,576</u>	<u>\$ 23,782</u>	<u>\$ 37,973</u>	<u>\$ 3,442</u>	<u>\$ 35,052,343</u>

CHEROKEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
School District - Cherokee No. 1				
Assets				
Cash	\$ 28,341,393	\$ 95,228,391	\$91,233,913	\$ 32,335,871
Taxes receivable - net	1,104,126	1,178,119	1,104,126	\$ 1,178,119
	<u>\$ 29,445,519</u>	<u>\$ 96,406,510</u>	<u>\$ 92,338,039</u>	<u>\$ 33,513,990</u>
Liabilities				
Due to other designated recipients	\$ 29,445,519	\$ 96,406,510	\$ 92,338,039	\$ 33,513,990
	<u>\$ 29,445,519</u>	<u>\$ 96,406,510</u>	<u>\$ 92,338,039</u>	<u>\$ 33,513,990</u>
School District - Sptbg. No. 2				
Assets				
Taxes receivable - net	\$ 65,727	\$ 757,945	\$ 787,589	\$ 36,083
	<u>\$ 65,727</u>	<u>\$ 757,945</u>	<u>\$ 787,589</u>	<u>\$ 36,083</u>
Liabilities				
Due to other designated recipients	\$ 65,727	\$ 757,945	\$ 787,589	\$ 36,083
	<u>\$ 65,727</u>	<u>\$ 757,945</u>	<u>\$ 787,589</u>	<u>\$ 36,083</u>
Support Office				
Assets				
Cash	\$ 23,834	\$ 5,544,998	\$ 5,542,413	\$ 26,419
	<u>\$ 23,834</u>	<u>\$ 5,544,998</u>	<u>\$ 5,542,413</u>	<u>\$ 26,419</u>
Liabilities				
Due to other designated recipients	\$ 23,834	\$ 5,544,998	\$ 5,542,413	\$ 26,419
	<u>\$ 23,834</u>	<u>\$ 5,544,998</u>	<u>\$ 5,542,413</u>	<u>\$ 26,419</u>
Clerk of Court - Out of Town Surety Bonds				
Assets				
Cash	\$ 7,134	\$ 2,621	\$ 5,759	\$ 3,996
	<u>\$ 7,134</u>	<u>\$ 2,621</u>	<u>\$ 5,759</u>	<u>\$ 3,996</u>
Liabilities				
Due to other designated recipients	\$ 7,134	\$ 2,621	\$ 5,759	\$ 3,996
	<u>\$ 7,134</u>	<u>\$ 2,621</u>	<u>\$ 5,759</u>	<u>\$ 3,996</u>
Clerk of Court - Bondsmen				
Assets				
Cash	\$ 75,733	\$ 37	\$ -	\$ 75,770
	<u>\$ 75,733</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 75,770</u>
Liabilities				
Due to other designated recipients	\$ 75,733	\$ 37	\$ -	\$ 75,770
	<u>\$ 75,733</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 75,770</u>

CHEROKEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Clerk of Court - Finance Officer				
Assets				
Cash	\$ 82,144	\$ 1,494	\$ 3,765	\$ 79,873
Liabilities				
Due to other designated recipients	\$ 82,144	\$ 1,494	\$ 3,765	\$ 79,873
Magistrate Cash Bonds				
Assets				
Cash	\$ 306,995	\$ 1,310,561	\$ 1,338,220	\$ 279,336
Liabilities				
Due to other designated recipients	\$ 306,995	\$ 1,310,561	\$ 1,338,220	\$ 279,336
Tax Collector				
Assets				
Cash	\$ 518,890	\$ 3,379,748	\$ 3,046,823	\$ 851,815
Liabilities				
Due to other designated recipients	\$ 518,890	\$ 3,379,748	\$ 3,046,823	\$ 851,815
Cherokee Tech				
Assets				
Taxes receivable - net	\$ 11,170	\$ 325,984	\$ 325,435	\$ 11,719
Liabilities				
Due to other designated recipients	\$ 11,170	\$ 325,984	\$ 325,435	\$ 11,719
City of Chesnee				
Assets				
Taxes receivable - net	\$ 1,455	\$ 33,609	\$ 33,606	\$ 1,458
Liabilities				
Due to other designated recipients	\$ 1,455	\$ 33,609	\$ 33,606	\$ 1,458
Sheriff's Drug Fund				
Assets				
Cash	\$ 87,111	\$ -	\$ -	\$ 87,111
Liabilities				
Due to other designated recipients	\$ 87,111	\$ -	\$ -	\$ 87,111

CHEROKEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Inmate Trust Fund				
Assets				
Cash	\$ 35,469	\$ 408,273	\$ 424,166	\$ 19,576
Liabilities				
Due to other designated recipients	\$ 35,469	\$ 408,273	\$ 424,166	\$ 19,576
Recreation District				
Assets				
Taxes receivable - net	\$ 22,676	\$ 653,689	\$ 652,583	\$ 23,782
Liabilities				
Due to other designated recipients	\$ 22,676	\$ 653,689	\$ 652,583	\$ 23,782
CCCADA - Mini Bottle Tax				
Assets				
Cash	\$ 15,976	\$ 84,219	\$ 84,219	\$ 15,976
Other receivables	17,760	21,997	17,760	21,997
	\$ 33,736	\$ 106,216	\$ 101,979	\$ 37,973
Liabilities				
Due to other designated recipients	\$ 33,736	\$ 106,216	\$ 101,979	\$ 37,973
Macedonia				
Assets				
Taxes receivable - net	\$ 6,138	\$ 157,664	\$ 160,360	\$ 3,442
Liabilities				
Due to other designated recipients	\$ 6,138	\$ 157,664	\$ 160,360	\$ 3,442
Total - All Agency Funds				
Assets				
Cash	\$ 29,494,679	\$ 105,960,342	\$ 101,679,278	\$ 33,775,743
Other receivables	17,760	21,997	17,760	21,997
Taxes receivable - net	1,211,292	3,107,010	3,063,699	1,254,603
	\$ 30,723,731	\$ 109,089,349	\$ 104,760,737	\$ 35,052,343
Liabilities				
Due to other designated recipients	\$ 30,723,731	\$ 109,089,349	\$ 104,760,737	\$ 35,052,343
	\$ 30,723,731	\$ 109,089,349	\$ 104,760,737	\$ 35,052,343

