

PICKENS COUNTY, SOUTH CAROLINA

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

As of and for the Year Ended June 30, 2015

And Reports of Independent Auditor

Prepared by:

Ralph Guarino, Finance Director for Pickens County

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR JUNE 30, 2015

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INTRODUCTORY SECTION

COUNTY OF PICKENS

www.co.pickens.sc.us



COUNCIL MEMBERS

JENNIFER H. WILLIS, CHAIRMAN, PRO-TEM
TREY WHITEHURST, VICE CHAIRMAN
TOM PONDER, VICE CHAIRMAN
G. NEIL SMITH, CHAIRMAN
RANDY CRENSHAW
R. ENSELY FEEMSTER

INTERIM COUNTY ADMINISTRATOR
Ralph Guarino, Jr.
CLERK TO COUNCIL
Donna F. Owen

November 18, 2015

Honorable Chairman, Council Members,
and County Administrator
Pickens County, South Carolina

The Comprehensive Annual Financial Report (the "Report") for the County of Pickens, South Carolina, for the fiscal year ended June 30, 2015, is hereby submitted pursuant to South Carolina Code Title 4 Chapter 9 Section 150 of the South Carolina Code of Laws. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the County. The staff of the Finance Department compiled this report in close cooperation with the external auditors. It represents the official report of the County's financial operations and condition to the citizens, County Council, County management, rating agencies and other interested persons.

We believe that the Report, prepared by the County's Finance Department, based on U.S. generally accepted accounting principals ("GAAP"), presents fairly and consistently the County's financial position and changes in financial position and conforms to the standard of governmental accounting and financial reporting principals as promulgated by the Governmental Accounting Standards Board ("GASB"). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and changes in the financial position of the County; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activity have been included.

The County's management is responsible for establishing and maintaining internal control to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits require estimates and judgments by management. All internal control evaluations occur within this framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In compliance with the laws of the State of South Carolina, the County's financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The audit was performed to provide reasonable assurance that the financial statements are free of material misstatement for the fiscal year ended June 30, 2015. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The Independent Auditor's report is presented in the Financial Section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter transmittal is designed to complement the MD&A and should be read in conjunction with it. Pickens County's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE GOVERNMENT

Pickens County was founded in 1868 and named for Revolutionary War hero Andrew Pickens. The County is nestled in the beautiful Appalachian highlands of northwestern South Carolina and encompasses approximately 497 square miles. Seven incorporated municipalities are located in the County: Central, Clemson, Easley, Liberty, Norris, Pickens and Six Mile. Pickens County is considered to have four mild seasons with the average annual temperature in the low 60's.

The County adopted the Council – Administrator form of government in 1976. Under this form of government, a six-member Board of Council governs the County. Council members are elected to a four-year staggered term from the County by District. The Council elects a chairman and vice chairman at the first meeting in January following a general election. Policy-making and legislative authority are vested with the Council along with passing ordinances, adopting the budget, appointing committees and hiring the Chief Administrative Officer. The Chief Administrative Officer is responsible for carrying out the policies and ordinances of Council and overseeing the day-to-day operations of the County.

The County provides a full range of services including elections, assessment and taxation, public safety, corrections, criminal and civil court, roads and bridges maintenance, emergency management, animal control, parks, solid waste disposal, recycling and environmental services. In addition to the various operational departments of the County, one discretely presented component unit is presented in addition to the primary government. The Economic Development Alliance of Pickens County (the "Alliance") was established in 2005 to aggressively promote and preserve job opportunities and increase per capita income through high quality, environmentally sound recruitment and expansion of existing business and industry of Pickens County. A thirteen member Board of Directors, six of which are appointed to staggered terms by County Council, governs the Alliance.

BUDGETARY CONTROLS

Formal budgetary integration is employed as a management control device during the year for all fund types. Responsibility for the authorization and approval of funding rests with the County Council. The Budget Team comprised of the County Administrator and the Finance Director, maintains the primary responsibility for ensuring that County Council's objectives are examined for available funding and department's requests to fund initiatives are in alignment with the mission and goals of the County. Further, this team performs a detailed review of both revenue and expenditures in order to produce a recommended budget for County Council to review and approve.

Budget preparation, analysis and reporting is managed and facilitated on an annual basis by the Finance Department. Included within those responsibilities is the annual budget process which eventually results with the publication of the budget document consisting of the Annual Operating and Capital Budget.

The budgetary level of control resides at the departmental level; therefore, after appropriation, reallocation of appropriated budgets is allowable within the respective departments with a few exceptions. In order to amend the budget, a department director submits a budget adjustment form to the Finance Department. Finance staff reviews the adjustment for policy compliance and then forwards to the County Administrator's office for final approval. Items budgeted under machinery and equipment cannot be used for purposes other than those specified when the budget was adopted.

Transfers between departments within the same fund, transfers between funds, and increases in total appropriations require County Council approval by ordinance.

FACTORS AFFECTING FINANCIAL CONDITION

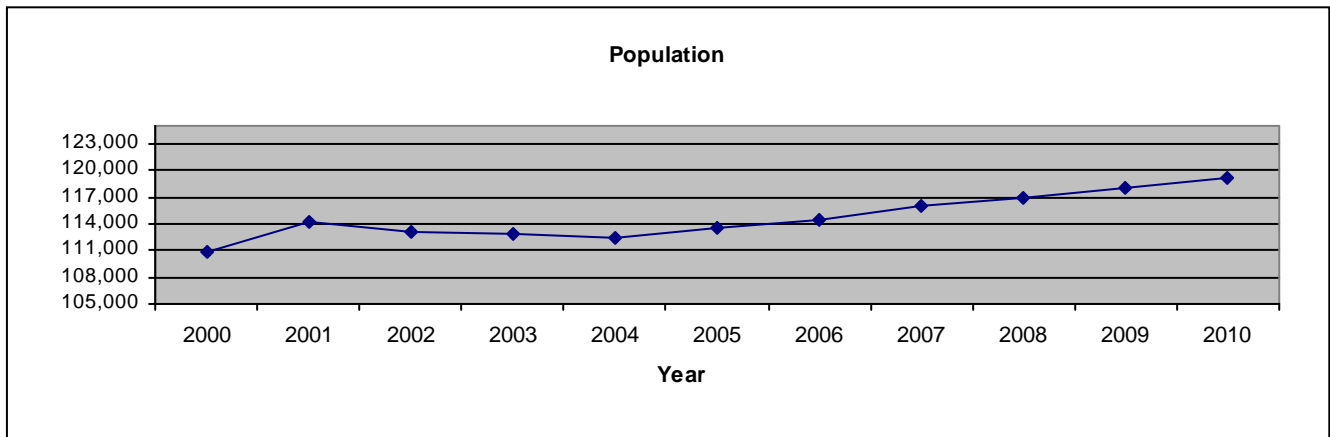
Local Economy

With a work force of over 57,500, Pickens County has an ample labor pool. It is a diverse work force - comprised of skilled advanced manufacturing workers in industries from metalworking and automotive to fibers and kayaks to ceramics and implant cardio defibrillators. In the Pickens County labor draw area, there are over 54,000 employed in manufacturing, with more than half employed in the metalworking/industrial equipment industries. But these figures don't tell the entire story. Underemployed figures give a more accurate depiction of employees, particularly skilled workers. Pickens and the surrounding counties comprise its true labor pool where 18,500 unemployed combine with 109,700 underemployed workers (those individuals who would take a better job if offered by a new or existing employer and who possess the skills, education, and experience to qualify them for a better job) and 14,700 who are not currently seeking employment but are contemplating re-entering the work force for a total available work force of over 174,000. The County also has a major presence within the area relating to education with Clemson University and the School District of Pickens County employing over 3,500 and 1,800 people, respectively.

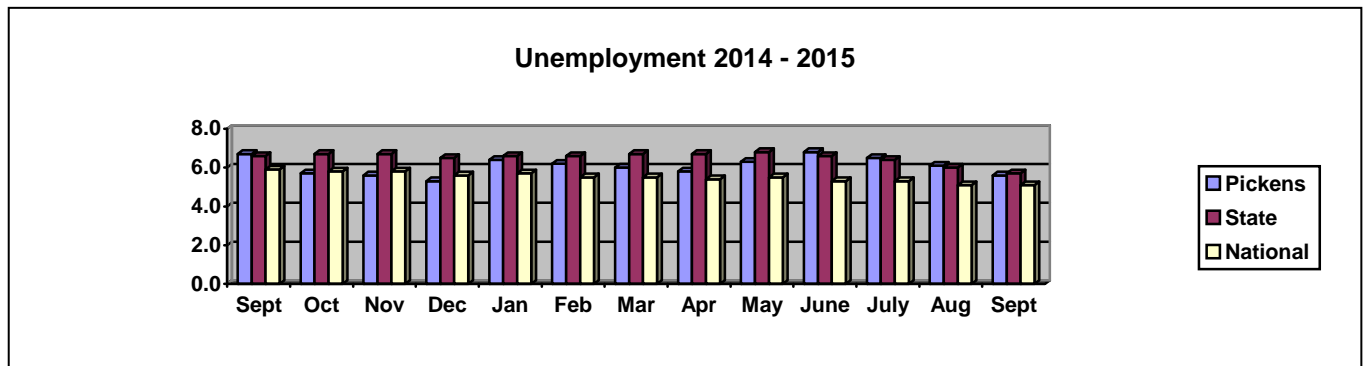
The County population grew 7.6% between the 2000 and 2010 censuses with average annual growth of .76% for the period. This has resulted in Pickens County lagging behind in the South Carolina Upstate region, which experienced an 11.2% population growth between censuses. The State of South Carolina experienced a 13.4% growth for the same period with an annual average growth of 1.3%. Pickens County, according to the U. S. Census Bureau, ranks 13th most populous county in the state and the 19th fastest growing county in the state among 45 other counties. Pickens County population is projected to increase by 26.2% between 2010 and 2030 with an average annual growth of 1.3%.

Expected Growth

Year	Population		
	County	SC Upstate	South Carolina
2000	110,757	1,220,542	4,012,012
2005	113,575	1,391,335	4,280,581
2010	119,224	1,356,900	4,549,150
2015	128,260	1,425,770	4,784,700
2020	135,920	1,494,650	5,020,400
2025	143,570	1,563,510	5,256,080
2030	150,420	1,629,510	5,488,460



According to the South Carolina Employment Security Commission, unemployment decreased in September (latest available numbers) from the previous year figure of 6.7% to 5.6%. This is below the State of South Carolina unemployment rate of 5.7% but higher for the United States at 5.1% for September 2015.



Long-Term Financial Planning

The County entered fiscal year 2015 with a strong financial position as noted with our credit rating with Moody's of Aa2, Fitch Rating of AA- and Standard & Poor's of AA-. Total fund balance and unassigned fund balance as of June 30, 2015 in the General Fund was \$31,885,898 and \$22,515,434, respectively. This represents 90% and 63% of expenditures, respectively.

As part of the fiscal year 2016 budget, the County is applying to the State for a grant for a septage waste receiving station for the Upper 18-Mile Creek Wastewater Treatment Facility. The construction of the package septage receiving station will include a receiving tank, a road trap, a perforated stainless steel drum screen, a screenings compactor, surge basin, and associated piping, valves, controls and all other necessary appurtenances. This system will eliminate the need to remove manually all trash and debris from entering the plants system. The County is also in the process exploring new areas for the creation and expansion of a new Commerce Park for economic development. The current location on highway 123 is approaching full capacity and the County is exploring other areas in the County for a park.

Also the County is exploring the option of adding to the facilities at Mile Creek Park. Currently the Park has capacity for recreational vehicle and primitive camping sites. The County plans on constructing roughly 10 cabins at the Park which will be paid through a grant from Duke Energy.

Risk Management

The County is exposed to various risks related to torts, theft of, damage to, and destruction of assets, errors and omission, injuries to employees and natural disasters. The County, along with other counties in the state, is insured under the South Carolina Association of Counties Insurance Pool (the "Pool"), a public entity risk pool currently operating as a common risk management and insurance fund. The County pays annual premiums to the Pool for its general insurance coverage.

The Pool is self-sustaining through member premiums and by purchases of commercial insurance coverage on a portion of its liabilities. The Pool accumulates assets to cover risks that its members incur in their normal operations. Specifically, the Pool assumes substantially all of the risk of the above. The County continues to carry insurance for employee health and dental care under various plans.

Pension Plans

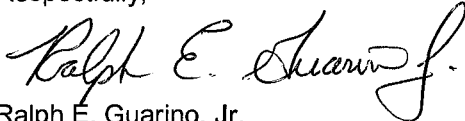
Eligible employees of the County are participants in the South Carolina Retirement System ("SCRS") and the South Carolina Police Retirement System ("PORS"), both of which are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. SCRS and PORS provide retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits to plan members and beneficiaries. The plans' 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.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickens County for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report would not have been possible without the assistance of the Finance Department staff. The hard work and dedication of these individuals significantly contributed to the completion of this document. Moreover, the support and leadership of the County Council and the Administrator have been instrumental in the development of this report. We would also like to thank the accounting firm of Cherry Bekaert LLP for their assistance with this project.

Respectfully,

A handwritten signature in black ink, reading "Ralph E. Guarino, Jr." in a cursive script.

Ralph E. Guarino, Jr.
Finance Director



Government Finance Officers Association

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

Presented to

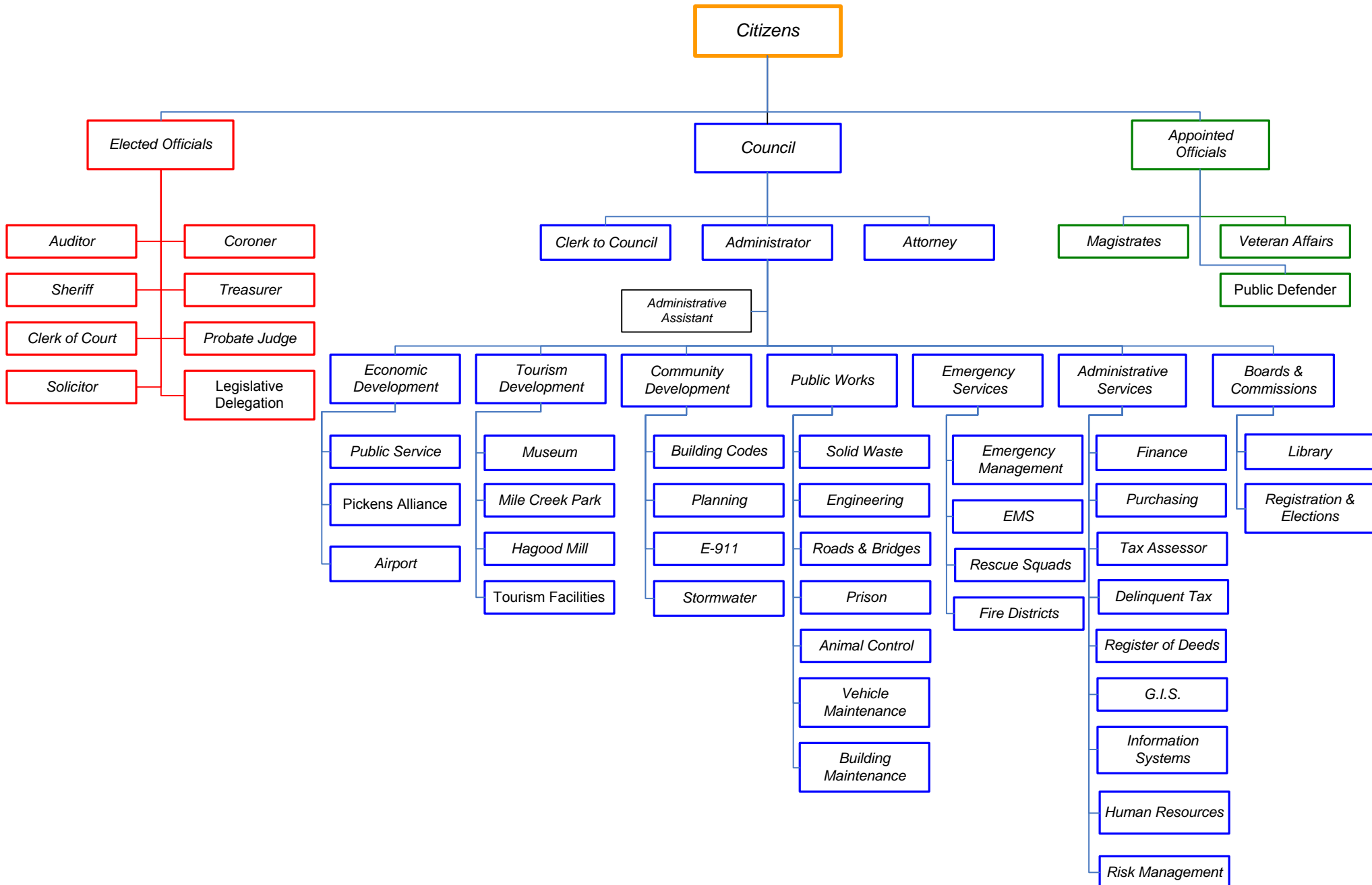
**Pickens County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Pickens County



PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2015

MEMBERS OF COUNTY COUNCIL

Jennifer H. Willis, Chairman
Trey Whitehurst, Vice Chairman
Tom E. Ponder
G. Neil Smith
Randy Crenshaw
Robert Ensley Feemster

ELECTED OFFICIALS

Dale M. Looper, Treasurer
Rick Clark, Sheriff
Kathy Zorn, Probate Judge
Pat Welborn, Clerk of Court
Brent Suddeth, Auditor
Kandy Kelley, Coroner

ADMINISTRATIVE OFFICIALS

Ralph E. Guarino Jr., Interim County Administrator
Ralph E. Guarino Jr., Finance Director
Donna F. Owen, Clerk to Council

FINANCIAL SECTION

Report of Independent Auditor

Pickens County Council
Pickens County, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the Economic Development Alliance of Pickens County (the "Alliance"), a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina (the "County"), as of and for the year ended June 30, 2015, 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, the Alliance, a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Fire District Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the County implemented the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 (“Statement No. 68”)* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68 (“Statement No. 71”)*, during the year ended June 30, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 12 through 20 and the required supplementary information on pages 62 through 64 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 the County’s basic financial statements. The introductory, statistical, and compliance information sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements.