CHEROKEE COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS - FIRE DISTRICTS
COMBINING BALANCE SHEET
JUNE 30, 2014

	Buffalo Fire District	Antioch Fire District	Cherokee Creek Fire District	Corinth Fire District	Gaffney Area Fire District	CKC Fire District	Grassy Pond Fire District	Totals
Assets								
Taxes receivable, net	\$ 4,330	\$ 1,792	\$ 3,873	\$ 3,286	\$ 12,538	\$ 2,795	\$ 3,679	\$ 32,293
	<u>\$ 4,330</u>	<u>\$ 1,792</u>	<u>\$ 3,873</u>	<u>\$ 3,286</u>	<u>\$ 12,538</u>	<u>\$ 2,795</u>	<u>\$ 3,679</u>	<u>\$ 32,293</u>
Liabilities								
Due to other funds	\$ 2,121	\$ 93	\$ 17	\$ 123	\$ 130	\$ 180	\$ 126	\$ 2,790
Deferred Inflows of Resources								
Unavailable revenues - property taxes	4,213	1,169	3,379	2,834	11,438	2,384	3,225	28,642
Fund Balances								
Fund balances	(2,003)	530	477	328	971	232	327	862
	<u>\$ 4,331</u>	<u>\$ 1,792</u>	<u>\$ 3,873</u>	<u>\$ 3,285</u>	<u>\$ 12,539</u>	<u>\$ 2,796</u>	<u>\$ 3,678</u>	<u>\$ 32,294</u>

CHEROKEE COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS - FIRE DISTRICTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014

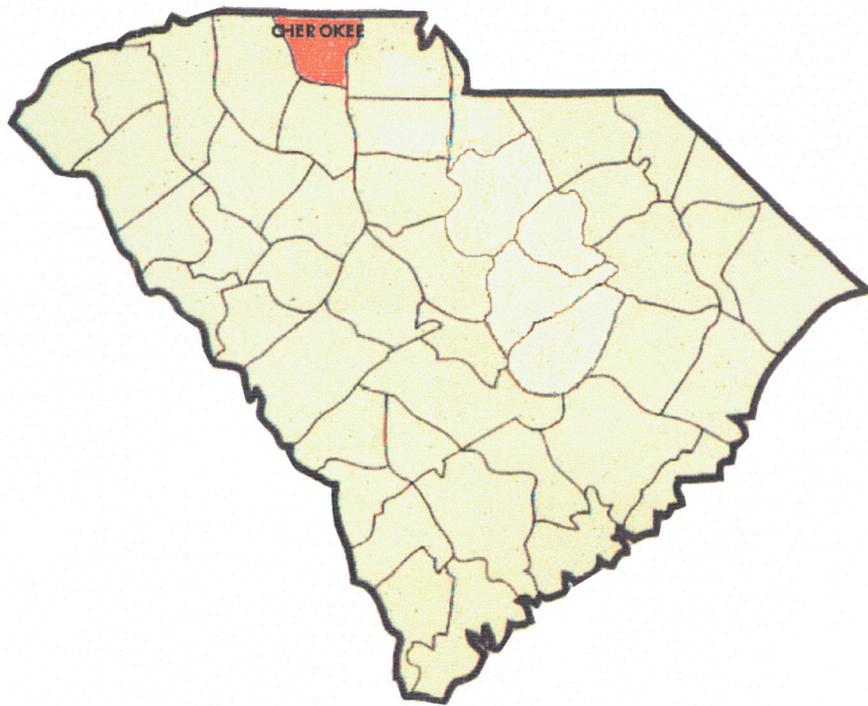
	Buffalo Fire District	Antioch Fire District	Cherokee Creek Fire District	Corinth Fire District	Gaffney Area Fire District	CKC Fire District	Grassy Pond Fire District	Totals
Revenues								
Taxes	\$ 46,333	\$ 77,203	\$ 141,503	\$ 89,364	\$ 603,762	\$ 68,368	\$ 161,187	\$ 1,187,720
Expenditures								
Current								
Public safety	85,066	113,708	172,321	126,246	604,712	104,942	197,915	1,404,910
Excess (Deficiency) of Revenues Over Expenditures	(38,733)	(36,505)	(30,818)	(36,882)	(950)	(36,574)	(36,728)	(217,190)
Other Financing Sources								
Transfers in	36,500	36,500	36,500	36,500	-	36,500	36,500	219,000
Net Change in Fund Balance	(2,233)	(5)	5,682	(382)	(950)	(74)	(228)	1,810
Fund Balance - Beginning of Year	230	535	(5,205)	710	1,921	306	555	(948)
Fund Balance - End of Year	<u>\$ (2,003)</u>	<u>\$ 530</u>	<u>\$ 477</u>	<u>\$ 328</u>	<u>\$ 971</u>	<u>\$ 232</u>	<u>\$ 327</u>	<u>\$ 862</u>

CHEROKEE COUNTY, SOUTH CAROLINA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 JUNE 30, 2014

Function and Activity	Construction In Progress	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Books	Total
General government	\$ 38,747	\$ 395,885	\$ 12,702,213	\$ 207,081	\$ 1,983,188	\$ 115,729	\$ -	\$ 15,442,843
Public safety	-	254,958	9,237,799	116,967	5,426,129	-	-	15,035,853
Transportation	222,028	-	139,222	-	1,541,970	24,274,060	-	26,177,280
Health and human services	-	107,500	877,803	7,813	91,896	-	-	1,085,012
Environmental and housing	-	715,026	694,679	123,681	3,871,825	-	-	5,405,211
Culture and recreation	-	215,526	2,695,053	49,129	883,423	-	913,634	4,756,765
Total	\$ 260,775	\$ 1,688,895	\$ 26,346,769	\$ 504,671	\$ 13,798,431	\$ 24,389,789	\$ 913,634	\$ 67,902,964

CHEROKEE COUNTY, SOUTH CAROLINA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 JUNE 30, 2014

<u>Function and Activity</u>	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
General government	\$ 15,338,754	\$ 125,469	\$ 67,983	\$ 15,396,240
Public safety	14,396,951	695,717	17,423	15,075,245
Transportation	24,438,762	1,533,912	-	25,972,674
Health and human services	1,077,199	7,813	-	1,085,012
Environmental and housing	5,008,602	396,607	-	5,405,209
Culture and recreation	<u>4,706,027</u>	<u>77,796</u>	<u>76,014</u>	<u>4,707,809</u>
Total	<u>\$ 64,966,295</u>	<u>\$ 2,837,314</u>	<u>\$ 161,420</u>	<u>\$ 67,642,189</u>
Construction In Progress	<u>\$ 61,126</u>	<u>\$ 260,775</u>	<u>\$ 61,126</u>	<u>\$ 260,775</u>



STATISTICAL SECTION

STATISTICAL SECTION

This part of Cherokee County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends Information	78-82
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity Information	83-86
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity Information	87-90
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	91-93
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	94-95
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	

Cherokee County, South Carolina
 Net Position by Component
 Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net investment in capital assets	\$ 34,273,755	\$33,495,461	\$ 27,349,580	\$ 26,430,868	\$ 25,331,374	\$ 23,674,676	\$ 21,610,643	\$ 18,262,445	\$ 8,876,182	\$ 8,485,477
Restricted	4,080,442	3,280,976	4,542,499	4,979,719	1,234,126	1,440,463	1,245,124	7,033,291	6,421,295	5,173,865
Unrestricted	8,162,509	6,556,049	9,300,952	8,970,730	11,747,627	10,978,978	11,151,706	3,310,316	5,772,072	4,270,892
Total Governmental Activities Net Position	<u>46,516,706</u>	<u>43,332,486</u>	<u>41,193,031</u>	<u>40,381,317</u>	<u>38,313,127</u>	<u>36,094,117</u>	<u>34,007,473</u>	<u>28,606,052</u>	<u>21,069,549</u>	<u>17,930,234</u>
Business-type Activities										
Net investment in capital assets	554,905	533,959	599,338	657,557	907,982	922,608	922,608	914,353	(504,800)	(484,415)
Unrestricted	2,303,871	2,097,497	1,751,849	827,393	398,351	388,277	388,277	560,185	429,089	88,470
Total Business-type Activities Net Position	<u>2,858,776</u>	<u>2,631,456</u>	<u>2,351,187</u>	<u>1,484,950</u>	<u>1,306,333</u>	<u>1,310,885</u>	<u>1,310,885</u>	<u>1,474,538</u>	<u>(75,711)</u>	<u>(395,945)</u>
Primary Government										
Net investment in capital assets	34,828,660	34,029,420	27,948,918	27,088,425	26,239,356	24,597,284	22,533,251	19,176,798	8,371,382	8,001,062
Restricted	4,080,442	3,280,976	4,542,499	4,979,719	1,234,126	1,440,463	1,245,124	7,033,291	6,421,295	5,173,865
Unrestricted	10,466,380	8,653,546	11,052,801	9,798,123	12,145,978	11,367,255	11,539,983	3,870,501	6,201,161	4,359,362
Total Primary Government Net Position	<u>\$ 49,375,482</u>	<u>\$45,963,942</u>	<u>\$ 43,544,218</u>	<u>\$ 41,866,267</u>	<u>\$ 39,619,460</u>	<u>\$ 37,405,002</u>	<u>\$ 35,318,358</u>	<u>\$ 30,080,590</u>	<u>\$ 20,993,838</u>	<u>\$ 17,534,289</u>

As of 2008, the Library, Development Board and Fire Districts are included in Governmental Activities.

Cherokee County, South Carolina
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
<u>Governmental Activities:</u>										
General government	\$ 6,931,010	\$ 7,212,409	\$ 6,260,382	\$ 8,155,844	\$ 8,654,626	\$ 9,040,423	\$ 7,806,099	\$ 7,365,900	\$ 7,347,362	\$ 7,011,776
Public safety	10,614,321	10,100,465	9,605,722	7,936,240	7,740,260	7,908,278	7,844,863	6,426,418	5,881,579	5,592,759
Transportation	1,771,970	1,084,307	1,824,343	1,358,602	1,581,692	1,651,157	2,012,355	1,966,563	1,405,319	2,088,440
Health and human services	993,175	1,052,832	981,740	1,075,896	1,077,063	1,107,409	1,061,283	990,200	1,050,067	1,025,781
Environmental and housing	2,944,477	2,800,475	2,999,695	2,733,472	1,853,376	1,768,879	3,959,027	1,793,108	2,001,629	1,834,621
Cultural and recreation	940,887	923,610	1,000,711	995,656	989,499	988,793	979,020	121,357	285,322	3,759
Other	-	-	-	-	-	-	-	-	200	496,500
Unallocated interest expense	428,632	297,181	338,050	118,486	106,411	149,342	190,665	229,899	180,389	202,646
Total Governmental Activities Expenses	24,624,472	23,471,279	23,010,643	22,374,196	22,002,927	22,614,281	23,853,312	18,893,445	18,151,867	18,256,282
<u>Business-type Activities:</u>										
Geriatrics	7,535,056	7,665,950	7,464,039	8,027,865	8,360,746	7,787,638	7,736,866	7,620,936	7,410,361	7,193,718
Total Business-type Activities Expense	7,535,056	7,665,950	7,464,039	8,027,865	8,360,746	7,787,638	7,736,866	7,620,936	7,410,361	7,193,718
Total Primary Government Expenses	32,159,528	31,137,229	30,474,682	30,402,061	30,363,673	30,401,919	31,590,178	26,514,381	25,562,228	25,450,000
Program Revenues										
<u>Governmental Activities:</u>										
Charges for services										
General government	1,390,996	1,431,702	1,423,421	1,657,508	1,543,497	1,876,439	1,971,794	1,926,205	1,866,659	1,806,666
Public safety	582,832	559,290	557,972	639,776	687,036	1,201,382	872,959	757,197	819,184	783,506
Transportation	-	-	-	-	83	131	-	871	1,807	-
Health and human services	210,274	201,636	233,170	239,331	193,361	207,674	127,279	7,071	6,865	6,601
Environmental and housing	280,138	262,387	582,765	513,058	406,528	185,596	260,938	214,480	252,979	207,369
Cultural and recreation	35,544	40,521	44,212	43,677	-	-	-	-	-	-
Other	-	-	-	-	42,460	41,021	37,378	-	-	-
Operating grants and contributions	3,098,229	2,373,406	2,042,486	1,863,193	2,675,538	1,909,316	2,252,470	2,145,049	2,147,731	1,853,449
Capital grants and contributions	485,757	1,316,162	873,927	1,083,180	625,121	1,026,399	2,020,221	326,304	1,157,381	1,701,034
Total Governmental Activities Program Revenues	\$ 6,083,770	\$ 6,185,104	\$ 5,757,953	\$ 6,039,723	\$ 6,173,624	\$ 6,447,958	\$ 7,543,039	\$ 5,377,177	\$ 6,252,606	\$ 6,358,625
<u>Business-type Activities:</u>										
Charges for services										
Geriatrics	\$ 8,566,325	\$ 8,336,570	\$ 8,114,108	\$ 8,207,671	\$ 8,158,560	\$ 7,320,992	\$ 7,685,471	\$ 7,361,359	\$ 7,162,689	\$ 6,379,174
Total Business-type Activities Program Revenues	8,566,325	8,336,570	8,114,108	8,207,671	8,158,560	7,320,992	7,685,471	7,361,359	7,162,689	6,379,174
Total Primary Government Program Revenues	14,650,095	14,521,674	13,872,061	14,247,394	14,332,184	13,768,950	15,228,510	12,738,536	13,415,295	12,737,799
Net (Expense) Revenue										
Governmental Activities	(18,540,702)	(17,286,175)	(17,252,690)	(16,334,473)	(15,829,303)	(16,166,323)	(16,310,273)	(13,516,268)	(11,899,261)	(11,897,657)
Business-type Activities	1,031,269	670,620	650,069	179,806	(202,186)	(466,646)	(51,395)	(259,577)	(247,672)	(814,544)
Total Primary Government	\$ (17,509,433)	\$ (16,615,555)	\$ (16,602,621)	\$ (16,154,667)	\$ (16,031,489)	\$ (16,632,969)	\$ (16,361,668)	\$ (13,775,845)	\$ (12,146,933)	\$ (12,712,201)