The combining and individual fund statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory, statistical and compliance information 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 November 18, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cherry Bebaert LHP

Greenville, South Carolina
November 18, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pickens County, we offer readers of Pickens County's financial statements this narrative overview and analysis of the financial activities of Pickens County for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here in conjunction with additional information we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

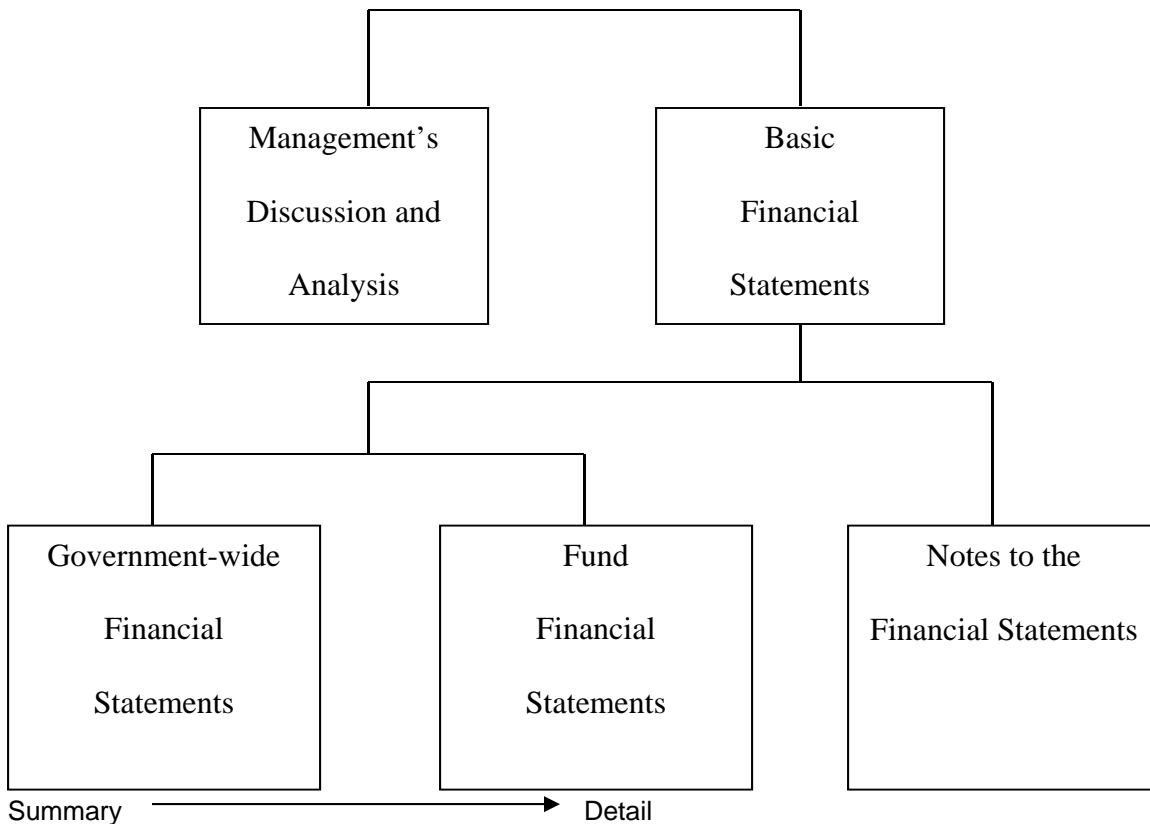
- The assets (including deferred outflow of resources) of Pickens County exceeded its liabilities (including deferred inflow of resources) at the close of the fiscal year by \$80,485,578. Of this amount \$8,210,231 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net position decreased by (\$34,734,539), the cause of this decrease was the implementation of Governmental Accounting Standards Board ("GASB") Statements No. 68 and 71. These statements require government employers to recognize the long-term obligation for state pension benefits. This adjustment for fiscal year 2015 accounts for \$36,520,956 of the decrease in the County's total net position.
- The County's unassigned General Fund balance increased by \$1,599,510 during the 2015 fiscal year due to vacant positions throughout the fiscal year. The County also received higher tax revenue in the General Fund due to the settlement reached with the City of Clemson regarding the Tax Incrementing Financing ("TIF") lawsuit the County had with the City of Clemson. When the budget was developed for fiscal year 2015 the County was still in settlement talks with the City so no amount of revenue was budgeted. The City settled with the County after the judge in the case sided with the County in the lawsuit. The County received approximately \$165,000 in the settlement. The County also received approximately \$40,000 in a settlement with the City of Easley and the City of Liberty regarding how the cities were handling TIF revenue.
- The County had \$51,624,095 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$16,983,637 of these expenses. General revenues (primarily taxes and unrestricted grants) of \$37,740,685 provided the remaining funding for these programs.
- As of the close of the current fiscal year, Pickens County's governmental funds reported combined ending fund balances of \$47,388,052, an increase of \$1,843,068 in comparison with the prior year. Approximately 63.1% of this total amount, or \$30,164,515, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,088,056 or 62.1% of total general fund expenditures for the fiscal year.
- During the 2015 fiscal year, the County's governmental fund type revenues were \$57,368,797 compared to \$57,617,702 in the prior year.
- The total long-term liabilities of the governmental-type activities increased by \$34,492,890. As discussed above, this is primarily due the implementation of GASB Statements No. 68 and 71. Further information can be found in Note 1 of the notes to the financial statements.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Pickens County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Pickens County.

Required Components of the Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the **government-wide financial statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits C through H) are the **fund financial statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the proprietary fund statements, and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole. The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets (including deferred outflow of resources) and total liabilities (including deferred inflows of resources). Measuring net position is one way to assess the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities and 2) business-type activities and 3) a component unit. The governmental activities include most of the County's basic services such as public safety, parks and recreation and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities include the sewer and airport services offered by Pickens County. The County collects revenues from the users of these services. The component unit includes one other entity in its report – Pickens Alliance. Although legally separate, this "component unit" is important because the County is financially accountable for this operation.

The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. 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. Pickens County, like all other governmental entities in South Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Pickens County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how readily assets can be converted into cash and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine the financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Pickens County Council adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Council, 2) the final budget as amended by the Council, 3) the actual resources, expenditures, and ending balances in the General Fund and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – Pickens County has one kind of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Pickens County uses enterprise funds to account for its wastewater treatment activity and for its airport operations. These funds are the same as those activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Pickens County has eight fiduciary funds, all of which are agency funds.

Fund Financial Statements (continued)

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. The notes to the financial statements as listed in the table of contents follow the basic financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning Pickens County’s general obligation debt. Required supplementary information, as listed in the table of contents, can be found beginning at Schedule 1. Additional trend information about Pickens County can be found in the Statistical Section of the report, and information about federal grants can be found in the Single Audit Section.

Government-Wide Financial Analysis

Pickens County’s Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	Total
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 57,504,404	\$ 52,690,946	\$ 2,369,004	\$ 1,993,084	\$ 59,873,408	\$ 54,684,030
Capital assets	60,127,412	60,697,101	33,271,229	34,610,192	93,398,641	95,307,293
Total assets	<u>117,631,816</u>	<u>113,388,047</u>	<u>35,640,233</u>	<u>36,603,276</u>	<u>153,272,049</u>	<u>149,991,323</u>
Deferred outflow of resources	3,315,772	-	71,619	-	3,387,391	-
Long-term liabilities outstanding	54,846,981	20,354,091	7,049,467	6,476,573	61,896,448	26,830,664
Other liabilities	10,046,737	7,450,217	410,216	225,764	10,456,953	7,675,981
Total liabilities	<u>64,893,718</u>	<u>27,804,308</u>	<u>7,459,683</u>	<u>6,702,337</u>	<u>72,353,401</u>	<u>34,506,645</u>
Deferred inflow of resources	3,697,160	234,999	123,301	29,562	3,820,461	264,561
Net position:						
Net investment in capital assets	45,459,121	43,964,937	26,816,226	28,023,881	72,275,347	71,988,818
Restricted	15,634,038	15,397,427	809,568	756,000	16,443,606	16,153,427
Unrestricted	(8,736,449)	25,986,376	503,074	1,091,496	(8,233,375)	27,077,872
Total net position	<u>\$ 52,356,710</u>	<u>\$ 85,348,740</u>	<u>\$ 28,128,868</u>	<u>\$ 29,871,377</u>	<u>\$ 80,485,578</u>	<u>\$ 115,220,117</u>

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of Pickens County exceeded liabilities and deferred inflows by \$80,485,578 as of June 30, 2015. The County’s net position decreased by \$34,734,539 for the fiscal year ended June 30, 2015. The County’s investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt still outstanding that was issued to acquire those items, which accounts for the largest portion was \$72,275,347 (89.8% of total net position). Pickens County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Pickens County’s investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Pickens County’s net position of \$16,443,606 (20%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$8,233,375) is unrestricted.

Government-Wide Financial Analysis (continued)

Pickens County's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 10,874,465	\$ 12,019,028	\$ 1,768,776	\$ 1,762,707	\$ 12,643,241	\$ 13,781,735
Operating grants and contributions	5,984,172	5,648,952	-	-	5,984,172	5,648,952
Capital grants and contributions	125,000	423,643	437,925	583,785	562,925	1,007,428
General revenues:						
Property taxes	27,025,106	26,088,813	-	-	27,025,106	26,088,813
Other taxes	8,223,601	8,364,331	-	-	8,223,601	8,364,331
Grants and contributions not restricted to specific programs	4,841,567	4,856,536	-	-	4,841,567	4,856,536
Other	(2,349,589)	244,051	-	-	(2,349,589)	244,051
Total revenues	<u>54,724,322</u>	<u>57,645,354</u>	<u>2,206,701</u>	<u>2,346,492</u>	<u>56,931,023</u>	<u>59,991,846</u>
Expenses:						
General government	12,254,981	11,469,811	-	-	12,254,981	11,469,811
Public safety	22,559,150	22,626,518	-	-	22,559,150	22,626,518
Public works	9,259,568	10,277,306	-	-	9,259,568	10,277,306
Health and welfare	860,695	877,186	-	-	860,695	877,186
Culture and recreation	4,283,221	4,541,962	-	-	4,283,221	4,541,962
Economic development	474,033	1,081,084	-	-	474,033	1,081,084
Assistance to other agencies	1,428,094	1,422,329	-	-	1,428,094	1,422,329
Unallocated interest expense and fees	504,353	535,849	-	-	504,353	535,849
Public service commission	-	-	2,683,046	2,816,922	2,683,046	2,816,922
Airport	-	-	837,465	916,192	837,465	916,192
Total expenses	<u>51,624,095</u>	<u>52,832,045</u>	<u>3,520,511</u>	<u>3,733,114</u>	<u>55,144,606</u>	<u>56,565,159</u>
Increase (decrease) in net position before transfers	3,100,227	4,813,309	(1,313,810)	(1,386,622)	1,786,417	3,426,687
Transfers	(303,751)	(278,521)	303,751	278,521	-	-
Increase (decrease) in net position	2,796,476	4,534,788	(1,010,059)	(1,108,101)	1,786,417	3,426,687
Cumulative effect of change in accounting principle	(35,788,506)	-	(732,450)	-	(36,520,956)	-
Net position, beginning	85,348,740	80,900,396	29,871,377	30,979,478	115,220,117	111,879,874
Change in accounting principle	-	(86,443)	-	-	-	(86,443)
Net assets - beginning, restated	<u>49,560,234</u>	<u>80,813,953</u>	<u>29,138,927</u>	<u>30,979,478</u>	<u>78,699,161</u>	<u>111,793,431</u>
Net position, ending	<u>\$ 52,356,710</u>	<u>\$ 85,348,741</u>	<u>\$ 28,128,868</u>	<u>\$ 29,871,377</u>	<u>\$ 80,485,578</u>	<u>\$ 115,220,118</u>

Changes in net position – The County total revenues decreased from the prior year by \$3.1 million, or 5.1% (See figure 3 above). Property taxes accounts and program revenues (charges for services and restricted operating and capital grants) accounts for 47.5% and 33.7% of the County's revenues, respectively. Contributions and donation, other taxes, franchise fees and interest income account for the remainder of the revenue. The change in accounting principle charge of \$86,443 in 2014 was to reflect the implementation of GASB Statement No. 65, *Items Previously Reported As Assets and Liabilities*.

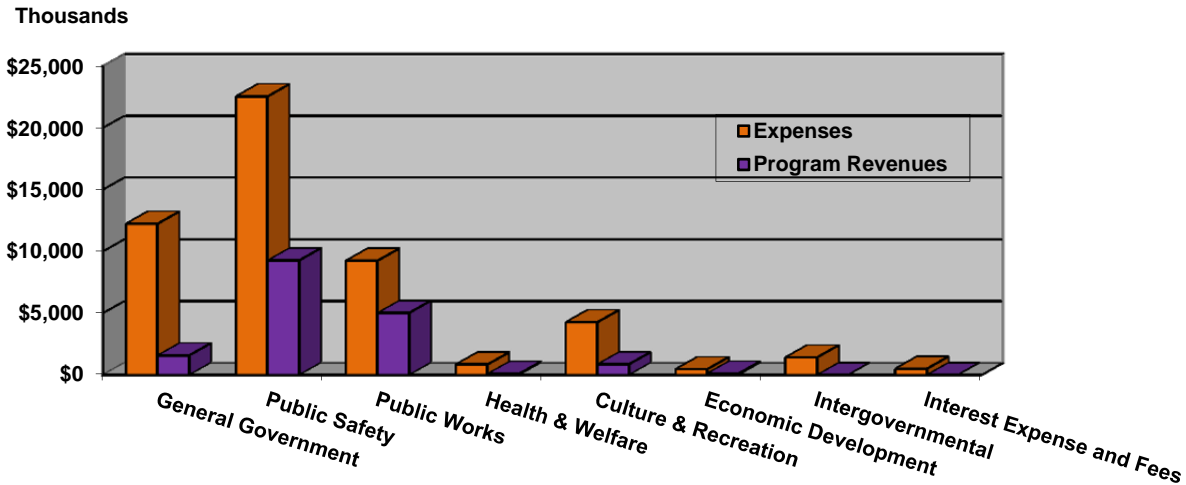
The total cost of all programs decreased \$1.4 million, or 2.5%, which includes depreciation for all capital assets as required under GASB Statement under number 34.

Governmental activities – Governmental activities decreased the County's net position by \$32,992,030. Several particular aspects of the County's financial operations negatively influenced the total governmental activities:

As noted earlier in the Management and Discussion Analysis, the primary reason for the decrease in the net position of the Governmental Activities was the implementation of GASB Statements No. 68 and 71. These statements require government employers to recognize the long-term obligation for state pension benefits. This adjustment for fiscal year 2015 accounts for \$36,520,956 of the decrease in the County's total net position. If not for this requirement the County would have had an increase in the total net position by \$1,786,417.

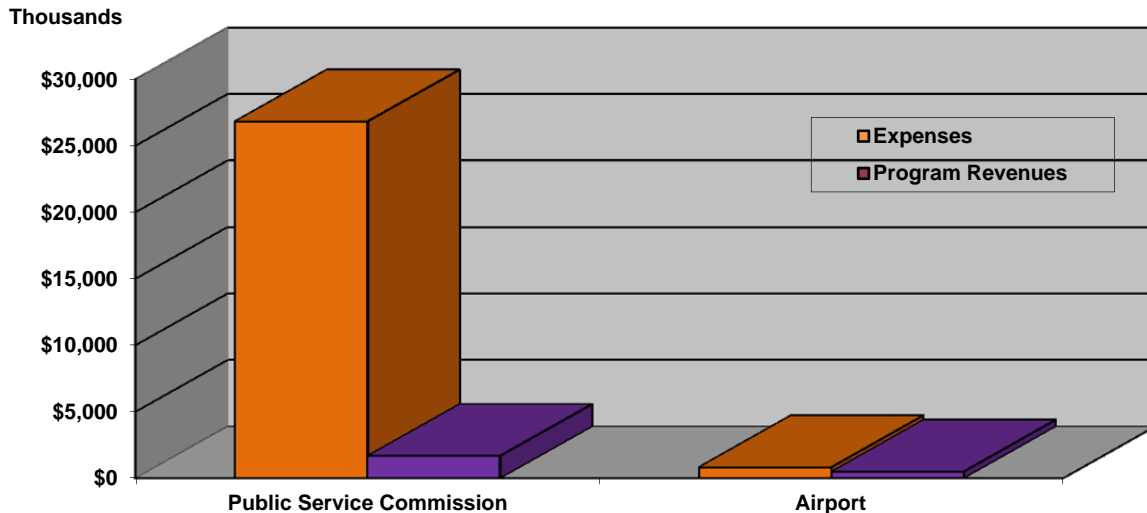
Government-Wide Financial Analysis (continued)

Expenses and Program Revenues - Governmental Activities



Business-type activities – Business-type activities decreased Pickens County’s net position by \$1,742,509. This was attributable to the implementation of GASB Statements No. 68 and 71, which is explained in Note 1 in the notes to the financial statements. This statement reduced the net position of the business type activities by \$732,450. Also depreciation was another factor that contributed to the decrease in the net position of the business type activities. The Public Service Commission and Airport had depreciation expense of \$1,124,968 and \$360,252 respectively.