Cherokee County, South Carolina
 Change in Net Position - Continued
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes	\$ 18,616,303	\$ 17,028,528	\$ 16,577,172	\$ 15,981,345	\$ 15,587,679	\$ 15,072,161	\$ 15,192,856	\$ 12,188,888	\$ 12,580,378	\$ 11,194,647
Unrestricted state aid to political subdivisions	2,048,934	2,037,763	1,717,699	1,968,973	2,410,742	2,887,564	3,027,933	2,722,673	2,475,125	2,366,019
Unrestricted investment earnings	36,492	14,893	49,000	86,089	102,750	152,621	504,601	558,049	464,143	201,369
Miscellaneous	219,243	112,555	86,699	196,524	144,776	177,816	111,843	33,773	86,836	184,960
Special item - forgiveness of advance	591,850	-	-	-	-	-	-	-	-	-
Transfers	212,100	(1,068)	(216,168)	1,189	(197,634)	(163,157)	(166,944)	(182,726)	(567,906)	(679,129)
Total Governmental Activities	21,724,922	19,192,671	18,214,402	18,234,120	18,048,313	18,127,005	18,670,289	15,320,657	15,038,576	13,267,866
Business-type Activities:										
Special item - forgiveness of advance	(591,850)	-	-	-	-	-	-	-	-	-
Transfers	(212,100)	1,068	216,168	(1,189)	197,634	187,444	166,944	182,726	567,906	679,129
Total Business-type Activities	(803,950)	1,068	216,168	(1,189)	197,634	187,444	166,944	182,726	567,906	679,129
Total Primary Government	20,920,972	19,193,739	18,430,570	18,232,931	18,245,947	18,314,449	18,837,233	15,503,383	15,606,482	13,946,995
Change in Net Position										
Governmental Activities	3,184,220	1,906,496	961,712	1,899,647	2,219,010	1,960,682	2,360,016	1,804,389	3,139,315	1,370,209
Business-type Activities	227,319	671,688	866,237	178,617	(4,552)	(279,202)	115,549	(76,851)	320,234	(135,415)
Total Primary Government	\$ 3,411,539	\$ 2,578,184	\$ 1,827,949	\$ 2,078,264	\$ 2,214,458	\$ 1,681,480	\$ 2,475,565	\$ 1,727,538	\$ 3,459,549	\$ 1,234,794

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As of 2008, the Library, Development Board and Fire Districts are included in Governmental Activities.

Cherokee County, South Carolina
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011 (1)	2010	2009	2008	2007	2006	2005
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 829,019	\$ 936,322	\$ 723,348	\$ 816,410	\$ 641,768	\$ 662,213
Unreserved	-	-	-	-	10,371,760	10,510,800	11,600,545	10,789,043	10,573,176	9,463,514
Nonspendable	209,952	312,223	183,018	181,869	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	1,937,136	-	-	-	-	-	-
Assigned	2,793,932	2,793,722	2,561,859	2,263,498	-	-	-	-	-	-
Unassigned	10,421,314	8,398,736	9,225,466	7,291,827	-	-	-	-	-	-
Total General Fund	13,425,198	11,504,681	11,970,343	11,674,330	11,200,779	11,447,122	12,323,893	11,605,453	11,214,944	10,125,727
All Other Governmental Funds										
Reserved										
Debt service	-	-	-	-	1,180,984	1,379,643	1,202,248	1,005,865	1,087,435	1,141,721
Other reserves	-	-	-	-	25,439	19,962	18,223	-	-	-
Unreserved, reported in:										
Capital projects	-	-	-	-	5,053,873	4,652,669	5,096,517	4,301,385	3,394,982	2,582,691
Special revenue funds	-	-	-	-	4,012,393	2,770,969	2,644,447	1,933,585	2,252,332	1,646,847
Nonspendable	389,581	277,843	11,478	11,456	-	-	-	-	-	-
Restricted	4,079,190	3,279,724	5,264,163	13,256,724	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,743,750	3,890,692	6,641,502	6,297,072	-	-	-	-	-	-
Unassigned	16,527	(1,241)	(39,471)	(21,967)	-	-	-	-	-	-
Total All Other Governmental Funds	8,229,048	7,447,018	11,877,672	19,543,285	10,272,689	8,823,243	8,961,435	7,240,835	6,734,749	5,371,259
Total Governmental Fund Balance	\$ 21,654,246	\$ 18,951,699	\$ 23,848,015	\$ 31,217,615	\$ 21,473,468	\$ 20,270,365	\$ 21,285,328	\$ 18,846,288	\$ 17,949,693	\$ 15,496,986

Note: As of 2008, the Library, Development Board and Fire Districts are included in Governmental Funds.