Expenses and Program Revenues - Business Activities



Financial Analysis of the County’s Funds

As noted earlier, Pickens County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of Pickens County’s governmental funds is to provide information on short-term inflows, outflows and balances of usable resources. Such information is useful in assessing Pickens County’s financing requirements. Specifically, unreserved fund balance can be a useful measure of a government’s net resources available for spending at the end of the fiscal year.

Financial Analysis of the County's Funds (continued)

The General Fund is the chief operating fund of Pickens County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$22,515,434, while total fund balance reached \$31,885,898. The County held the line in regards to expenditures for the fiscal year, however one item contributed to the increase in the fund balance from fiscal year 2015. The County, along with the School District of Pickens County, settled their lawsuit with the City of Clemson over the distribution of surplus funds from the TIF districts. At the time of development of the fiscal year 2015 budget the amount of the amount of the settlement to the County was unknown. The County received approximately \$165,000 for fiscal year 2015 along with an additional combined \$40,000 from the City of Easley and City of Liberty regarding their use of TIF funds. Unassigned fund balance represents 63.3% of total General Fund expenditures, while total fund balance represents 89.7% of that same amount.

At June 30, 2015, the governmental funds of Pickens County reported a combined fund balance of \$47,388,052, a 4.0% increase over last year.

General Fund Budgetary Highlights – During the fiscal year, the County revised the budget on one occasion. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted expenditures by \$1,618,633.

Proprietary Funds – Pickens County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Wastewater Treatment Fund at the end of the fiscal year amounted to \$643,887 and those for the Airport equaled (\$140,813). The total change in net position for Public Service Commission and the Airport was (\$1,272,443) and (\$470,066), respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Pickens County's business-type activities.

Capital Asset and Debt Administration

Capital assets – Pickens County's capital assets for its governmental and business-type activities as of June 30, 2015 totaled \$92,205,805 (net of accumulated depreciation). This is a net decrease of \$1,908,652 or 2.01%. These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, construction-in-progress and vehicles.

Major capital asset transactions during the year include:

- Purchased various type of new equipment for Sheriff's Office, Solid Waste, Roads & Bridges and Emergency Medical Service Department
- Constructed a centralized office and courtroom offices for the four Magistrate Offices
- Renovated the former Liberty High School into a multipurpose Auditorium for public events
- Constructed three fire stations in Pickens Rural Fire District
- Purchased land for a future fire station in the Dacusville Community
- Purchased land in the Shady Grove Fire District for an access road for public safety vehicles
- Build several bridges in the County using road user fee funds

Capital Asset and Debt Administration (continued)

**Pickens County's Capital Assets
(net of depreciation)**

Figure 4

	Governmental Activities		Business-type Activities		Total	Total
	2015	2014	2015	2014	2015	2014
Land	\$ 4,284,937	\$ 7,081,256	\$ 2,060,937	\$ 2,060,937	\$ 6,345,874	\$ 9,142,193
Buildings	24,588,294	23,228,566	2,315,570	2,398,337	26,903,864	25,626,903
Improvements and infrastructure	18,079,238	18,713,126	28,584,530	29,926,467	46,663,768	48,639,593
Machinery and equipment	10,032,039	9,559,135	236,347	220,251	10,268,386	9,779,386
Construction in progress	1,950,068	922,182	73,845	4,200	2,023,913	926,382
Total	\$ 58,934,576	\$ 59,504,265	\$ 33,271,229	\$ 34,610,192	\$ 92,205,805	\$ 94,114,457

Additional information on the County's capital assets can be found in Note 6 of the basic financial statements.

Long-term Debt – As of June 30, 2015, Pickens County had total bonded debt outstanding of \$9,526,866, part of which is debt backed by the full faith and credit of the County.

**Pickens County's Outstanding Debt
General Obligation Bonds**

Figure 5

	Governmental Activities	
	2015	2014
General obligation bonds	\$ 9,526,866	\$ 10,977,125

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Pickens County is \$36,724,570. The County has \$4,082,305 in bonds and notes authorized at June 30, 2015, which are pledged against the full faith, credit and taxing power of Pickens County.

Additional information regarding Pickens County's long-term debt can be found in Note 7 of the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County.

Pickens County is located in the I-85 "boom belt" of Upstate SC. The county has several features distinguishing it from other areas its size. From Clemson University and its renowned research to its scenic lake and beautiful Blue Ridge Mountain Foothills, Pickens County has the perfect mix of business and living amenities for growing industries.

Economic Factors and Next Year's Budgets and Rates (continued)

With Clemson University located in Pickens County and its focus on academics and applied research, Pickens County has been a major draw for industry. The community's economic diversity stems in large part from the University's support of industries through applied programs, groundbreaking research and development and by supplying a skilled work force.

Manufacturing is the county's primary source of economic growth, with approximately 150 facilities in the Easley, Liberty and Pickens areas. Pickens County and the surrounding communities in the Upstate of South Carolina is an emerging automotive hub. From Clemson University's world class ICAR (International Center for Automotive Research) facility with plans for a full-scale 200 mph rolling test track and motor sport research facilities to the North American BMW manufacturing plant located within a 45 minute drive, Pickens County is the perfect location for tier-1, 2 and 3 automotive suppliers.

Alliance Pickens, the economic development organization, also fosters industry growth by offering aggressive incentives and existing industry programs such as a partnership with the well-known technical schools system that helps train workers at little or no cost to companies.

Budget Highlights for the Fiscal Year Ending June 30, 2016

The budget will remain relatively the same for fiscal year 2016. The total expenditures for fiscal year 2016 will be \$55,930,544 compared to \$54,931,377 for fiscal year 2015, which is an increase of 1.8%. The budget includes a 3% cost of living adjustment pay adjustment for employees, capital equipment replacement of \$2,241,864, and health insurance increase of 5%. The largest portion of the General Fund expenditures is personnel services which account for 69.9% of the budget. The largest portion on the revenue side is taxes and this accounts for 66.2% of the revenue. Taxes are made up of property taxes and sales and use taxes and account for 69% and 31% of all taxes in the General Fund, respectively.

Requests for Information

This report is designed to provide an overview of the County's finances to those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Pickens County, 222 McDaniel Avenue B-4, Pickens, SC 29671. In addition, this Comprehensive Annual Financial Report may be found on the County's website at <http://www.co.pickens.sc.us>.

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION

Exhibit A

JUNE 30, 2015

	Governmental Activities	Business- Type Activities	Total Primary Government	Alliance Pickens	Total Reporting Unit
ASSETS					
Current assets:					
Cash and investments	\$ 46,635,448	\$ 2,184,121	\$ 48,819,569	\$ 234,611	\$ 49,054,180
Property taxes receivable	3,063,792	-	3,063,792	-	3,063,792
Accounts receivable - other	1,508,863	57,151	1,566,014	4,935	1,570,949
Due from other governments	4,233,059	69,645	4,302,704	-	4,302,704
Advances to other funds	1,653,777	-	1,653,777	-	1,653,777
Note receivable	12,807	-	12,807	-	12,807
Inventories	282,167	58,087	340,254	-	340,254
Prepaid items	114,491	-	114,491	200	114,691
Total current assets	<u>57,504,404</u>	<u>2,369,004</u>	<u>59,873,408</u>	<u>239,746</u>	<u>60,113,154</u>
Non-current assets:					
Land held for resale	1,192,836	-	1,192,836	-	1,192,836
Capital assets, not being depreciated	6,235,005	2,134,782	8,369,787	-	8,369,787
Capital assets, net of accumulated depreciation	52,699,571	31,136,447	83,836,018	-	83,836,018
Total non-current assets	<u>60,127,412</u>	<u>33,271,229</u>	<u>93,398,641</u>	<u>-</u>	<u>93,398,641</u>
Total assets	<u>117,631,816</u>	<u>35,640,233</u>	<u>153,272,049</u>	<u>239,746</u>	<u>153,511,795</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred outflow related to state pension	3,315,772	71,619	3,387,391	-	3,387,391
Total deferred outflow of resources	<u>3,315,772</u>	<u>71,619</u>	<u>3,387,391</u>	<u>-</u>	<u>3,387,391</u>
LIABILITIES					
Current liabilities:					
Accounts payable	4,664,327	247,336	4,911,663	3,943	4,915,606
Accrued payroll	698,231	13,525	711,756	4,940	716,696
Advances from other funds	1,641,318	12,459	1,653,777	-	1,653,777
Accrued interest payable	83,556	-	83,556	-	83,556
Current portion, long-term debt	2,959,305	136,896	3,096,201	-	3,096,201
Total current liabilities	<u>10,046,737</u>	<u>410,216</u>	<u>10,456,953</u>	<u>8,883</u>	<u>10,465,836</u>
Non-current liabilities:					
Landfill closure and postclosure	2,345,729	-	2,345,729	-	2,345,729
Capital leases	211,414	-	211,414	-	211,414
Notes payable	3,226,820	-	3,226,820	-	3,226,820
General obligation bonds	7,300,924	-	7,300,924	-	7,300,924
Revenue bonds	-	6,318,311	6,318,311	-	6,318,311
Accrued compensated absences	609,005	13,067	622,072	-	622,072
Net pension liability	36,150,223	718,089	36,868,312	-	36,868,312
Net OPEB obligation	5,002,866	-	5,002,866	-	5,002,866
Total non-current liabilities	<u>54,846,981</u>	<u>7,049,467</u>	<u>61,896,448</u>	<u>-</u>	<u>61,896,448</u>
Total liabilities	<u>64,893,718</u>	<u>7,459,683</u>	<u>72,353,401</u>	<u>8,883</u>	<u>72,362,284</u>
DEFERRED INFLOW OF RESOURCES					
Deferred revenue - taxes	353,361	25,978	379,339	150,713	530,052
Deferred inflow related to state pension	3,343,799	97,323	3,441,122	-	3,441,122
Total deferred inflow of resources	<u>3,697,160</u>	<u>123,301</u>	<u>3,820,461</u>	<u>150,713</u>	<u>3,971,174</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	45,459,121	26,816,226	72,275,347	-	72,275,347
Restricted for:					
Debt service	708,408	-	708,408	-	708,408
Public works	5,656,330	-	5,656,330	-	5,656,330
Public safety	6,761,347	-	6,761,347	-	6,761,347
Cultural and recreation	1,897,182	-	1,897,182	-	1,897,182
Intergovernmental	610,771	-	610,771	-	610,771
USDA bonds	-	809,568	809,568	-	809,568
Net position (deficit), unrestricted	(8,736,449)	503,074	(8,233,375)	80,150	(8,153,225)
Total net position	<u>\$ 52,356,710</u>	<u>\$ 28,128,868</u>	<u>\$ 80,485,578</u>	<u>\$ 80,150</u>	<u>\$ 80,565,728</u>

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES

Exhibit B

YEAR ENDED JUNE 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit	Total Reporting Unit
					Governmental Activities	Business-Type Activities	Total Primary Government	Alliance Pickens	
Governmental activities:									
General government	\$ 12,254,981	\$ 1,334,387	\$ 255,571	\$ -	\$ (10,665,023)	\$ -	\$ (10,665,023)	\$ -	\$ (10,665,023)
Public safety	22,559,150	7,943,150	1,333,882	-	(13,282,118)	-	(13,282,118)	-	(13,282,118)
Public works	9,259,568	1,035,390	3,992,345	-	(4,231,833)	-	(4,231,833)	-	(4,231,833)
Health and welfare	860,695	29,217	66,167	-	(765,311)	-	(765,311)	-	(765,311)
Cultural and recreation	4,283,221	532,321	336,207	-	(3,414,693)	-	(3,414,693)	-	(3,414,693)
Economic development	474,033	-	-	125,000	(349,033)	-	(349,033)	-	(349,033)
Assistance to other agencies	1,428,094	-	-	-	(1,428,094)	-	(1,428,094)	-	(1,428,094)
Debt service - other	504,353	-	-	-	(504,353)	-	(504,353)	-	(504,353)
Total governmental activities	51,624,095	10,874,465	5,984,172	125,000	(34,640,458)	-	(34,640,458)	-	(34,640,458)
Business-type activities:									
Public Service Commission	2,683,046	1,289,956	-	406,625	-	(986,465)	(986,465)	-	(986,465)
Airport	837,465	478,820	-	31,300	-	(327,345)	(327,345)	-	(327,345)
Total business-type activities	3,520,511	1,768,776	-	437,925	-	(1,313,810)	(1,313,810)	-	(1,313,810)
Total primary government	\$ 55,144,606	\$ 12,643,241	\$ 5,984,172	\$ 562,925	\$ (34,640,458)	\$ (1,313,810)	\$ (35,954,268)	\$ -	\$ (35,954,268)
Component unit:									
Alliance Pickens	\$ 356,336	\$ -	\$ 22,324	\$ -	\$ -	\$ -	\$ -	\$ (334,012)	\$ (334,012)
Total component units	\$ 356,336	\$ -	\$ 22,324	\$ -	\$ -	\$ -	\$ -	\$ (334,012)	\$ (334,012)
General revenues (expenses):									
Property taxes					\$ 27,025,106	\$ -	\$ 27,025,106	\$ -	\$ 27,025,106
Sales taxes					7,779,040	-	7,779,040	-	7,779,040
Franchise taxes					444,561	-	444,561	-	444,561
Grants and contributions not restricted to specific programs					4,841,567	-	4,841,567	-	4,841,567
Investment earnings					200,655	-	200,655	320	200,975
Gain (loss) on sale of capital assets					(50,577)	-	(50,577)	-	(50,577)
Miscellaneous					(2,499,667)	-	(2,499,667)	313,733	(2,185,934)
Transfers					(303,751)	303,751	-	-	-
Total general revenues and transfers, net					37,436,934	303,751	37,740,685	314,053	38,054,738
Change in net position before cumulative effect of change in accounting principle					2,796,476	(1,010,059)	1,786,417	(19,959)	1,766,458
Cumulative effect of change in accounting principle					(35,788,506)	(732,450)	(36,520,956)	-	(36,520,956)
Change in net position					(32,992,030)	(1,742,509)	(34,734,539)	(19,959)	(34,754,498)
Net position - beginning					85,348,740	29,871,377	115,220,117	100,109	115,320,226
Net position - ending					\$ 52,356,710	\$ 28,128,868	\$ 80,485,578	\$ 80,150	\$ 80,565,728

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

PICKENS COUNTY, SOUTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS

Exhibit C-1

JUNE 30, 2015

	General Fund	Fire Districts	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 29,506,186	\$ 4,182,195	\$ 12,947,067	\$ 46,635,448
Property taxes receivable	1,809,061	659,924	594,807	3,063,792
Accounts receivable - EMS	1,109,497	-	-	1,109,497
Accounts receivable - other	328,441	900	70,025	399,366
Due from other governments	3,350,709	-	882,350	4,233,059
Note receivable	12,807	-	-	12,807
Advances to other funds	1,653,777	-	-	1,653,777
Inventories	282,167	-	-	282,167
Prepaid items	104,656	497	9,338	114,491
Land held for resale	1,192,836	-	-	1,192,836
Total assets	<u>\$ 39,350,137</u>	<u>\$ 4,843,516</u>	<u>\$ 14,503,587</u>	<u>\$ 58,697,240</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,019,912	\$ 114,389	\$ 530,026	\$ 4,664,327
Accrued payroll	580,644	43,339	74,248	698,231
Advances from general fund	-	1,299,797	341,521	1,641,318
Total liabilities	<u>4,600,556</u>	<u>1,457,525</u>	<u>945,795</u>	<u>7,003,876</u>
Deferred Inflows of Resources:				
Deferred revenue - delinquent taxes	<u>2,863,683</u>	<u>622,213</u>	<u>819,416</u>	<u>4,305,312</u>
Total Deferred Inflows of Resources	<u>2,863,683</u>	<u>622,213</u>	<u>819,416</u>	<u>4,305,312</u>
Fund balances:				
Nonspendable:				
Prepaid items	104,656	497	9,338	114,491
Inventories	282,167	-	-	282,167
Land held for resale	1,192,836	-	-	1,192,836
Restricted	-	3,182,081	12,451,962	15,634,043
Committed	-	-	285,654	285,654
Assigned	7,790,805	-	-	7,790,805
Unassigned	22,515,434	(418,800)	(8,578)	22,088,056
Total fund balances	<u>31,885,898</u>	<u>2,763,778</u>	<u>12,738,376</u>	<u>47,388,052</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,350,137</u>	<u>\$ 4,843,516</u>	<u>\$ 14,503,587</u>	<u>\$ 58,697,240</u>