(1) The presentation of fund balance changed in 2011 as a result of the implementation of GASB 54.

Cherokee County, South Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

		Fiscal Year									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues											
	Taxes	\$ 18,083,828	\$ 16,666,948	\$ 16,305,696	\$ 15,620,801	\$ 15,452,837	\$ 14,505,754	\$ 14,867,165	\$ 11,920,633	\$ 12,041,050	\$ 11,011,415
	Licenses and permits	146,092	152,487	162,036	177,446	155,091	152,132	236,839	192,564	209,792	230,057
	Intergovernmental	5,301,159	5,451,215	4,902,304	4,745,559	5,543,031	6,183,958	7,131,797	4,842,879	5,303,695	5,498,913
	Charges for services	716,515	747,521	974,003	1,052,764	909,095	844,946	836,715	934,525	983,966	823,845
	Fines	657,793	605,233	596,815	666,618	642,414	823,834	864,270	793,007	715,064	782,707
	Interest	36,493	14,893	49,001	86,149	102,979	162,608	547,607	726,919	571,216	234,314
	Miscellaneous	1,956,973	1,395,663	1,320,760	1,454,862	1,820,842	1,674,086	1,653,043	1,496,278	1,816,832	1,454,225
	Total Revenues	26,898,853	25,033,960	24,310,615	23,804,199	24,626,289	24,347,318	26,137,436	20,906,805	21,641,615	20,035,476
Expenditures											
	General government	6,317,301	6,120,364	5,806,677	7,692,259	8,103,748	8,389,977	7,605,395	7,239,009	7,130,955	6,891,454
	Public safety	9,839,655	9,518,997	8,803,348	7,192,714	7,069,961	7,216,186	7,106,831	5,676,563	5,195,187	4,929,089
	Transportation	2,302,642	2,047,932	2,238,318	1,835,937	2,174,070	2,325,960	2,099,379	2,529,404	1,328,937	2,026,821
	Health and human services	951,177	1,045,886	970,910	1,034,326	1,054,423	1,014,173	1,038,232	973,895	1,035,280	1,007,324
	Environmental and housing	2,356,312	3,268,715	2,635,579	2,072,358	1,849,208	1,946,850	3,339,914	1,556,969	2,060,927	1,902,922
	Culture and recreation	852,811	824,456	877,576	878,156	874,088	863,909	888,363	105,005	284,982	3,759
	Other	-	-	-	-	-	-	-	-	200	496,500
	Capital outlay	1,554,217	6,186,197	8,869,332	1,420,490	1,504,421	1,901,007	881,965	720,930	927,339	1,117,877
	Debt service										
	Interest	268,066	301,142	352,670	62,044	111,398	154,425	195,537	234,559	184,625	206,590
	Principal	584,724	564,875	807,004	1,041,500	984,236	862,350	826,750	791,150	472,570	448,848
	Total Expenditures	25,026,905	29,878,564	31,361,414	23,229,784	23,725,553	24,674,837	23,982,366	19,827,484	18,621,002	19,031,184
	Excess of Revenues Over (Under) Expenditures	1,871,948	(4,844,604)	(7,050,799)	574,415	900,736	(327,519)	2,155,070	1,079,321	3,020,613	1,004,292
Other Financing Sources (Uses)											
	Proceeds from capital lease	-	-	47,366	-	-	-	-	-	-	-
	Proceeds from bond issuance	-	-	-	9,000,000	-	-	-	-	-	-
	Transfers in (out)	238,750	106,748	(216,168)	1,189	(197,633)	(187,444)	(166,944)	(182,726)	(567,906)	(679,129)
	Total Other Financing Sources (Uses)	238,750	106,748	(168,802)	9,001,189	(197,633)	(187,444)	(166,944)	(182,726)	(567,906)	(679,129)
Special Item											
	Forgiveness of advance due to Enterprise Fund	591,850	-	-	-	-	-	-	-	-	-
	Net Change in Fund Balance	\$ 2,702,548	\$ (4,737,856)	\$ (7,219,601)	\$ 9,575,604	\$ 703,103	\$ (514,963)	\$ 1,988,126	\$ 896,595	\$ 2,452,707	\$ 325,163
	Debt Service as a Percentage of Noncapital Expenditures	3.89%	4.05%	5.46%	5.37%	5.15%	4.73%	4.57%	5.64%	3.69%	3.62%

Note: As of 2008, the Library, Development Board and Fire Districts are included in Governmental Funds.

Table 5

Cherokee County, South Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Year	Real Property	Personal Property	Less: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2005	2004	\$ 92,875,510	\$ 59,628,947	\$ (6,097,900)	\$ 146,406,557	74.40	\$ 2,332,529,423	6.28%
2006	2005	93,796,610	57,160,436	(4,389,960)	146,567,086	79.40	2,471,353,408	5.93%
2007	2006	95,685,020	55,429,942	(4,482,920)	146,632,042	79.40	2,509,096,667	5.84%
2008	2007	96,118,820	55,969,098	(4,691,040)	147,396,878	83.49	2,734,714,572	5.39%
2009	2008	95,407,370	59,002,431	(5,638,960)	148,770,841	85.60	2,741,983,618	5.43%
2010	2009	97,894,570	55,714,625	(6,586,260)	147,022,935	83.10	2,853,165,847	5.15%
2011	2010	98,877,410	58,298,587	(6,842,660)	150,333,337	83.10	2,794,465,662	5.38%
2012	2011	99,412,030	62,396,712	(8,328,260)	153,480,482	83.10	2,824,136,664	5.43%
2013	2012	99,849,060	63,667,275	(8,117,490)	155,398,845	83.10	2,735,699,735	5.68%
2014	2013	104,916,740	66,392,368	(7,878,110)	163,430,998	88.40	2,862,170,731	5.71%

Source: County Auditor's Office

Table 6

Cherokee County, South Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
County Wide Tax Rates										
Operating	69.90	64.50	64.50	64.50	64.50	66.40	64.34	62.05	63.00	58.00
Library	4.20	4.20	4.20	4.20	4.20	4.30	4.30	4.30	3.70	3.70
Recreation	3.40	3.40	3.40	3.40	3.40	3.50	3.50	3.50	3.20	3.20
Cherokee Tech	1.70	1.70	1.70	1.70	1.70	1.80	1.75	1.75	1.70	1.70
Capital Fund	4.00	4.00	4.00	4.00	4.00	4.15	4.40	4.40	4.40	4.40
Debt Service	5.00	5.10	5.10	5.10	5.10	5.20	5.20	3.40	3.40	3.40
Airport Funds	0.20	0.20	0.20	0.20	0.20	0.25	0.25	0.00	0.00	0.00
City Rates	120.80	115.00	115.00	115.00	115.00	119.90	119.90	115.90	115.90	107.90
Town of Blacksburg	159.80	156.10	206.50	206.50	156.20	171.20	0.00	0.00	0.00	0.00
School District Rate	168.90	166.90	166.90	166.90	166.90	166.90	161.77	156.00	168.00	167.60
Special District Rates										
CKC	12.00	12.00	12.00	12.00	12.30	12.00	12.00	12.00	12.00	12.00
Buffalo	14.00	13.00	13.00	13.00	15.00	13.00	13.00	12.00	12.00	10.00
Antioch	7.90	8.00	8.00	8.00	7.90	8.00	8.00	8.00	8.00	0.00
Corinth	14.50	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	12.00
Cherokee Creek	10.60	10.90	10.80	10.90	10.90	10.80	10.80	10.80	10.80	10.80
Greater Gaffney	12.00	12.00	12.00	12.00	11.20	12.00	12.00	12.00	12.00	12.00
Macedonia	8.00	7.90	7.90	7.90	7.90	8.00	8.00	8.00	8.00	8.00
Grassy Pond	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	6.60	6.60

Source: County Treasurer's Office

Table 7

Cherokee County, South Carolina
Principal Property Taxpayers
June 30, 2014 and 2005

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy	\$ 14,234,316	1	8.71%	\$ 2,701,140	4	1.84%
Nestle	7,600,044	2	4.65%	3,971,670	2	2.71%
Milliken	6,919,409	3	4.23%	4,298,900	1	2.94%
Broad River Energy	4,502,929	4	2.76%			
Timken	4,217,052	5	2.58%	3,504,170	3	2.39%
PFP Venture	3,065,559	6	1.88%			
Kapstone	3,043,340	7	1.86%			
Broad River Electric	2,741,000	8	1.68%	1,713,980	9	1.17%
Parkdale America LLC	2,445,996	9	1.50%			
Colonial Pipeline Co	2,147,790	10	1.31%	1,858,360	8	1.27%
Lin Pac, Inc				2,094,400	5	1.43%
Bic Corporation				2,061,250	6	1.41%
BellSouth Telecommunications				1,931,090	7	1.32%
Transcontinental Gas				1,437,210	10	0.98%
TOTAL TOP TEN TAXPAYERS	\$ 50,917,435		31.16%	\$ 25,572,170		17.47%

Source: County Treasurer's Office

Table 8

Cherokee County, South Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Tax Year of the Levy		Collections in Subsequent Tax Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	11,534,619	10,771,089	93.38%	612,475	11,383,564	98.69%
2006	11,682,250	10,715,068	91.72%	676,296	11,391,364	97.51%
2007	9,458,707	8,821,917	93.27%	616,140	9,438,057	99.78%
2008	10,106,082	9,405,464	93.07%	657,071	10,062,535	99.57%
2009	10,560,123	9,402,618	89.04%	892,407	10,295,025	97.49%
2010	8,968,005	8,239,772	91.88%	603,978	8,843,750	98.61%
2011	8,965,448	8,195,547	91.41%	589,795	8,785,342	97.99%
2012	7,235,683	6,698,138	92.57%	454,695	7,152,833	98.85%
2013	8,003,178	7,425,271	92.78%	478,148	7,903,419	98.75%
2014	10,138,794	9,405,238	92.76%	-	9,405,238	92.76%

Source: County Treasurer's Office

Levy and collections recorded at net of exemptions and penalties beginning in 2007.

Table 9

Cherokee County, South Carolina
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Certificates of Participation	Capital Lease	Certificates of Participation	Notes Payable			
2005	\$ 3,680,000	\$ -	\$ -	\$ 3,505,000	\$ -	\$ 7,185,000	0.6%	\$ 134
2006	3,180,000	-	-	3,070,000	-	6,250,000	0.5%	119
2007	2,630,000	1,385,950	-	1,229,050	-	5,245,000	0.4%	97
2008	2,055,000	1,134,200	-	1,005,800	-	4,195,000	0.3%	78
2009	1,455,000	871,850	-	773,150	-	3,100,000	0.2%	57
2010	750,000	593,600	-	526,400	-	1,870,000	0.1%	34
2011	9,000,000	302,100	-	267,900	-	9,570,000	0.7%	173
2012	8,500,000	-	42,461	-	-	8,542,461	0.6%	154
2013	7,950,000	-	28,525	-	-	7,978,525	0.5%	143
2014	7,380,000	-	11,174	-	-	7,391,174	0.5%	131

Notes:

(1) See the "Demographic and Economic Statistics" table (Table 13) for personal income and population data.

Table 10

Cherokee County, South Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

Jurisdiction	Debt Outstanding	Estimated Percent Applicable (1)	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Cherokee County	\$ 7,391,174	100.00%	<u>\$ 7,391,174</u>
Overlapping Debt:			
City of Gaffney	1,576,129	100.00%	1,576,129
Town of Blacksburg	103,543	100.00%	103,543
Cherokee County School District No. 1	18,332,753	100.00%	18,332,753
SCAGO Education Facilities (on behalf of CCSD#1)	37,190,000	100.00%	<u>37,190,000</u>
Total Overlapping Debt			<u>57,202,425</u>
Total Direct and Overlapping Debt			<u><u>\$ 64,593,599</u></u>

(1) For debt repaid with property taxes the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the County's boundaries and dividing it by each unit's total taxable assessed value.