PICKENS COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

Exhibit C-2

JUNE 30, 2015

Total Governmental Fund Balances	\$ 47,388,052
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	58,934,576
Deferred inflows reported in governmental funds balance sheet includes balances of taxes receivable and other receivables. The balances were deferred because funds were not available to pay current-period expenditures.	3,951,951
Net deferred inflows reported in governmental funds balance sheet includes balances related to the state pension liability. The balances were deferred because funds were not available to pay current-period expenditures	(28,027)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Landfill closure and postclosure	(2,458,229)
Capital leases	(306,119)
Notes payable	(3,677,978)
General obligation bonds	(9,526,866)
Net pension liability	(36,150,223)
Accrued compensated absences	(684,005)
Net OPEB obligation	(5,002,866)
Accrued interest payable	(83,556)
Net Position of Governmental Activities	<u><u>\$ 52,356,710</u></u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

- GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2015

	General Fund	Fire Districts	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 25,612,326	\$ 1,590,260	\$ 7,089,688	\$ 34,292,274
Intergovernmental	5,022,856	52,736	3,661,927	8,737,519
Fees, licenses and permits	816,291	2,656,416	3,177,590	6,650,297
Charges for services	6,121,789	2,550	144,475	6,268,814
Fines and forfeitures	508,816	-	186,840	695,656
Investment income	254,244	365	9,297	263,906
Rental income	20,933	-	-	20,933
Contributions	2,340	32,200	13,165	47,705
Miscellaneous	383,948	3,424	4,321	391,693
Total revenues	<u>38,743,543</u>	<u>4,337,951</u>	<u>14,287,303</u>	<u>57,368,797</u>
Expenditures				
Current:				
General government	10,669,118	-	203,093	10,872,211
Public safety	16,499,260	3,395,099	985,778	20,880,137
Public works	5,329,573	-	2,842,689	8,172,262
Health and welfare	817,536	-	-	817,536
Culture and recreation	600,791	-	3,343,673	3,944,464
Economic development and assistance	366,248	-	-	366,248
Other	394,080	-	1,046,035	1,440,115
Intergovernmental	169,961	-	-	169,961
Capital outlay	703,386	2,814,673	2,516,107	6,034,166
Debt service:				
Principal retirement	-	200,119	2,511,731	2,711,850
Interest and fiscal charges	-	76,147	436,881	513,028
Total expenditures	<u>35,549,953</u>	<u>6,486,038</u>	<u>13,885,987</u>	<u>55,921,978</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,193,590</u>	<u>(2,148,087)</u>	<u>401,316</u>	<u>1,446,819</u>
Other financing sources (uses)				
Issuance of debt	-	700,000	-	700,000
Transfers in (out)	(412,294)	-	108,543	(303,751)
Total other financing sources (uses)	<u>(412,294)</u>	<u>700,000</u>	<u>108,543</u>	<u>396,249</u>
Net change in fund balances	2,781,296	(1,448,087)	509,859	1,843,068
Fund balance - beginning	<u>29,104,602</u>	<u>4,211,865</u>	<u>12,228,517</u>	<u>45,544,984</u>
Fund balance - ending	<u>\$ 31,885,898</u>	<u>\$ 2,763,778</u>	<u>\$ 12,738,376</u>	<u>\$ 47,388,052</u>

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

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-2

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 1,843,068
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 these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$3,668,626 was less than capital outlay of \$6,034,166 in the current period.	2,365,540
Net loss on disposal of assets not recorded in funds	(50,577)
Proceeds of sales not recorded in governmental activities	(2,884,652)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	295,789
Proceeds from debt issues are another financing source in the fund, but a debt issue increases long-term liabilities in the statement of net position.	(700,000)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,711,849
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due.	8,675
Compensated absences that have not matured, together with expenditures associated with changes in compensated absence accruals, are not reported at the fund level.	108,474
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Landfill closure and postclosure costs	122,987
Change in net pension liability	(389,743)
Change in net OPEB obligation	(634,934)
Change in net position of governmental activities before cumulative effect of change in accounting principle	<u>\$ 2,796,476</u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-3

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND**

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 24,252,940	\$ 24,252,940	\$ 25,612,326	\$ 1,359,386
Intergovernmental	5,022,164	5,022,922	5,022,856	(66)
Fees, licenses and permits	640,000	640,000	816,291	176,291
Charges for services	6,227,107	6,227,107	6,121,789	(105,318)
Fines and forfeitures	587,000	587,000	508,816	(78,184)
Investment income	173,588	173,588	254,244	80,656
Rental income	20,760	20,760	20,933	173
Contributions	-	-	2,340	2,340
Miscellaneous	109,500	109,500	383,948	274,448
Total revenues	<u>37,033,059</u>	<u>37,033,817</u>	<u>38,743,543</u>	<u>1,709,726</u>
Expenditures				
Current:				
General government	10,321,665	11,291,488	10,669,118	622,370
Public safety	16,538,138	16,854,843	16,499,260	355,583
Public works	5,606,298	5,712,527	5,329,573	382,954
Health and welfare	847,777	867,831	817,536	50,295
Culture and recreation	737,142	1,290,062	600,791	689,271
Economic development and assistance	-	-	366,248	(366,248)
Other	399,117	403,138	394,080	9,058
Intergovernmental	801,317	185,771	169,961	15,810
Capital outlay	1,579,855	1,844,282	703,386	1,140,896
Total expenditures	<u>36,831,309</u>	<u>38,449,942</u>	<u>35,549,953</u>	<u>2,899,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>201,750</u>	<u>(1,416,125)</u>	<u>3,193,590</u>	<u>4,609,715</u>
Other financing uses				
Transfers out	(541,875)	(791,875)	(412,294)	379,581
Total other financing uses	<u>(541,875)</u>	<u>(791,875)</u>	<u>(412,294)</u>	<u>379,581</u>
Net change in fund balances	<u>\$ (340,125)</u>	<u>\$ (2,208,000)</u>	2,781,296	<u>\$ 4,989,296</u>
Fund balance - beginning			<u>29,104,602</u>	
Fund balance - ending			<u>\$ 31,885,898</u>	

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-4

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FIRE DISTRICTS**

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,477,762	\$ 1,477,762	\$ 1,590,260	\$ 112,498
Intergovernmental	-	52,736	52,736	-
Fees, licenses and permits	2,596,240	2,596,240	2,656,416	60,176
Charges for services	-	-	2,550	2,550
Investment income	2,000	2,000	365	(1,635)
Contributions	-	-	32,200	32,200
Miscellaneous	2,300	2,300	3,424	1,124
Total revenues	<u>4,078,302</u>	<u>4,131,038</u>	<u>4,337,951</u>	<u>206,913</u>
Expenditures				
Current:				
Public safety	3,774,532	3,674,899	3,395,099	279,800
Capital outlay	155,846	3,650,412	2,814,673	835,739
Debt service:				
Principal retirement	316,869	316,870	200,119	116,751
Interest and fiscal charges	76,151	76,152	76,147	5
Total expenditures	<u>4,323,398</u>	<u>7,718,333</u>	<u>6,486,038</u>	<u>1,232,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(245,096)</u>	<u>(3,587,295)</u>	<u>(2,148,087)</u>	<u>1,439,208</u>
Other financing sources (uses)				
Issuance of debt	-	700,000	700,000	-
Total other financing uses	<u>-</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (245,096)</u>	<u>\$ (2,887,295)</u>	<u>(1,448,087)</u>	<u>\$ 1,439,208</u>
Fund balance - beginning			<u>4,211,865</u>	
Fund balance - ending			<u>\$ 2,763,778</u>	

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS

Exhibit E

JUNE 30, 2015

	Enterprise Funds		
	Public		
	Service	Airport	Total
	Commission		
ASSETS			
Current assets:			
Cash and investments	\$ 2,184,021	\$ 100	\$ 2,184,121
Accounts receivable - other	57,151	-	57,151
Due from other governments	38,345	31,300	69,645
Inventories	-	58,087	58,087
Total current assets	2,279,517	89,487	2,369,004
Capital assets:			
Land	336,166	1,724,771	2,060,937
Construction in process	42,545	31,300	73,845
Capacity	5,938,636	-	5,938,636
Buildings	372,442	2,797,136	3,169,578
Improvements other than buildings	33,356,434	4,825,273	38,181,707
Machinery and equipment	502,775	390,688	893,463
Less accumulated depreciation	(12,383,308)	(4,663,629)	(17,046,937)
Total noncurrent assets	28,165,690	5,105,539	33,271,229
Total assets	30,445,207	5,195,026	35,640,233
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow related to state pension	57,663	13,956	71,619
Total deferred outflow of resources	57,663	13,956	71,619
LIABILITIES			
Current liabilities:			
Accounts payable	179,633	67,703	247,336
Accrued payroll	10,925	2,600	13,525
Advances from general fund	-	12,459	12,459
Unearned revenue	25,978	-	25,978
Current portion of long-term debt	136,896	-	136,896
Total current liabilities	353,432	82,762	436,194
Long-term liabilities:			
Revenue bonds	6,318,311	-	6,318,311
Net pension liability	578,166	139,923	718,089
Accrued compensated absences	10,459	2,608	13,067
Total noncurrent liabilities	6,906,936	142,531	7,049,467
Total liabilities	7,260,368	225,293	7,485,661
DEFERRED INFLOW OF RESOURCES			
Deferred inflow related to state pension	78,359	18,964	97,323
Total deferred inflow of resources	78,359	18,964	97,323
NET POSITION			
Net investment in capital assets	21,710,688	5,105,538	26,816,226
Restricted for USDA	809,568	-	809,568
Unrestricted	643,887	(140,813)	503,074
Total net position	\$ 23,164,143	\$ 4,964,725	\$ 28,128,868

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

PICKENS COUNTY, SOUTH CAROLINA

Exhibit F

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITON -
PROPRIETARY FUNDS**

YEAR ENDED JUNE 30, 2015

	Enterprise Funds		
	Public Service Commission	Airport	Total
Operating revenues			
Charges for services	\$ 1,242,956	\$ 478,820	\$ 1,721,776
Miscellaneous	47,000	-	47,000
Total operating revenues	<u>1,289,956</u>	<u>478,820</u>	<u>1,768,776</u>
Operating expenses			
Salaries and benefits	462,601	114,371	576,972
Depreciation	1,124,968	360,252	1,485,220
Other expenses	833,976	362,842	1,196,818
Total operating expenses	<u>2,421,545</u>	<u>837,465</u>	<u>3,259,010</u>
Operating loss	<u>(1,131,589)</u>	<u>(358,645)</u>	<u>(1,490,234)</u>
Nonoperating expense			
Interest and fiscal charges	(261,501)	-	(261,501)
Total nonoperating expense	<u>(261,501)</u>	<u>-</u>	<u>(261,501)</u>
Loss before transfers and contributions	(1,393,090)	(358,645)	(1,751,735)
Transfers in	303,751	-	303,751
Capital contributions	406,625	31,300	437,925
Change in net assets before cumulative effect of change in accounting principle	(682,714)	(327,345)	(1,010,059)
Cumulative effect of change in accounting principle	(589,729)	(142,721)	(732,450)
Change in net position	(1,272,443)	(470,066)	(1,742,509)
Total net position - beginning	<u>24,436,586</u>	<u>5,434,791</u>	<u>29,871,377</u>
Total net position - ending	<u>\$ 23,164,143</u>	<u>\$ 4,964,725</u>	<u>\$ 28,128,868</u>

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Exhibit G

YEAR ENDED JUNE 30, 2015

	Enterprise Funds		
	Public Service Commission	Airport	Total
Operating activities			
Receipts from customers and users	\$ 1,317,106	\$ 447,520	\$ 1,764,626
Payments to suppliers	(720,601)	(292,467)	(1,013,068)
Payments to employees	(469,718)	(114,071)	(583,789)
Other receipts	47,000	-	47,000
Net cash provided by operating activities	<u>173,787</u>	<u>40,982</u>	<u>214,769</u>
Noncapital financing activities			
Transfers from other funds	303,751	-	303,751
Net cash provided by noncapital financing activities	<u>303,751</u>	<u>-</u>	<u>303,751</u>
Capital and related financing activities			
Capital contributions	406,625	31,300	437,925
Capital transfers from other funds	-	12,459	12,459
Acquisition and construction of capital assets	(114,957)	(31,300)	(146,257)
Principal paid on capital debt	(131,305)	-	(131,305)
Net cash provided by (used in) capital and related financing activities	<u>(101,138)</u>	<u>12,459</u>	<u>(88,679)</u>
Net increase in cash and cash equivalents/investments	376,400	53,441	429,841
Cash and investments			
Beginning of year	<u>1,807,621</u>	<u>(53,341)</u>	<u>1,754,280</u>
End of year	<u>\$ 2,184,021</u>	<u>\$ 100</u>	<u>\$ 2,184,121</u>
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	\$ (1,131,589)	\$ (358,645)	\$ (1,490,234)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	1,124,968	360,252	1,485,220
Change in operating assets and liabilities:			
Accounts receivable - other and due from other governments	77,734	(31,300)	46,434
Inventories	-	7,487	7,487
Deferred outflow related to state pension	(57,663)	(13,956)	(71,619)
Accounts payable and accrued expenses	97,125	60,978	158,103
Unearned revenue	(3,584)	-	(3,584)
Net pension liability	(11,563)	(2,798)	(14,361)
Deferred inflow related to state pension	78,359	18,964	97,323
Total adjustments	<u>1,305,376</u>	<u>399,627</u>	<u>1,705,003</u>
Net cash provided by operating activities	<u>\$ 173,787</u>	<u>\$ 40,982</u>	<u>\$ 214,769</u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit H

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

JUNE 30, 2015

	Total Agency Funds
ASSETS	
Cash and investments	\$ 32,034,411
Property taxes receivable	7,300,923
Total assets	<u>\$ 39,335,334</u>
LIABILITIES	
Accounts payable	\$ 93,099
Due to others	39,242,235
Total liabilities	<u>\$ 39,335,334</u>

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies

Pickens County (the “County”) was organized in 1868 and operates under a Council/Administrator form of government as provided in Title 14 of the 1962 Code of Laws of South Carolina as amended (Home Rule Act) and provides the following services: public safety, highways and streets, sanitation, health and social services, cultural and recreational programs, planning and zoning and general administrative services.

Reporting Entity

The basic financial statements of the County present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County’s financial statements to be misleading or incomplete. The reporting entity has been defined to include all offices of elected officials of Pickens County, South Carolina, including Clerk of Court, Probate Judge, Coroner, Auditor, Treasurer, Solicitor and Sheriff, as well as various administrative offices of the County.

The Economic Development Alliance of Pickens County, Inc. (the “Alliance”), a legally separate 501(c)(3) entity, is included as a discretely presented component unit of the County. Founded in 1995, the Alliance’s primary mission is to attract, retain and increase the number of jobs and tax base in Pickens County. The County appoints a voting majority of the Alliance’s board and is financially responsible for any deficits. The Alliance’s fiscal year ends on June 30. Complete financial statements for the Alliance may be obtained at its administrative offices at 509 S. Lewis Street, Suite B, Pickens, SC 29671.

As the financially significant political subdivisions of the County, including the school district, have the authority to hire and fire employees, establish their own operating budgets and enter into their own contracts, it is determined that the County does not significantly influence their operations. As these entities have the authority to borrow funds, establish their own budgets and are responsible for funding their own deficits, it is construed that the County does not have accountability for their fiscal matters. Accordingly, these political subdivisions have been excluded from the County’s financial statements. Additionally, property tax revenues levied and collected for certain of these excluded entities, as a result of the County’s levy allocation, are not presented in these financial statements, except to the extent they remain in an agency fund at fiscal year-end.

Basis of Presentation

The County’s basic 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. The minimum number of funds is maintained consistent with legal and managerial requirements. There are three categories of funds: governmental, proprietary and fiduciary.

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies – continued

Basis of Presentation – continued

Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. For the most part, the effect of inter-fund activity, except any inter-fund services provided and used, has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The County segregates transactions related to certain County functions or activities in separate funds in order to aid management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at a more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The major funds types are as follows:

Governmental funds are used to account for general governmental activities. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major funds:

General Fund – This is the primary operating fund of the County and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Fire District Fund – This special revenue fund is used to account for the County's fire district operations. Revenues are generated by a fire fee for ten of the thirteen fire districts and a millage rate is imposed on the other three fire districts. The fire fees and millage rates vary by district depending on the operations of the district.

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies – continued

Basis of Presentation – continued

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flow. Proprietary funds are classified either as enterprise or as internal service. These funds use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise Funds – These funds are used to account for those operations that are financed and operated in a manner similar to private business. In the enterprise funds, a fee is charged to external users. The County reports the following as major proprietary funds:

Public Service Commission – This fund is used to account for the County's waste water treatment operations.

Airport – This fund is used to account for the County's airport operations.

Fiduciary fund reporting focuses on changes in net position. This fund accounts for assets held by the County as an agent on behalf of others.

Agency Funds – These funds account for assets held by the County as an agent for other governmental units and courts in accordance with Acts of the General Assembly of South Carolina. The County's only fiduciary funds are agency funds.

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 refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be identified and "available" means collectible within the current period or soon enough thereafter (generally not to exceed 60 days) to be used to pay liabilities of the current 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, are recorded when payment is due.

Property taxes, sales taxes, franchise taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies – continued

Measurement Focus and Basis of Accounting – continued

Deferred inflow arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenue arises when resources are received by the County before it has a legal claim to them, as when grant money is received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue criteria are met for deferred inflow or when the County has a legal claim to the resources for unearned revenue, amounts are removed from the balance sheet and revenue is recognized.

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, including special assessments. General revenues include all taxes.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Under this method, the accrual basis of accounting is utilized. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net position by distinguishing operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing or delivering goods in connection with a proprietary fund’s ongoing operations.

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 non-operating revenues and expenses.

Fiduciary fund reporting focuses on net position and changes in net position. This fund accounts for assets held by the County as an agent on behalf of others. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The County’s only fiduciary funds are agency funds held for the benefit of the School District and others.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Investments

The County follows the practice of pooling cash and investments of all funds with the County Treasurer except for restricted funds generally held by outside custodians and imprest funds.

Income from pooled funds of the County is allocated by the Treasurer’s office to agency funds and the general fund based on the Treasurer’s estimate of which fund represented the income producing asset. Income of the general fund is further allocated by the Finance Director to special revenue funds which have substantial cash balances by review of earnings rates and cash balances.

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies – continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance – continued

For the purpose of the financial statements, the County considers all short-term investments with original maturities of three months or less, when acquired, to be cash equivalents.

Investments are stated at fair value. The fair value of the County's investments approximated cost.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the current fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of the inter-fund loans) or "advances to/from other funds" (i.e. the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable are stated net of their allowance for uncollectible amounts. Receivables in governmental funds include revenue accruals that are recognized when they become measurable and available as previously defined.

Property taxes receivable represents delinquent and unpaid real and personal property tax billings less an allowance for amounts estimated to be uncollectible.

Due from Other Governments

Amounts due from state and 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.

Note Receivable

The note receivable, resulting from a building agreement between Pickens County and the Appalachian Council of Governments, is stated at its net realizable amount.

Inventories and Prepaid Items

Inventories are valued at average cost and consist of fuel, supplies and auto parts held for consumption. The cost of inventories is recorded as an expense at the time individual inventory items are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Land Held for Resale

The land held for resale at the Pickens County Commerce Park is recorded at the lower of cost or its net realizable value in the general fund.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies – continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance – continued

Capital Assets and Depreciation

Capital assets, which include land, buildings, improvements, machinery and equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of two years.

All capital assets are valued at historical cost if purchased or constructed or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized by governmental or business-type activities.

All reported capital assets, except land, are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging as follows: buildings, 20-40 years; improvements other than buildings (includes infrastructure), 20-40 years; and machinery and equipment, 5-20 years.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type 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. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

All full-time County employees earn annual leave based on length of service. It is the County's policy to permit employees to accumulate earned but unused annual leave up to the equivalent of six work weeks. Compensated absences in both governmental and business-type activities are classified as long-term liabilities. For the governmental activities, compensated absences are generally liquidated by the general fund and certain special revenue funds.

Landfill Closure and Postclosure Care Costs

Federal and state laws and regulations require the County to place a final cover on its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. The liability reported as landfill closure and postclosure represents estimated total costs based on 100% use of the landfill capacity of two of the County's landfills. The landfill capacity used to date on these two equals 100%, and there are no current costs remaining to be recognized.

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies – continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance – continued

The landfill capacity used to date of the third County landfill equals 77%. Actual cost may be higher due to inflation, changes in technology or changes in regulation. The County anticipates that available resources will be the primary source of funds to pay for closure and postclosure care costs.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County recognized a deferred outflow for the year ended June 30, 2015 related to contributions subsequent to the measurement date of the net pension liability as well as the difference in expected and actual experience in the measurement of the net pension liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two such items, which arise only under a modified accrual basis of accounting and qualifies for reporting in this category. The first item, *deferred revenue – taxes*, is reported only in the governmental funds statement of net position. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item, *deferred inflow related to state pension*, relates to the net difference between projected and actual earnings on South Carolina Retirement System (“SCRS”) investments.

Net Position and Fund Balances

Net position in the government-wide financial statements are classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through state statute.

Under Governmental Accounting Standards Board (“GASB”) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the County classifies fund balances as follows:

Nonspendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.

Committed – Includes amounts that can only be used for specific purposes imposed by formal action (ordinance) of County Council. Those committed amounts cannot be used for any other purpose unless County Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by County Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies – continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance – continued

Assigned – Amounts that are designated by the County for specific purposes but do not meet the definition of restricted or committed fund balance. In the general fund, assigned amounts represent items designated for capital projects, as well as items reserved for encumbrances. Under policies adopted by the County Council, amounts may be assigned by Ralph Guarino Jr., Finance Director.

Unassigned – All amounts not included in other spendable classifications.

At June 30, 2015, the County’s governmental fund balances were classified as follows:

	<u>General</u> <u>Fund</u>	<u>Fire</u> <u>Districts</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Net position				
Nonspendable				
Prepaid items	\$ 104,656	\$ 497	\$ 9,338	\$ 114,491
Inventories	282,167	-	-	282,167
Land held for resale	1,192,836	-	-	1,192,836
Total nonspendable	<u>1,579,659</u>	<u>497</u>	<u>9,338</u>	<u>1,589,494</u>
Restricted				
Tri-County Tech	-	-	610,770	610,770
Fixed nuclear	-	-	43,103	43,103
Law enforcement	-	-	1,943,935	1,943,935
Library	-	-	1,690,185	1,690,185
Culture and recreation	-	-	206,999	206,999
Transportation roads	-	-	5,656,329	5,656,329
Emergency phone system	-	-	1,592,232	1,592,232
Debt service	-	-	708,409	708,409
Fire rescue	-	3,182,081	-	3,182,081
Total restricted	<u>-</u>	<u>3,182,081</u>	<u>12,451,962</u>	<u>15,634,043</u>
Committed				
Capital projects	-	-	285,654	285,654
Total committed	<u>-</u>	<u>-</u>	<u>285,654</u>	<u>285,654</u>
Assigned				
Advances and encumbrances	2,335,629	-	-	2,335,629
Capital projects	5,455,176	-	-	5,455,176
Total assigned	<u>7,790,805</u>	<u>-</u>	<u>-</u>	<u>7,790,805</u>
Unassigned	22,515,434	(418,800)	(8,578)	22,088,056
Total fund balances	<u>\$ 31,885,898</u>	<u>\$ 2,763,778</u>	<u>\$ 12,738,376</u>	<u>\$ 47,388,052</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies – continued

The details of the fund balances are included in the Governmental Fund Balance Sheet. Restricted funds are first used as appropriate, followed by committed and then assigned funds to the extent that expenditure authority has been appropriated or budgeted by the County’s Council.

The County strives to maintain an unassigned general fund reserve to be used for cash flow requirements, equipment acquisition and replacement, and to enable the County to meet unexpected expenditure demands or revenue shortfalls. The unassigned general fund reserve will be between 10% and 15% of the current year operating budget, excluding capital items. When the unassigned general fund reserve is projected to decrease below 10% of the general fund budget, the Administrator shall initiate one of the following measures to ensure that the year-end general fund balance for the budget year in question does not fall below 10%: generated additional revenue, implement a hiring freeze on non-critical positions, or reduce expenditures through a budget cut.

Adopted Pronouncements – The County has implemented the following GASB pronouncements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 (“Statement No. 68”)* and **GASB Statement No. 71**, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68 (“Statement No. 71”)*, effective for periods beginning after June 15, 2014, require government employers, for the first time, to recognize the long-term obligation for state pension benefits. The provisions of Statement No. 68 and Statement No. 71 (the “standards”) relevant to the County relate to changes in the accounting and financial reporting of pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The employer liability is to be measured as the difference between the present value of projected benefit payments to be provided through the pension plan for past periods of service less the amount of the pension plan’s fiduciary net position, with obligations for employers with cost sharing plans based on their proportionate share of contributions to the pension plan. The standards also require more immediate recognition of annual service cost, interest and changes in benefits for pension expense, require deferred outflows be presented for employer contributions made subsequent to the measurement date of the net pension liability, specify requirements for discount rates and actuarial methods, and provide changes to disclosure requirements. The cumulative effect of adoption of the standard is presented as an adjustment to beginning fiscal year 2015 net position since information is not available to determine the impact on expense and net position in fiscal year 2014.

	Net Pension Liability	Deferred outflows from pension	Net Position
Beginning balance, July 1, 2014	\$ -	\$ -	\$ 115,320,226
Change in accounting principle	(38,844,334)	2,323,378	(36,520,956)
Adjusted balance, July 1, 2014	<u>\$ (38,844,334)</u>	<u>\$ 2,323,378</u>	<u>\$ 78,799,270</u>

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies – continued

Upcoming Pronouncements - The GASB has issued the following statements which have not yet been implemented by the County. These statements may have a future impact on the County:

GASB Statement No. 72, *Fair Value Measurement and Application*, effective for periods beginning after June 15, 2015, addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. The Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Among other things, GASB Statement No. 75 requires governments to report a liability on the face of the financial statements for the other postemployment benefits (“OPEB”) that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for periods beginning after June 15, 2015, reduces the Generally Accepted Accounting Principles (“GAAP”) hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB.

GASB Statement No. 77, *Tax Abatement Disclosures*, effective for the periods beginning after December 15, 2015, requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government’s tax revenues. The new disclosures about a government’s own tax abatement agreements include the purpose of tax abatement programs, the tax being abated, the dollar amount of taxes abated, any provisions for recapturing abated taxes, types of commitments made by the tax abatement recipient, and other commitments made by a government in regard to tax abatement agreements. The new disclosures about tax abatements that are entered into by other governments and reduce the reporting government’s tax revenues include the name of the government entering into the abatement agreement, the tax being abated, and the dollar amount for the reporting government’s taxes abated.

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, job related illnesses and accidents. The County pays premiums to a public entity risk pool for workman’s compensation insurance and for property and casualty coverage. The public entity risk pool promises to pay to or on behalf of the insured for covered economic losses sustained during policy period in accordance with insurance policy and benefit program limits.

Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years. The County continues to carry insurance for employee health and dental care under various plans.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – Summary of significant accounting policies – continued

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates. The estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual budgets are adopted on a basis consistent with GAAP for the general fund and certain special revenue funds including Tri-County Tech Fund, Library Fund, Victim Rights Fund, Emergency Phone System Fund, the Fire District funds, Accommodation Tax Fund, Tourism Development Fee Fund, Fixed Nuclear Fund, Grants Fund, Road Fee Fund, Tourism Restricted Resources Fund, and the Debt Service Fund. The balance of the special revenue funds and the capital projects funds are budgeted over the life of the grant or project. For the year ended June 30, 2015, the Six Mile Fire District Fund had an unassigned deficit of \$418,800. This fund deficit will be replenished over the next 6 years as the fire district pays the County for an advance on the construction of a new station. Also, for the year ended June 30, 2015, the Tourism Development Fee Fund has an unassigned deficit of \$8,576. This fund deficit will be replenished over the next year as the County receives revenues from fees, licenses and permits.

Note 2 – Stewardship, compliance and accountability

Budgets and Budgetary Accounting

The various departments of the County are bound to the appropriated expenditures by object classification codes (i.e. salaries and wages, office furniture and equipment). The County Administrator is authorized to make transfers between the object classification codes within the same department. Council may affect transfers between departments by ordinance; however, the budget ordinance must be amended to effect changes in fund totals.

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund, special revenue fund and capital projects fund. Restricted, committed, and assigned fund balances include encumbrances at June 30, 2015, as follows:

General Fund	\$	629,337
Fire Districts		19
Other Governmental Funds		<u>1,377,628</u>
	\$	<u><u>2,006,984</u></u>

Note 3 – Deposits and investments

State statute authorizes the County to invest in (1) obligations of the United States and agencies thereof; (2) general obligations of the State of South Carolina or any of its political units; (3) interest bearing accounts in savings and loan associations to the extent insured by the Federal Deposit Insurance Corporation; (4) certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by third party as escrow agent or custodian, of a market value not less than the certificates of deposit and repurchase agreements so secured, including interest; and (5) deposit accounts with banking institutions insured and secured in the same manner.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 3 – Deposits and investments – continued

Deposits for the Authority

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The County does not have a custodial credit policy.

The County places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts. The County from time to time may have amounts on deposit in excess of the insured limits. The County's deposits had a carrying value of \$80,853,980 and the bank balance was \$79,697,611, of which \$23,500,000 was covered by FDIC insurance and \$56,197,611 was collateralized by securities held by the pledging bank's trust department or agent in the County's name.

Deposits for the Alliance

At June 30, 2015, the Alliance's deposits had a carrying value of \$234,611 and a bank balance of \$208,146. Of this bank balance, the entire portion is covered by the \$250,000 FDIC insurance.

Reconciliation of cash and investments to the Government-wide Statement of Net Position:

Unrestricted cash, including time deposits	\$ 48,819,569
Agency fund cash (not included in government-wide statement)	<u>32,034,411</u>
	<u>\$ 80,853,980</u>

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County limits its investments to maturities of 2 years or less.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County has no formal policy on managing credit risk.

For an investment, custodial credit risk is the risk that in event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The County minimizes credit risk by limiting investments to the types of securities allowed by law.

Note 4 – Property taxes

The County's property taxes are levied each September (except vehicles which are annually assessed on the first day of the month the vehicles are registered) on the assessed value as of the prior December 31 for all real and personal property located in the County. Assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates ranging from 4 to 10.5 percent of the estimated market value. The assessed value as of June 30, 2015 was \$459,057,129. The estimated market value was \$8,238,393,674 making the assessed value approximately 5.4 percent of the estimated market value.

The County is permitted under South Carolina law to levy property taxes for general governmental services and principal and interest on long-term debt. The combined tax rate to finance general government services and principal and interest on long-term debt for the year ended June 30, 2015 was \$68.20 per \$1,000 of assessed value.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 4 – Property taxes – continued

Taxes on property (except vehicle taxes which are due on the last day of the month levied) are due on or before January 15. A three percent penalty is added on January 16. If taxes remain unpaid on February 2, a seven percent penalty is added to the original tax. If taxes remain unpaid on the March 17 lien date, an additional 5 percent penalty is added to the original levy, totaling a 15% penalty. The County bills and collects its own property taxes and also those for all other taxing entities within the County which are accounted for in various agency funds.