Cherokee County, South Carolina
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed valuation	\$ 171,309,108
Less: Exemptions	<u>7,878,110</u>
Net assessed value	<u>\$ 163,430,998</u>
Debt limit - 8 percent of total assessed value	\$ 13,074,480
Total debt	7,391,174
Less: amount set aside for repayment of GO bonds	<u>(1,078,049)</u>
Debt qualifying for margin	<u>6,313,125</u>
Legal debt margin	<u>\$ 6,761,355</u>

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	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 13,074,480	12,431,908	\$ 12,278,439	\$ 12,026,667	\$ 11,761,835	\$ 11,901,667	\$ 11,791,750	\$ 11,730,563	\$ 11,725,367	\$ 11,224,693
Total Net Debt Applicable to Limit	6,313,125	7,021,886	8,455,406	8,550,792	381,933	75,357	852,752	1,624,135	2,092,565	2,538,279
Legal Debt Margin	\$ 6,761,355	\$ 5,410,022	\$ 3,823,033	\$ 3,475,875	\$ 11,379,902	\$ 11,826,310	\$ 10,938,998	\$ 10,106,428	\$ 9,632,802	\$ 8,686,414
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	48.29%	56.48%	68.86%	71.10%	3.25%	0.63%	7.23%	13.85%	17.85%	22.61%
Total Net General Bonded Debt as a Percentage of Actual Taxable Value of Property	0.22%	0.26%	0.30%	0.30%	0.01%	0.00%	0.03%	0.06%	0.08%	0.11%
Total Net General Bonded Debt per Capita	\$ 112.22	\$ 126.15	\$ 152.24	\$ 156.28	\$ 7.02	\$ 1.39	\$ 15.79	\$ 30.14	\$ 39.83	\$ 47.20

Notes:

- (1) Property value data can be found in the "Assessed Value of Taxable Property and Actual Value of Property Schedule."
- (2) The legal debt limit is 8 percent of total assessed value.
- (3) The legal debt margin is the government's available borrowing under SC Code of Laws and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

Table 12

CHEROKEE COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE ¹ OF PROPERTY	PER CAPITA ²
2005	\$ 3,680,000	\$ 1,141,721	\$ 2,538,279	0.11%	\$ 47
2006	3,180,000	1,087,435	2,092,565	0.08%	40
2007	2,630,000	1,005,865	1,624,135	0.06%	30
2008	2,055,000	1,202,248	852,752	0.03%	16
2009	1,455,000	1,379,643	75,357	0.00%	1
2010	750,000	368,067	381,933	0.01%	7
2011	9,570,000	449,208	9,120,792	0.33%	165
2012	8,500,000	44,594	8,455,406	0.30%	152
2013	7,950,000	956,639	6,993,361	0.26%	126
2014	7,380,000	1,078,049	6,301,951	0.22%	112

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

¹ Property value data can be found on Table 5

² Population data can be found on Table 13

Table 13

Cherokee County, South Carolina
Demographic and Economic Statistics
Last Ten Years

<u>Year (1)</u>	<u>Population (2)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (2)</u>
2005	53,782	1,142,779,000	21,492	9,579	6.30%
2006	52,537	1,210,544,000	22,562	9,147	7.00%
2007	53,886	1,214,530,000	28,429	9,040	7.80%
2008	54,015	1,274,828,000	23,682	9,099	7.10%
2009	54,394	1,337,188,000	24,794	9,308	9.50%
2010	54,714	1,420,437,000	26,002	9,356	8.50%
2011	55,342	1,420,437,000	26,002	8,797	14.30%
2012	55,540	1,470,297,000	26,532	9,088	12.60%
2013	55,662	1,491,556,000	26,856	8,816	10.20%
2014	56,256	1,613,626,000	28,990	8,664	9.50%

Notes:

(1) Calendar Year

(2) Provided by SC Appalachian Council of Governments

N/A Not Available

Table 14

Cherokee County, South Carolina
Principal Employers
June 30, 2014 and 2005

Company or Organization	June 30, 2014			June 30, 2005		
	Number of Employees	Rank	Percent of Total County Employment	Number of Employees	Rank	Percent of Total County Employment
Nestle	1,300	1	5.10%	1,700	1	7.39%
School District of Cherokee County	1,231	2	4.83%	1,165	2	5.07%
Milliken & Co. Magnolia Finishing Plant	809	3	3.17%	1,000	3	4.35%
The Timken Company	712	4	2.79%	650	4	2.83%
Freightliner	650	5	2.55%	444	6	1.93%
Hamrick Mills	425	6	1.67%	460	5	2.00%
Suminoe	375	7	1.47%			
Brown Packing Co. Inc	330	8	1.29%	222	8	0.97%
ADS Logistics	200	9	0.78%			
Springfield	165	10	0.65%	250	7	1.09%
Parkdale Mills	145	12	0.57%	175	9	0.76%
Ply Gem Siding Group	127	13	0.50%			
Boyd Corp	125	13	0.49%			
Jetline	122	14	0.48%			
Carolina Cotton Works	120	15	0.47%			
Kapstone	110	16	0.43%			
Working in County of Residence	25,492			22,999		

N/A Not Available

Source: SC Appalachian Council of Governments/Cherokee County Development Board

Table 15

Cherokee County, South Carolina
County Employees by Function
Last Ten Fiscal Years

Function	2014*	2013*	2012*	2011*	2010*	2009*	2008*	2007*	2006*	2005*
General government	103	103	94	88	99	102	100	101	99	96
Public safety	131	138	131	123	131	137	137	129	127	126
Transportation	8	12	11	11	15	16	16	21	22	22
Health and human services	21	21	22	26	34	49	49	49	49	50
Total full-time equivalent employees	<u>263</u>	<u>274</u>	<u>258</u>	<u>248</u>	<u>279</u>	<u>304</u>	<u>302</u>	<u>300</u>	<u>297</u>	<u>294</u>