Property taxes receivable and allowances for doubtful accounts at June 30, 2015, are summarized as follows:

	<u>General</u> <u>Fund</u>	<u>Fire</u> <u>Districts</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Government</u> <u>Funds</u>	<u>Agency</u> <u>Funds</u>
Gross receivables	\$ 1,904,275	\$ 694,657	\$ 626,111	\$ 3,225,043	\$ 7,685,253
Allowance for doubtful accounts	(95,214)	(34,733)	(31,304)	(161,251)	(384,330)
	<u>\$ 1,809,061</u>	<u>\$ 659,924</u>	<u>\$ 594,807</u>	<u>\$ 3,063,792</u>	<u>\$ 7,300,923</u>

Note 5 – Accounts receivable

Accounts receivable at June 30, 2015 are summarized as follows:

	<u>Fund Wide Statements</u>				<u>Government</u> <u>Wide</u> <u>Statements</u>	<u>Agency</u> <u>Funds</u>
	<u>General</u> <u>Fund</u>	<u>Fire</u> <u>Districts</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>		
EMS fees	\$ 11,094,970	\$ -	\$ -	\$ 11,094,970	\$ 11,094,970	\$ -
Less allowance for doubtful accounts	(9,985,473)	-	-	(9,985,473)	(9,985,473)	-
	<u>1,109,497</u>	<u>-</u>	<u>-</u>	<u>1,109,497</u>	<u>1,109,497</u>	<u>-</u>
Interest	158,663	-	17,187	175,850	175,850	-
Landfill	36,832	-	-	36,832	36,832	-
Other	132,946	900	52,838	186,684	186,684	-
	<u>328,441</u>	<u>900</u>	<u>70,025</u>	<u>399,366</u>	<u>399,366</u>	<u>-</u>
	<u>\$ 1,437,938</u>	<u>\$ 900</u>	<u>\$ 70,025</u>	<u>\$ 1,508,863</u>	<u>\$ 1,508,863</u>	<u>\$ -</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 6 – Capital assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,081,256	\$ 105,744	\$ (2,902,063)	\$ 4,284,937
Construction in progress	922,182	3,633,519	(2,605,633)	1,950,068
Total capital assets not being depreciated	<u>8,003,438</u>	<u>3,739,263</u>	<u>(5,507,696)</u>	<u>6,235,005</u>
Capital assets being depreciated:				
Buildings	36,825,314	2,319,982	-	39,145,296
Improvements and infrastructure	30,702,839	184,115	-	30,886,954
Machinery and equipment	29,215,157	2,396,440	(1,376,283)	30,235,314
Total capital assets being depreciated	<u>96,743,310</u>	<u>4,900,537</u>	<u>(1,376,283)</u>	<u>100,267,564</u>
Less accumulated depreciation:				
Buildings	(13,596,748)	(960,254)	-	(14,557,002)
Improvements and infrastructure	(11,989,713)	(818,003)	-	(12,807,716)
Machinery and equipment	(19,656,022)	(1,890,370)	1,343,117	(20,203,275)
Total accumulated depreciation	<u>(45,242,483)</u>	<u>(3,668,627)</u>	<u>1,343,117</u>	<u>(47,567,993)</u>
Total capital assets being depreciated, net	51,500,827	1,231,910	(33,166)	52,699,571
Governmental activities capital assets, net	<u>\$ 59,504,265</u>	<u>\$ 4,971,173</u>	<u>\$ (5,540,862)</u>	<u>\$ 58,934,576</u>
	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 2,060,937	\$ -	\$ -	\$ 2,060,937
Construction in progress	4,200	69,645	-	73,845
Total capital assets not being depreciated	<u>2,065,137</u>	<u>69,645</u>	<u>-</u>	<u>2,134,782</u>
Capital assets being depreciated:				
Capacity	5,938,636	-	-	5,938,636
Buildings	3,169,578	-	-	3,169,578
Improvements and infrastructure	38,181,707	-	-	38,181,707
Machinery and equipment	816,851	103,370	(26,758)	893,463
Total capital assets being depreciated	<u>48,106,772</u>	<u>103,370</u>	<u>(26,758)</u>	<u>48,183,384</u>
Less accumulated depreciation:				
Capacity	(1,373,310)	(148,466)	-	(1,521,776)
Buildings	(771,241)	(82,767)	-	(854,008)
Improvements and infrastructure	(12,820,566)	(1,193,471)	-	(14,014,037)
Machinery and equipment	(596,600)	(60,516)	-	(657,116)
Total accumulated depreciation	<u>(15,561,717)</u>	<u>(1,485,220)</u>	<u>-</u>	<u>(17,046,937)</u>
Total capital assets being depreciated, net	32,545,055	(1,381,850)	(26,758)	31,136,447
Business-type activities capital assets, net	<u>\$ 34,610,192</u>	<u>\$ (1,312,205)</u>	<u>\$ (26,758)</u>	<u>\$ 33,271,229</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 6 – Capital assets – continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 389,273
Public Safety	1,516,110
Public Works	1,227,909
Health and Welfare	44,923
Cultural and Recreation	344,021
Economic Development	107,785
Intergovernmental	38,606
Total	<u>\$ 3,668,627</u>

Construction in progress in the Governmental Activities as of June 30, 2015 represents costs incurred to date on Liberty Magistrate Building, Liberty Auditorium, Liberty Magistrate (Paving), Liberty Magistrate (Fixtures), Ponderosa Bridge, Pickens Alliance Building, and Dacusville Fire Station. Construction in progress in the Business-type Activities as of June 30, 2015 represents costs of construction for the Septic System at Stockade, Pickens County Septage Receiving Center, and the Crossfield Terminal Development.

Note 7 – Long-term debt

Governmental Activities Debt

Changes in the County's long-term debt for its Governmental Activities are as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$ 10,977,125	\$ 700,000	\$ 2,150,259	\$ 9,526,866	\$ 2,225,942
Capital leases	430,556	-	124,437	306,119	94,705
Notes payable	4,115,131	-	437,153	3,677,978	451,158
Compensated absences	792,479	32,730	141,204	684,005	75,000
Net OPEB obligation	4,367,932	634,934	-	5,002,866	-
Net pension liability	-	36,150,223	-	36,150,223	-
Landfill closure & postclosure	2,581,217	-	122,988	2,458,229	112,500
Total	<u>\$ 23,264,440</u>	<u>\$ 37,517,887</u>	<u>\$ 2,976,041</u>	<u>\$ 57,806,286</u>	<u>\$ 2,959,305</u>

Funds used in prior years to liquidate the net other postemployment benefit obligation were from the general fund.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

General obligation (general purpose) bonds payable at June 30, 2015, are comprised of the following individual issues:

\$6,665,000 2003 general obligation bond used for the construction of the Easley Library; due in annual installments of \$125,000 to \$1,300,000 through March 1, 2016; interest at 3.00% to 5.00%	\$ 1,300,000
\$1,100,000 2004 general obligation bond used for the Vineyard Building project and purchase of fire trucks; due in annual installments of \$40,000 to \$102,000 through March 1, 2019; interest at 4.134%	381,000
\$1,024,709 2008 general obligation bond used for the Cramer Upgrade project; due in quarterly installments of principal and interest of \$16,416 through October 1, 2027; interest at 2.25%	701,335
\$3,266,039 2008 general obligation bond used for the Roper Upgrade project; due in quarterly installments of principal and interest of \$51,732 through May 1, 2028; interest at 2.25%	2,326,723
\$197,000 2008 general obligation bond used for the purchase of fire trucks; due in semi-annual installments of principal and interest of \$395 to \$20,790 through April 23, 2023; interest at 3.95%	130,000
\$1,800,000 2008 general obligation bond used for the Springs Building project and purchase of a fire truck; due in annual installments of principal and interest of \$112,571 to \$145,901 through March 1, 2023; interest at 4.03%	1,089,624
\$950,000 2010 general obligation bond used to fund multiple fire districts throughout Pickens County; due in semi-annual installments of principal and interest of \$145,000 to \$149,000 through July 1, 2017; interest of 2.28%.	429,000
\$1,000,000 2013 general obligation bond used to fund Pickens Fire Districts; due in annual installments of principal and interest in the amount of \$151,072 through May 1, 2020; interest of 1.58%.	719,364
\$2,000,000 2013 general obligation bond used to fund Pickens and Liberty Fire Districts; due in annual installments of principal and interest in the amount of \$158,595 through May 1, 2028; interest of 2.43%.	1,749,820
\$700,000 2015 general obligation bond used to fund Shady Grove Fire District; due in annual installments of principal and interest in the amount of \$95,589 to \$104,521 through March 1, 2022; interest of 1.50%.	700,000
	<u>9,526,866</u>
Less current portion	<u>2,225,942</u>
Long-term portion outstanding	<u>\$ 7,300,924</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015 are as follows:

Year Ending June 30	Principal	Interest	Totals
2016	\$ 2,225,942	\$ 246,533	\$ 2,472,475
2017	948,729	180,495	1,129,224
2018	971,802	156,071	1,127,873
2019	843,166	132,727	975,893
2020	755,827	110,542	866,369
2021 to 2025	2,585,492	306,092	2,891,584
2026 to 2030	1,195,908	48,405	1,244,313
	<u>\$ 9,526,866</u>	<u>\$ 1,180,865</u>	<u>\$ 10,707,731</u>

Capital leases payable at June 30, 2015, are comprised of the following individual leases:

\$222,725 capital lease to a bank used for the purchase of a fire truck; payable in annual installments of principal and interest of \$27,459 through March 2016 at 3.999%; collateralized by equipment	\$ 26,403
\$360,000 capital lease to a bank used for the purchase of a fire truck; payable in annual installments of principal and interest of \$43,221 through May 2018 at 3.47%; collateralized by equipment	121,160
\$289,000 capital lease to a bank used for the purchase of a fire truck; payable in annual installments of principal and interest of \$35,596 through April 2020 at 3.980%; collateralized by equipment	<u>158,556</u>
Less current portion	<u>306,119</u>
Long-term portion outstanding	<u>\$ 211,414</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

Annual requirements to amortize all capital leases outstanding as of June 30, 2015 are as follows:

Year Ending June 30	Principal	Interest	Totals
2016	\$ 94,705	\$ 11,571	\$ 106,276
2017	70,822	7,995	78,817
2018	73,435	5,382	78,817
2019	32,923	2,673	35,596
2020	34,234	1,363	35,597
	<u>\$ 306,119</u>	<u>\$ 28,984</u>	<u>\$ 335,103</u>

As of June 30, 2015, the County had assets under capital leases with a total cost of \$876,087.

Notes payable at June 30, 2015 are comprised of the following individual notes:

\$3,256,865 note to the SC Water Pollution Control Revolving Fund used for the 18-Mile Creek Sewer project; payable in quarterly installments of principal and interest of \$59,336 through October 2019 at 4.0%	\$ 895,673
\$3,112,288 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority used for the Georges Creek (Capacity) Project; payable in monthly installments of principal and interest of \$18,860 through October 2023 at 4.0%	1,747,407
\$1,988,315 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority used for the Georges Creek (Trunk Line) project; payable in monthly installments of principal and interest of \$10,500 through September 2024 at 3.75%	<u>1,034,898</u>
	<u>3,677,978</u>
Less current portion	451,158
Long-term portion outstanding	<u>\$ 3,226,820</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

Annual requirements to amortize all notes payable outstanding as of June 30, 2015 are as follows:

Year Ending June 30	Principal	Interest	Totals
2016	\$ 451,158	\$ 122,738	\$ 573,896
2017	465,641	108,253	573,894
2018	480,624	93,271	573,895
2019	496,123	77,772	573,895
2020	345,038	62,675	407,713
2021 to 2025	1,439,394	131,459	1,570,853
	<u>\$ 3,677,978</u>	<u>\$ 596,168</u>	<u>\$ 4,274,146</u>

Business-Type Activities Debt

Changes in the County's long-term debt for its Business-Type Activities are as follows:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Revenue bonds	\$ 6,586,312	\$ -	\$ 131,305	\$ 6,455,007	\$ 136,696
Net pension liability	-	718,089	-	718,089	-
Compensated absences	21,768	58	8,559	13,267	200
Total	<u>\$ 6,608,080</u>	<u>\$ 718,147</u>	<u>\$ 139,864</u>	<u>\$ 7,186,363</u>	<u>\$ 136,896</u>

Revenue bonds payable recorded in the Public Service Commission Enterprise Fund at June 30, 2015 are comprised of the following individual issues:

\$1,988,200 USDA Rural Development revenue bond used for the Middle Plant expansion; due in monthly installments of principal and interest of \$9,345 through September 2039 at 4.75%. At June 30, 2015, pledged revenue was \$112,140. \$ 1,611,002

\$3,605,700 USDA Rural Development revenue bond used for the Upper Plant expansion; due in monthly installments of principal and interest of \$16,947 through September 2039 at 4.75%. At June 30, 2015, pledged revenue was \$203,364. 2,921,791

\$352,000 USDA Rural Development revenue bond used for the Central-North Waste Water Treatment Plant Project; due in monthly installments of principal and interest of \$1,116 through January 2052 at 2.25%. At June 30, 2015, pledged revenue was zero for the Central-North Waste Water Treatment bond. 332,750

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 7 – Long-term debt – continued

Business-Type Activities Debt – continued

\$1,680,000 USDA Rural Development revenue bond used for the Central-North Waste Water Treatment Plant Project; due in monthly installments of principal and interest of \$5,326 through January 2052 at 2.25%. At June 30, 2015, pledged revenue was \$25,800 for the Central-North Waste Water Treatment bond.

	1,589,464
	<u>6,455,007</u>
Less current portion	136,696
Long-term portion outstanding	<u>\$ 6,318,311</u>

Annual requirements to amortize all revenue bonds outstanding as of June 30, 2015 are as follows:

Year Ending June 30	Principal	Interest	Totals
2016	\$ 136,696	\$ 256,112	\$ 392,808
2017	142,563	250,245	392,808
2018	148,577	244,231	392,808
2019	154,861	237,947	392,808
2020	161,320	231,488	392,808
2021 to 2025	916,462	1,047,578	1,964,040
2026 to 2030	1,131,705	832,335	1,964,040
2031 to 2035	1,400,966	563,077	1,964,043
2036 to 2040	1,480,153	230,224	1,710,377
2041 to 2045	315,666	70,854	386,520
2046 to 2050	353,232	33,288	386,520
2051 to 2052	112,806	2,002	114,808
	<u>\$ 6,455,007</u>	<u>\$ 3,999,381</u>	<u>\$ 10,454,388</u>

Under the revenue bonds with the USDA Rural Development, the Public Service Commission is required to maintain certain reservations of retained earnings. At June 30, 2015, management of the Public Service Commission believes they are in compliance with the following reserve requirements:

Reserved for debt services	\$ 341,304
Reserved for depreciation funding	310,512
Reserved for contingency fund	<u>157,752</u>
Total	<u>\$ 809,568</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 8 – Inter-fund receivables, payables and transfers

	<u>Advance Receivable</u>	<u>Advance Payable</u>
Major Governmental Fund:		
General Fund	\$ 1,653,777	\$ -
Fire Districts	-	1,299,797
Non-major Governmental Funds	-	341,521
Major Enterprise Funds:		
Airport Fund	-	12,459
	<u>\$ 1,653,777</u>	<u>\$ 1,653,777</u>

Long-term advances from the General Fund to other funds are commonly made without specific repayment terms to finance capital expenditures. The fund balance maintained in the General Fund for this advance is presented as committed due to a formal commitment provided for ultimate proceeds.

Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Fund:		
General Fund	\$ -	\$ 412,294
Non-major Governmental Funds	108,543	-
Major Enterprise Funds:		
Public Service Commission Fund	303,751	-
	<u>\$ 412,294</u>	<u>\$ 412,294</u>

Inter-fund transfers include transfers of restricted resources collected in the General Fund to finance various programs accounted for in other funds, in accordance with budgetary authorizations; and transfers of revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

Note 9 – Employee pension plans

Plan Description

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 ad-hoc basis, life insurance benefits and survivor benefits to plan members and beneficiaries. The plans' 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 Public Employee Benefit Authority Retirement Benefits, Post Office Box 11960, Columbia, South Carolina 29211-1960.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 9 – Employee pension plans – continued

Funding and Benefit Policies

SCRS and PORS Class II plan members are required to contribute 8.00% and 8.41%, respectively, of their annual covered salary. The County is required to contribute an actuarially determined rate. The current rates for the SCRS and PORS Class II are 10.75% and 13.01% of annual covered payroll, respectively.

In addition to the preceding rates, participating employers contribute .15% and .20% of covered payroll to a group life insurance benefit for their SCRS and PORS participants, respectively.

Additionally, participating employers contribute .20% of covered payroll to provide an accidental death benefit for their PORS participants. The contribution requirements of plan members and the County are established under Title 9 of the South Carolina Code of Laws. The County's contributions to SCRS and PORS (average membership of 641) are summarized in Exhibit K following the notes to the financial statements. The contributions are equal to the required contributions for each year.

Pension Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

At June 30, 2015, the County reported a liability of \$36,868,312 for its proportionate share of the net pension liability of SCRS and PORS. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The County's proportion of the net pension liability was based on the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the County's proportion was .152572 percent of the total SCRS pension liability and .55372 percent of the total PORS pension liability.

The County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS retirement plans from the following sources at June 30, 2015:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on SCRS investments	\$ -	\$ 3,441,122
Contributions subsequent to the measurement date	2,360,192	-
Difference in expected and actual experience in measurement of pension liability	1,027,199	-
	<u>\$ 3,387,391</u>	<u>\$ 3,441,122</u>

The County's contributions subsequent to the measurement date of \$2,360,192 will be recognized as a reduction of the net pension liability in the year ending December 31, 2015. Total pension expense for the year ended June 30, 2015 was \$2,768,487.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 9 – Employee pension plans – continued

Pension Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources - continued

The following schedule reflects the County's proportion of the amortization of the net balance of remaining deferred outflows / (inflows) of resources of the SCRS and PORS at the measurement date of June 30, 2014:

<u>Measurement Period Ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2015	\$ (323,417)	\$ (233,279)
2016	(323,417)	(233,279)
2017	(323,417)	(233,279)
2018	(499,995)	(243,840)
Thereafter	-	-
Net Balance of Deferred Inflows of Resources	<u>\$ (1,470,246)</u>	<u>\$ (943,677)</u>

Actuarial Assumptions

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The most recent annual actuarial valuation reports adopted by the Public Employee Benefit Authority Board and the SC Budget and Control Board are as of July 1, 2013. The total pension liability in that report was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Entry age
Investment rate of return	7.5%
Projected salary increases	Levels off at 3.5% (SCRS) & 4.0% (PORS)
Inflation	2.75%
Benefit adjustment	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 9 – Employee pension plans – continued

Actuarial Assumptions – continued

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	PR-2000 Females multiplied by 90%
Public Safety, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter of 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (“RSIC”) using a building-block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds’ assets. As co-fiduciary of the SCRS, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 9 – Employee pension plans – continued

Long-term Expected Rate of Return – continued

The target asset allocations and the long-term expected real rates of return are as follows:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Short-term	5%	0.03%
Domestic fixed income	13%	0.26%
Global fixed income	9%	0.27%
Global public equity	31%	2.42%
Global tactical asset allocation	10%	0.51%
Alternatives	32%	2.39%
Total expected rate of return	<u>100%</u>	<u>5.88%</u>
Inflation for actuarial purposes		<u>2.75%</u>
Total expected nominal return		<u>8.63%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the fiduciary net position of SCRS was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the County calculated using the discount rate of 7.50 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

	Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$33,992,211	\$26,267,840	\$19,823,500
PORS	\$14,814,018	\$10,600,568	\$7,114,288

Note 10 – Post-retirement health care and life insurance benefits

Plan Summary

In accordance with the provisions of the County personnel manual, retired employees are eligible for individual insurance coverage on the same terms as active employees until age 65. The total cost of any dependent coverage is charged to the retiree. Benefits provided include health and dental insurance coverage.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 10 – Post-retirement health care and life insurance benefits – continued

As of year-end, there were 22 employees retired and under the age of 65 that were receiving insurance benefits. For the year ended June 30, 2015, the County incurred net expenditures for the plan of approximately \$126,576 financed on a pay-as-you-go basis.