Source: County Treasurer's Office

* Includes General Fund employees only

Table 16

Cherokee County, South Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Sheriff										
Incident Reports Filed**	5,568	4,901	4,550	5,048	3,877	4,087	4,601	4,419	4,408	4,536
DARE Graduates	762	837	702	753	678	727	761	751	753	750
Detention Center										
Persons Arrested and Booked	3,844	3,997	3,502	4,147	4,272	4,346	4,875	4,452	4,067	4,367
E911										
Calls Dispatched to Sheriff Department	30,099	29,853	30,059	24,381	20,377	22,056	21,234	20,383	19,064	19,275
Victims Advocate Division										
Victims Assisted	884	4,000	3,690	3,545	3,245	3,800	3,601	2,259	3,001	2,856
Landfill/Transfer Station										
Solid Waste Disposal - Tonnage	46,613	47,788	47,713	48,182	48,406	44,749	46,016	44,522	45,074	47,703
Recycle Center										
Recycle - Tonnage	125,812	119,102	114,216	112,318	83,134	83,977	93,185	83,882	71,586	83,871
Public Works										
Roads (miles)	333	401	362	366	366	365	365	366	364	362
Public Library										
Registered Borrowers	39,782	38,974	37,803	36,109	28,150	32,276	29,320	26,626	23,235	22,900
Circulation	156,057	163,855	169,239	178,705	199,272	197,147	177,878	155,087	185,554	183,414
Building Inspection										
Single Family Dwelling Permits	71	73	73	72	83	68	119	147	132	142
N/A Not Available										

Source: County Treasurer's Office.

** Per Sheriff's Office, these numbers are considerably higher because procedures are being conducted on a case to case basis.

Table 17

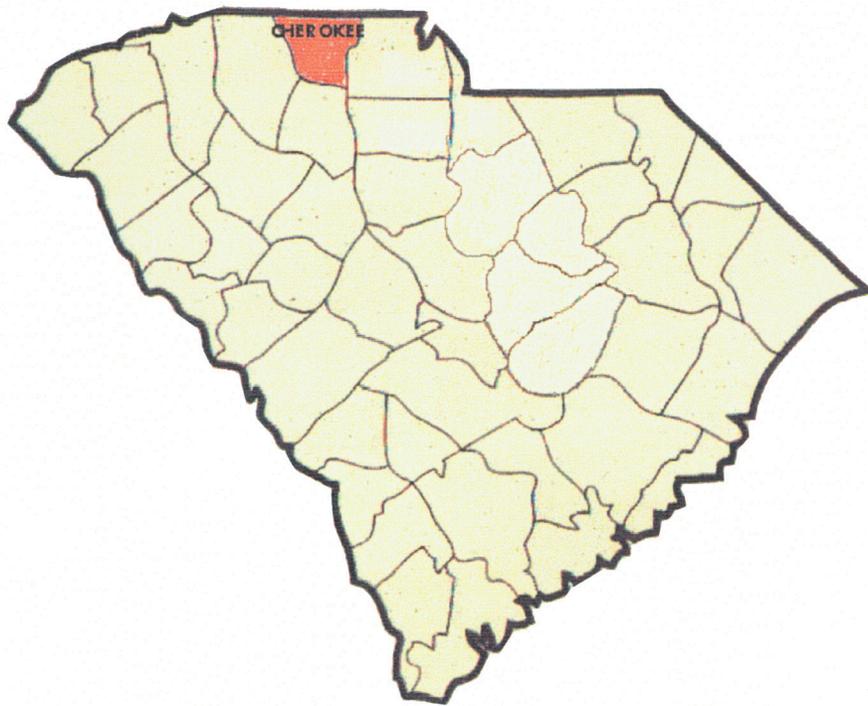
Cherokee County, South Carolina
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Vehicles	41	41	36	36	36	36	35	32	31	29
Law Enforcement Center										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	70	61	68	67	65	63	64	67	66	59
Equipment	2	2	2	2	2	2	2	N/A	N/A	N/A
Detention Center										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	4	3	4	4	4	4	4	4	5	5
Landfill/Transfer Station										
Buildings	4	4	5	5	5	5	5	5	5	5
Vehicles	3	3	4	4	4	6	8	8	7	6
Equipment	7	9	10	10	9	9	9	N/A	N/A	N/A
Recycle Center										
Buildings	5	5	4	4	4	4	4	4	4	4
Vehicles	8	8	8	8	8	8	10	8	8	8
Equipment	8	9	8	8	8	10	9	N/A	N/A	N/A
Drop off Stations	7	7	7	7	7	7	6	N/A	N/A	N/A
Road and Bridges										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	16	15	18	18	20	19	20	20	21	21
Equipment	26	26	26	26	26	26	26	N/A	N/A	N/A
Solid Waste Collections										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	16	14	15	18	17	15	14	13	13	13
Emergency Management										
Vehicles	4	4	4	4	4	4	4	4	4	4

N/A Not Available

Source: County Treasurer's Office

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COMPLIANCE SECTION

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

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CHEROKEE COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
CLERK OF COURT AND MAGISTRATE COURT
JUNE 30, 2014

	<u>Collections (2)</u>	<u>Amount Remitted to County Treasurer</u>	<u>Amount Remitted to State Treasurer (1)</u>	<u>Amount Allocated to Victims' Services</u>
Clerk of Court:				
Fines and Fees	\$ 480,849	\$ 184,785	\$ 296,064	\$ -
Assessments	42,110	-	27,272	14,838
Surcharges	34,292	-	16,257	18,035
Pullouts	1,014	-	1,014	-
Totals	<u>\$ 558,265</u>	<u>\$ 184,785</u>	<u>\$ 340,607</u>	<u>\$ 32,873</u>
Magistrate Court:				
Fines and Fees	\$ 443,786	\$ 443,786	\$ -	\$ -
Assessments	433,392	-	390,720	42,672
Surcharges	239,097	-	220,471	18,626
Pullouts	27,731	-	27,731	-
Totals	<u>\$ 1,144,006</u>	<u>\$ 443,786</u>	<u>\$ 638,922</u>	<u>\$ 61,298</u>
Victim Assistance				
Amount reserved for victim assistance, 6/30/13				\$ -
Plus: Amounts allocated for victim assistance, 7/1/13 - 6/30/14				
Assessments and surcharges				94,171
Less: Amounts spent for victim assistance in the fiscal year 2014				
from assessments and surcharges:				
Salaries and benefits - 2014				(94,171)
Balance reserved for victim assistance, 6/30/14				<u>\$ -</u>

(1) Includes payments forwarded for Indigent Defense of \$34,983 and Public Defender of \$13,278.

(2) Does not include civil fees collected of \$229,715 retained by county treasurer.