Medical/Prescription Drug

Eligible retirees of Pickens County receive health care coverage through one of three medical PPO plans: Economy, Base and Buy-Up.

Dental

Eligible retired employees have the option to remain on the County's dental insurance plan. The County provides a subsidy to offset some of the cost for this benefit.

Required Monthly Contributions

With the exception of employee only coverage in the economy plan, contributions are required for both retiree and dependent coverage. Depending on the plan selected, the County provides a subsidy to offset the full cost of coverage. Employee monthly cost is outlined below:

	Medical Economy Plan	Medical Base Plan	Dental
Employee Only	-	\$47.50	\$3.45
Employee + Spouse	\$616.24	\$694.50	\$37.98
Employee + Child(ren)	\$349.74	\$414.75	\$45.78
Employee + Family	\$900.99	\$993.50	\$82.00

Plan Descriptions: Pickens County postemployment benefit plan is a single employer defined plan that is self-funded for medical / prescription drugs and fully insured for life insurance to eligible retirees and their dependents.

Funding Policy and Annual OPEB Cost

Pickens County annual other post-employment benefits ("OPEB") cost is based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that, if recognized on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Pickens County's OPEB activity for the current year is as follows:

Annual required contribution	\$ 914,603
Interest on OPEB obligation	196,557
Adjustment to ARC	<u>(262,296)</u>
Annual OPEB cost, end of year	848,864
Net estimated employer contributions	<u>(213,930)</u>
Increase in net OPEB obligation	634,934
Net OPEB obligation as of beginning of the year	<u>4,367,932</u>
Net OPEB obligation as of end of year	<u>\$ 5,002,866</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 10 – Post-retirement health care and life insurance benefits – continued

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending June 30, 2015 and the preceding two fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 859,916	\$ 209,168	24.3%	\$ 3,736,584
June 30, 2014	\$ 850,121	\$ 218,773	25.7%	\$ 4,367,932
June 30, 2015	\$ 848,864	\$ 213,930	25.2%	\$ 5,002,866

Funding Status and Funding Progress

The funded status of Pickens County’s retiree health care plan, under GASB Statement No. 45, as of June 30, 2015, is as follows:

<u>Actuarial Valuation Date as of June 30</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (d)</u>	<u>Ratio of UAAL to Annual Covered Payroll (b-a)/d</u>
2014	\$ -	\$ 8,402,894	\$ 8,402,894	0.0%	\$ 21,663,482	38.8%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for Pickens County retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 10 – Post-retirement health care and life insurance benefits – continued

Projections of health benefits are based on the plan as understood by Pickens County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between Pickens County and its employees to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Investment rate of return	4.5% per annum, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level dollar
Amortization period	30-year open amortization
Inflation	3.0% per annum
Payroll growth	NA
Medical and drug trend	Initial rate of 7.00%, declining to an ultimate rate of 4.65% after 11 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of Pickens County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Note 11 – Closure and post closure care costs for solid waste landfills

On October 9, 1991, federal regulations issued by the Environmental Protection Agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills as well as post closure maintenance for a period of 30 years after closure. The \$2,458,229 liability reported as landfill closure and post closure represents total costs to date, as of June 30, 2015 based on 100% use of two landfills and 77% of one landfill. Actual cost for closure and post closure care may vary due to inflation, developments in technology or changes in laws and regulations.

The following table shows the landfills, which Pickens County owns, and the remaining number of years out of 30 years; each has to be maintained in accordance with the 1991 ruling.

<u>Landfill</u>	<u>Post Closure Years Remaining</u>	<u>Percent Used</u>	<u>Open/ Close Year</u>	<u>Closure/ Post Closure Costs</u>
Easley	17	100%	2003	\$ 1,001,000
Central	7	100%	1994	236,500
C & D	20	77%	1998	1,220,729
				<u>2,458,229</u>
Less current portion				<u>112,500</u>
Long-term portion outstanding				<u>\$ 2,345,729</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 12 – Commitments and contingencies

In the normal course of operation, the County participates in and receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Such audits could result in potential liability for reimbursement or refund of grant monies to the grantor agencies. The County's management believes that any liability for reimbursement would be immaterial.

The County is involved in several pending lawsuits. The attorneys representing the County are of the opinion that all suits are covered by applicable insurance and that none of the claims, if any, would exceed such coverage.

PICKENS COUNTY, SOUTH CAROLINA

Exhibit I

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS

JUNE 30, 2015

Fiscal Year Ended June 30	Actuarial Valuation Date As of June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (d)	Ratio of UAAL To Annual Covered Payroll (b-a)/d
2012	2010	\$ -	\$ 9,239,019	\$ 9,239,019	0%	\$ 19,950,505	46%
2013	2012	-	7,989,143	7,989,143	0%	20,605,809	39%
2014	2012	-	7,989,143	7,989,143	0%	21,305,124	37%
2015	2014	-	8,402,894	8,402,894	0%	21,663,482	39%

PICKENS COUNTY, SOUTH CAROLINA

Exhibit J

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

JUNE 30, 2015

(Unaudited)

Fiscal year*	County's proportion of net pension liability	County's proportionate share of the net pension liability	County's total covered payroll	County's proportionate share of the net pension liability as a percentage of total covered payroll	Plan fiduciary net position as a percentage of the total pension liability
South Carolina Retirement System					
2014	0.152572%	\$ 26,267,840	\$ 13,854,884	189.6%	59.9%
2013	0.152572%	27,365,974	14,057,809	194.7%	56.4%
Police Officers' Retirement System					
2014	0.553720%	\$ 10,600,472	\$ 6,693,259	158.4%	67.5%
2013	0.553720%	11,478,360	6,866,519	167.2%	63.0%

*Represents South Carolina Retirement System's and Police Officers' Retirement System's fiscal year. This data is presented for those years in which information is available.

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF PENSION CONTRIBUTIONS

Exhibit K

JUNE 30, 2015
(Unaudited)

<u>Fiscal year*</u>	<u>Actuarial required contribution</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>County's total covered payroll</u>	<u>Contributions as a percentage of total covered payroll</u>
South Carolina Retirement System					
2015	\$ 1,489,400	\$ 1,489,400	\$ -	\$ 13,854,884	10.75%
2014	1,469,041	1,469,041	-	14,057,809	10.45%
2013	1,464,897	1,464,897	-	13,819,783	10.60%
2012	1,317,178	1,317,178	-	13,806,897	9.54%
2011	1,236,724	1,236,724	-	13,170,650	9.39%
2010	1,255,938	1,255,938	-	13,375,272	9.39%
2009	1,286,804	1,286,804	-	13,703,983	9.39%
2008	1,255,362	1,255,362	-	13,369,137	9.39%
2007	1,110,709	1,110,709	-	13,545,232	8.20%
2006	1,009,682	1,009,682	-	13,112,753	7.70%
Police Officers' Retirement System					
2015	\$ 870,793	\$ 870,793	\$ -	\$ 6,693,259	13.01%
2014	854,195	854,195	-	6,866,519	12.44%
2013	800,549	800,549	-	6,508,528	12.30%
2012	780,925	780,925	-	6,640,519	11.76%
2011	705,155	705,155	-	6,115,828	11.53%
2010	666,542	666,542	-	6,032,054	11.05%
2009	626,255	626,255	-	5,667,466	11.05%
2008	567,900	567,900	-	5,139,367	11.05%
2007	532,614	532,614	-	4,977,701	10.70%
2006	501,056	501,056	-	4,682,766	10.70%

*Represents South Carolina Retirement System's and Police Officers' Retirement System's fiscal year end.
This data is presented for those years in which information is available.

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 24,252,940	\$ 24,252,940	\$ 25,612,326	\$ 1,359,386
Intergovernmental	5,022,164	5,022,922	5,022,856	(66)
Fees, licenses and permits	640,000	640,000	816,291	176,291
Charges for services	6,227,107	6,227,107	6,121,789	(105,318)
Fines and forfeitures	587,000	587,000	508,816	(78,184)
Investment income	173,588	173,588	254,244	80,656
Rental income	20,760	20,760	20,933	173
Contributions	-	-	2,340	2,340
Miscellaneous	109,500	109,500	383,948	274,448
Total revenues	37,033,059	37,033,817	38,743,543	1,709,726
Expenditures				
Current				
General government				
County council	225,752	238,674	226,433	12,241
County attorney	93,000	93,000	119,605	(26,605)
State solicitor	782,261	799,066	794,157	4,909
Public defender	96,847	98,959	91,218	7,741
Probate judge	297,907	307,288	305,097	2,191
Register of deeds	287,946	353,103	306,515	46,588
Clerk of court	627,600	651,347	650,940	407
Administrator	315,306	433,286	358,490	74,796
Purchasing	59,770	61,002	60,259	743
Finance	476,565	492,783	491,405	1,378
Building maintenance	1,692,557	2,174,586	1,983,258	191,328
Human resources	171,848	174,477	156,149	18,328
Delinquent tax	271,109	332,220	331,932	288
Risk manager	45,666	50,061	50,046	15
Circuit judge	6,825	8,275	8,268	7
Treasurer	461,766	470,876	466,331	4,545
Auditor	327,887	334,932	333,031	1,901
Tax assessor	773,228	814,530	747,104	67,426
Board of appeals	4,000	4,000	3,880	120
GIS mapping	313,082	335,696	324,776	10,920
Registration and elections	343,586	348,350	295,781	52,569
Planning commission	189,773	194,553	166,619	27,934
Information services	1,141,183	1,173,140	1,067,802	105,338
County magistrates	611,584	627,016	624,299	2,717
Vehicle maintenance	550,417	561,902	548,658	13,244
Public relations	28,200	32,366	28,445	3,921
Retiree health and dental	126,000	126,000	128,620	(2,620)
Total expenditures	10,321,665	11,291,488	10,669,118	622,370

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1 - continued

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Public safety				
Sheriff's department	\$ 9,640,576	\$ 9,825,007	\$ 9,565,959	\$ 259,048
Emergency management	368,045	373,389	323,346	50,043
County coroner	236,650	240,333	242,528	(2,195)
Prison camp	1,167,888	1,198,266	1,167,058	31,208
Emergency medical services	4,773,852	4,858,320	4,902,760	(44,440)
Building codes	322,327	330,728	277,958	52,770
County radio system	26,760	26,760	17,632	9,128
Fire district	2,040	2,040	2,019	21
	<u>16,538,138</u>	<u>16,854,843</u>	<u>16,499,260</u>	<u>355,583</u>
Public works				
Roads and bridges	2,287,629	2,362,481	2,242,806	119,675
Solid waste department	3,212,042	3,240,919	2,982,441	258,478
Engineering	106,627	109,127	104,326	4,801
	<u>5,606,298</u>	<u>5,712,527</u>	<u>5,329,573</u>	<u>382,954</u>
Health and welfare				
Health department	28,178	28,488	28,480	8
Animal control	443,754	451,299	404,368	46,931
Humane society	70,320	70,320	70,000	320
Veterans affairs	100,739	108,299	107,484	815
Storm water management	172,786	177,425	175,204	2,221
Pickens County health partners	20,000	20,000	20,000	-
Meals on Wheels	12,000	12,000	12,000	-
	<u>847,777</u>	<u>867,831</u>	<u>817,536</u>	<u>50,295</u>
Culture and recreation				
Cultural commission	533,725	1,084,639	414,039	670,600
Parks department	203,417	205,423	186,752	18,671
	<u>737,142</u>	<u>1,290,062</u>	<u>600,791</u>	<u>689,271</u>
Economic development and assistance				
Economic development	-	-	366,248	(366,248)
Intergovernmental				
Legislative delegation	20,177	20,598	19,027	1,571
Department of social services	51,417	54,667	54,618	49
Medically indigent fund	205,000	205,000	197,571	7,429
SC Appalachian Council of Governments	45,593	45,593	45,593	-
Clemson extension	73,930	74,280	74,271	9
Soil and water conservation	3,000	3,000	3,000	-
	<u>399,117</u>	<u>403,138</u>	<u>394,080</u>	<u>9,058</u>

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1 - continued

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Other				
Contingency	\$ 734,292	\$ 121,692	\$ 120,549	\$ 1,143
SCAC	57,025	57,025	49,412	7,613
Non-departmental	10,000	7,054	-	7,054
	<u>801,317</u>	<u>185,771</u>	<u>169,961</u>	<u>15,810</u>
Capital outlay	<u>1,579,855</u>	<u>1,844,282</u>	<u>703,386</u>	<u>1,140,896</u>
Total expenditures	<u>36,831,309</u>	<u>38,449,942</u>	<u>35,549,953</u>	<u>2,899,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>201,750</u>	<u>(1,416,125)</u>	<u>3,193,590</u>	<u>4,609,715</u>
Other financing uses				
Transfers out	<u>(541,875)</u>	<u>(791,875)</u>	<u>(412,294)</u>	<u>379,581</u>
Total other financing uses	<u>(541,875)</u>	<u>(791,875)</u>	<u>(412,294)</u>	<u>379,581</u>
Net change in fund balances	<u><u>\$ (340,125)</u></u>	<u><u>\$ (2,208,000)</u></u>	<u>2,781,296</u>	<u><u>\$ 4,989,296</u></u>
Fund balance - beginning			<u>29,104,602</u>	
Fund balance - ending			<u><u>\$ 31,885,898</u></u>	

NOTE: The County's budget is prepared and monitored on the U.S. generally accepted accounting principles (GAAP) basis.

PICKENS COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - MAJOR FUND - FIRE DISTRICTS

Schedule 2

JUNE 30, 2015

	<u>Easley</u>	<u>Liberty</u>	<u>Pumpkintown</u>	<u>Crosswell</u>	<u>Six Mile</u>	<u>Pickens</u>	<u>Dacusville</u>
ASSETS							
Cash and investments	\$ 152,819	\$ 482,401	\$ 82,231	\$ 688,734	\$ 17,465	\$ 259,169	\$ 234,505
Property taxes receivable	105,526	110,879	23,753	126,454	38,458	93,639	55,139
Accounts receivable - other	-	-	-	900	-	-	-
Prepaid items	-	-	-	-	-	75	-
Total assets	<u>\$ 258,345</u>	<u>\$ 593,280</u>	<u>\$ 105,984</u>	<u>\$ 816,088</u>	<u>\$ 55,923</u>	<u>\$ 352,883</u>	<u>\$ 289,644</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 5,768	\$ 51,661	\$ 3,420	\$ 7,379	\$ 6,967	\$ 2,061	\$ 3,212
Accrued payroll	-	-	1,060	8,498	1,621	4,587	2,249
Advances from general fund	-	434,682	-	434,682	430,433	-	-
Total liabilities	<u>5,768</u>	<u>486,343</u>	<u>4,480</u>	<u>450,559</u>	<u>439,021</u>	<u>6,648</u>	<u>5,461</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	<u>99,858</u>	<u>102,944</u>	<u>21,735</u>	<u>118,663</u>	<u>35,702</u>	<u>88,314</u>	<u>50,987</u>
Total Deferred Inflows of Resources	<u>99,858</u>	<u>102,944</u>	<u>21,735</u>	<u>118,663</u>	<u>35,702</u>	<u>88,314</u>	<u>50,987</u>
Fund balances:							
Nonspendable							
Prepaid items	-	-	-	-	-	75	-
Restricted	152,719	3,993	79,769	246,866	-	257,846	233,196
Unassigned	-	-	-	-	(418,800)	-	-
Total fund balances	<u>152,719</u>	<u>3,993</u>	<u>79,769</u>	<u>246,866</u>	<u>(418,800)</u>	<u>257,921</u>	<u>233,196</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 258,345</u>	<u>\$ 593,280</u>	<u>\$ 105,984</u>	<u>\$ 816,088</u>	<u>\$ 55,923</u>	<u>\$ 352,883</u>	<u>\$ 289,644</u>

PICKENS COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - MAJOR FUND - FIRE DISTRICTS

Schedule 2 - continued

JUNE 30, 2015

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
ASSETS							
Cash and investments	\$ 102,445	\$ 170,712	\$ 857,578	\$ 14,843	\$ 489,961	\$ 629,332	\$ 4,182,195
Property taxes receivable	13,078	24,389	4,412	131	48,255	15,811	659,924
Accounts receivable - other	-	-	-	-	-	-	900
Prepaid items	-	-	310	-	-	112	497
Total assets	<u>\$ 115,523</u>	<u>\$ 195,101</u>	<u>\$ 862,300</u>	<u>\$ 14,974</u>	<u>\$ 538,216</u>	<u>\$ 645,255</u>	<u>\$ 4,843,516</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,080	\$ 7,213	\$ 7,627	\$ -	\$ 10,886	\$ 7,115	\$ 114,389
Accrued payroll	-	-	5,039	-	20,285	-	43,339
Advances from general fund	-	-	-	-	-	-	1,299,797
Total liabilities	<u>1,080</u>	<u>7,213</u>	<u>12,666</u>	<u>-</u>	<u>31,171</u>	<u>7,115</u>	<u>1,457,525</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	<u>12,353</u>	<u>23,287</u>	<u>3,998</u>	<u>131</u>	<u>47,794</u>	<u>16,447</u>	<u>622,213</u>
Total Deferred Inflows of Resources	<u>12,353</u>	<u>23,287</u>	<u>3,998</u>	<u>131</u>	<u>47,794</u>	<u>16,447</u>	<u>622,213</u>
Fund balances:							
Nonspendable							
Prepaid items	-	-	310	-	-	112	497
Restricted	102,090	164,601	845,326	14,843	459,251	621,581	3,182,081
Unassigned	-	-	-	-	-	-	(418,800)
Total fund balances	<u>102,090</u>	<u>164,601</u>	<u>845,636</u>	<u>14,843</u>	<u>459,251</u>	<u>621,693</u>	<u>2,763,778</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 115,523</u>	<u>\$ 195,101</u>	<u>\$ 862,300</u>	<u>\$ 14,974</u>	<u>\$ 538,216</u>	<u>\$ 645,255</u>	<u>\$ 4,843,516</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 3

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR FUND - FIRE DISTRICTS

YEAR ENDED JUNE 30, 2015

	<u>Easley</u>	<u>Liberty</u>	<u>Pumpkintown</u>	<u>Crosswell</u>	<u>Six Mile</u>	<u>Pickens</u>	<u>Dacusville</u>
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	47,736
Fees, licenses and permits	529,544	420,535	155,697	594,944	185,584	327,506	200,119
Charges for services	-	-	-	2,550	-	-	-
Investment income	-	-	-	-	-	365	-
Contributions	-	-	-	200	30,000	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>529,544</u>	<u>420,535</u>	<u>155,697</u>	<u>597,694</u>	<u>215,584</u>	<u>327,871</u>	<u>247,855</u>
Expenditures							
Current:							
Personnel services	-	-	24,254	385,432	78,048	123,550	72,857
Supplies	-	4,187	10,907	24,724	6,352	17,689	9,954
Contractual services	484,055	227,565	1,536	2,106	2,069	75,246	6,236
Utilities	-	11,256	10,046	12,060	9,421	4,902	11,275
Repairs and maintenance	-	17,551	21,157	11,649	14,064	6,479	7,319
Fuel and oil	-	25	5,569	9,086	3,869	5,778	5,781
Furniture, machinery and equipment	-	13,525	5,560	148	9,694	12,384	267
Insurance, bonds and licenses	-	5,524	9,719	8,610	5,739	7,021	10,547
Rent	-	-	92	-	-	-	1
Other	-	882	7,866	12,480	27,527	1,826	15,890
Contingency	-	12,105	-	-	-	-	-
Capital outlay	-	124,682	-	-	36,967	2,490,666	71,721
Debt service:							
Principal retirement	-	-	34,439	78,951	-	-	33,177
Interest and fiscal charges	-	18,967	2,888	27,938	15,654	-	1,198
Total expenditures	<u>484,055</u>	<u>436,269</u>	<u>134,033</u>	<u>573,184</u>	<u>209,404</u>	<u>2,745,541</u>	<u>246,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,489</u>	<u>(15,734)</u>	<u>21,664</u>	<u>24,510</u>	<u>6,180</u>	<u>(2,417,670)</u>	<u>1,632</u>
Other financing sources (uses)							
Proceeds from bond issuance	-	-	-	-	-	-	-
Transfers (out) in	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>45,489</u>	<u>(15,734)</u>	<u>21,664</u>	<u>24,510</u>	<u>6,180</u>	<u>(2,417,670)</u>	<u>1,632</u>
Fund balance - beginning	<u>107,230</u>	<u>19,727</u>	<u>58,105</u>	<u>222,356</u>	<u>(424,980)</u>	<u>2,675,591</u>	<u>231,564</u>
Fund balance - ending	<u>\$ 152,719</u>	<u>\$ 3,993</u>	<u>\$ 79,769</u>	<u>\$ 246,866</u>	<u>\$ (418,800)</u>	<u>\$ 257,921</u>	<u>\$ 233,196</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 3 - continued

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR FUND - FIRE DISTRICTS

YEAR ENDED JUNE 30, 2015

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
Revenues							
Taxes	\$ -	\$ -	\$ 318,141	\$ -	\$ 670,967	\$ 601,152	\$ 1,590,260
Intergovernmental	-	-	5,000	-	-	-	52,736
Fees, licenses and permits	60,831	178,489	-	3,167	-	-	2,656,416
Charges for services	-	-	-	-	-	-	2,550
Investment income	-	-	-	-	-	-	365
Contributions	-	-	2,000	-	-	-	32,200
Miscellaneous	2,265	-	1,159	-	-	-	3,424
Total revenues	<u>63,096</u>	<u>178,489</u>	<u>326,300</u>	<u>3,167</u>	<u>670,967</u>	<u>601,152</u>	<u>4,337,951</u>
Expenditures							
Current:							
Personnel services	-	-	228,754	-	845,284	-	1,758,179
Supplies	7,948	7,238	14,851	-	21,314	13,508	138,672
Contractual services	191	77,015	24,059	2,265	7,552	5,766	915,661
Utilities	6,440	5,497	14,171	-	19,812	13,186	118,066
Repairs and maintenance	2,791	3,286	11,063	-	32,953	5,690	134,002
Fuel and oil	2,587	1,706	3,629	-	10,360	5,359	53,749
Furniture, machinery and equipment	-	19,326	1,549	-	15,689	4,914	83,056
Insurance, bonds and licenses	3,816	4,446	5,903	360	15,446	5,491	82,622
Rent	-	-	-	-	63	-	156
Other	2,764	-	7,122	-	9,475	9,682	95,514
Contingency	-	-	3,317	-	-	-	15,422
Capital outlay	-	-	90,637	-	-	-	2,814,673
Debt service:							
Principal retirement	25,388	28,164	-	-	-	-	200,119
Interest and fiscal charges	2,071	7,431	-	-	-	-	76,147
Total expenditures	<u>53,996</u>	<u>154,109</u>	<u>405,055</u>	<u>2,625</u>	<u>977,948</u>	<u>63,596</u>	<u>6,486,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,100</u>	<u>24,380</u>	<u>(78,755)</u>	<u>542</u>	<u>(306,981)</u>	<u>537,556</u>	<u>(2,148,087)</u>
Other financing sources (uses)							
Proceeds from bond issuance	-	-	700,000	-	-	-	700,000
Transfers (out) in	-	-	-	-	428,944	(428,944)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>428,944</u>	<u>(428,944)</u>	<u>700,000</u>
Net change in fund balances	<u>9,100</u>	<u>24,380</u>	<u>621,245</u>	<u>542</u>	<u>121,963</u>	<u>108,612</u>	<u>(1,448,087)</u>
Fund balance - beginning	92,990	140,221	224,391	14,301	337,288	513,081	4,211,865
Fund balance - ending	<u>\$ 102,090</u>	<u>\$ 164,601</u>	<u>\$ 845,636</u>	<u>\$ 14,843</u>	<u>\$ 459,251</u>	<u>\$ 621,693</u>	<u>\$ 2,763,778</u>

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - EASLEY FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 460,000	\$ 460,000	\$ 529,544	\$ 69,544
Total revenues	<u>460,000</u>	<u>460,000</u>	<u>529,544</u>	<u>69,544</u>
Expenditures				
Current:				
Contractual services	460,000	460,000	484,055	(24,055)
Total expenditures	<u>460,000</u>	<u>460,000</u>	<u>484,055</u>	<u>(24,055)</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>45,489</u>	<u>45,489</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>45,489</u>	<u>\$ 45,489</u>
Fund balance - beginning			<u>107,230</u>	
Fund balance - ending			<u>\$ 152,719</u>	

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGT AND ACTUAL - LIBERTY FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 411,385	\$ 411,385	\$ 420,535	\$ 9,150
Total revenues	411,385	411,385	420,535	9,150
Expenditures				
Current:				
Supplies	5,100	6,403	4,187	2,216
Contractual services	230,600	230,600	227,565	3,035
Utilities	18,100	18,100	11,256	6,844
Repairs and maintenance	26,000	29,755	17,551	12,204
Fuel and oil	-	26	25	1
Furniture, machinery and equipment	24,000	25,605	13,525	12,080
Insurance, bonds and licenses	10,000	10,000	5,524	4,476
Other	11,000	9,671	882	8,789
Contingency	28,122	15,272	12,105	3,167
Capital outlay	-	98,978	124,682	(25,704)
Debt service:				
Principal retirement	39,495	39,495	-	39,495
Interest and fiscal charges	18,968	18,968	18,967	1
Total expenditures	411,385	502,873	436,269	66,604
Deficiency of revenues under expenditures	-	(91,488)	(15,734)	75,754
Net change in fund balances	\$ -	\$ (91,488)	(15,734)	\$ 75,754
Fund balance - beginning			19,727	
Fund balance - ending			<u>\$ 3,993</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 6

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - PUMPKINTOWN FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 133,000	\$ 133,000	\$ 155,697	\$ 22,697
Total revenues	<u>133,000</u>	<u>133,000</u>	<u>155,697</u>	<u>22,697</u>
Expenditures				
Current:				
Personnel services	-	25,547	24,254	1,293
Supplies	21,520	21,693	10,907	10,786
Contractual services	3,850	1,738	1,536	202
Utilities	11,500	11,500	10,046	1,454
Repairs and maintenance	11,300	11,354	21,157	(9,803)
Fuel and oil	8,000	8,000	5,569	2,431
Furniture, machinery and equipment	6,000	6,000	5,560	440
Insurance, bonds and licenses	9,416	9,416	9,719	(303)
Rent	-	92	92	-
Other	8,870	11,870	7,866	4,004
Contingency	5,217	4,010	-	4,010
Debt service:				
Principal retirement	44,439	44,439	34,439	10,000
Interest and fiscal charges	2,888	2,888	2,888	-
Total expenditures	<u>133,000</u>	<u>158,547</u>	<u>134,033</u>	<u>24,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(25,547)</u>	<u>21,664</u>	<u>47,211</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (25,547)</u>	<u>21,664</u>	<u>\$ 47,211</u>
Fund balance - beginning			<u>58,105</u>	
Fund balance - ending			<u>\$ 79,769</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 7

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - CROSSWELL FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 608,000	\$ 608,000	\$ 594,944	\$ (13,056)
Charges for services	-	-	2,550	2,550
Investment income	1,000	1,000	-	(1,000)
Contributions	-	-	200	200
Total revenues	<u>609,000</u>	<u>609,000</u>	<u>597,694</u>	<u>(11,306)</u>
Expenditures				
Current:				
Personnel services	375,805	375,875	385,432	(9,557)
Supplies	26,283	26,311	24,724	1,587
Contractual services	2,000	2,848	2,106	742
Utilities	10,650	12,150	12,060	90
Repairs and maintenance	35,000	34,458	11,649	22,809
Fuel and oil	9,000	9,000	9,086	(86)
Furniture, machinery and equipment	4,000	4,128	148	3,980
Insurance, bonds and licenses	7,875	7,875	8,610	(735)
Other	16,500	14,468	12,480	1,988
Capital outlay	80,000	80,000	-	80,000
Debt service:				
Principal retirement	118,447	118,447	78,951	39,496
Interest and fiscal charges	27,940	27,940	27,938	2
Total expenditures	<u>713,500</u>	<u>713,500</u>	<u>573,184</u>	<u>140,316</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(104,500)</u>	<u>(104,500)</u>	<u>24,510</u>	<u>129,010</u>
Net change in fund balances	<u>\$ (104,500)</u>	<u>\$ (104,500)</u>	<u>24,510</u>	<u>\$ 129,010</u>
Fund balance - beginning			<u>222,356</u>	
Fund balance - ending			<u>\$ 246,866</u>	

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - SIX MILE FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 212,000	\$ 212,000	\$ 185,584	\$ (26,416)
Contributions	-	-	30,000	30,000
Total revenues	<u>212,000</u>	<u>212,000</u>	<u>215,584</u>	<u>3,584</u>
Expenditures				
Current:				
Personnel services	75,741	75,741	78,048	(2,307)
Supplies	7,585	7,615	6,352	1,263
Contractual services	825	2,211	2,069	142
Utilities	14,740	13,766	9,421	4,345
Repairs and maintenance	17,500	18,465	14,064	4,401
Fuel and oil	6,500	5,931	3,869	2,062
Furniture, machinery and equipment	10,500	10,529	9,694	835
Insurance, bonds and licenses	5,861	5,930	5,739	191
Other	29,500	29,500	27,527	1,973
Contingency	2,834	1,898	-	1,898
Capital outlay	43,500	43,500	36,967	6,533
Debt service				
Principal retirement	27,759	27,759	-	27,759
Interest and fiscal charges	15,655	15,655	15,654	1
Total expenditures	<u>258,500</u>	<u>258,500</u>	<u>209,404</u>	<u>49,096</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,500)</u>	<u>(46,500)</u>	<u>6,180</u>	<u>52,680</u>
Net change in fund balances	<u>\$ (46,500)</u>	<u>\$ (46,500)</u>	6,180	<u>\$ 52,680</u>
Fund balance - beginning			<u>(424,980)</u>	
Fund balance - ending			<u>\$ (418,800)</u>	

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - PICKENS FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 341,281	\$ 341,281	\$ 327,506	\$ (13,775)
Investment income	1,000	1,000	365	(635)
Total revenues	<u>342,281</u>	<u>342,281</u>	<u>327,871</u>	<u>(14,410)</u>
Expenditures				
Current:				
Personnel services	218,683	91,548	123,550	(32,002)
Supplies	15,850	19,457	17,689	1,768
Contractual services	39,700	77,200	75,246	1,954
Utilities	29,360	14,596	4,902	9,694
Repairs and maintenance	11,000	6,818	6,479	339
Fuel and oil	12,000	4,500	5,778	(1,278)
Furniture, machinery and equipment	3,500	12,714	12,384	330
Insurance, bonds and licenses	5,500	5,500	7,021	(1,521)
Other	33,700	5,676	1,826	3,850
Contingency	7,988	-	-	-
Capital outlay	-	2,635,302	2,490,666	144,636
Total expenditures	<u>377,281</u>	<u>2,873,311</u>	<u>2,745,541</u>	<u>127,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,000)</u>	<u>(2,531,030)</u>	<u>(2,417,670)</u>	<u>113,360</u>
Net change in fund balances	<u>\$ (35,000)</u>	<u>\$ (2,531,030)</u>	<u>(2,417,670)</u>	<u>\$ 113,360</u>
Fund balance - beginning			<u>2,675,591</u>	
Fund balance - ending			<u>\$ 257,921</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 10

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DACUSVILLE FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 47,736	\$ 47,736	\$ -
Fees, licenses and permits	200,000	200,000	200,119	119
Total revenues	<u>200,000</u>	<u>247,736</u>	<u>247,855</u>	<u>119</u>
Expenditures				
Current:				
Personnel services	69,371	69,401	72,857	(3,456)
Supplies	19,000	20,027	9,954	10,073
Contractual services	6,100	6,847	6,236	611
Utilities	12,000	12,515	11,275	1,240
Repairs and maintenance	15,218	15,218	7,319	7,899
Fuel and oil	6,000	6,000	5,781	219
Furniture, machinery and equipment	2,000	2,272	267	2,005
Insurance, bonds and licenses	8,403	10,549	10,547	2
Rent	-	2	1	1
Other	15,900	16,496	15,890	606
Contingency	11,633	6,298	-	6,298
Capital outlay	-	71,344	71,721	(377)
Debt service:				
Principal retirement	33,177	33,177	33,177	-
Interest and fiscal charges	1,198	1,198	1,198	-
Total expenditures	<u>200,000</u>	<u>271,344</u>	<u>246,223</u>	<u>25,121</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(23,608)</u>	<u>1,632</u>	<u>25,240</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (23,608)</u>	<u>1,632</u>	<u>\$ 25,240</u>
Fund balance - beginning			<u>231,564</u>	
Fund balance - ending			<u>\$ 233,196</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 11

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - HOLLY SPRINGS FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 60,290	\$ 60,290	\$ 60,831	\$ 541
Miscellaneous	2,300	2,300	2,265	(35)
Total revenues	<u>62,590</u>	<u>62,590</u>	<u>63,096</u>	<u>506</u>
Expenditures				
Current:				
Personnel services	500	500	-	500
Supplies	12,699	10,899	7,948	2,951
Contractual services	-	191	191	-
Utilities	6,500	7,724	6,440	1,284
Repairs and maintenance	2,500	2,500	2,791	(291)
Fuel and oil	2,000	2,000	2,587	(587)
Furniture, machinery and equipment	200	200	-	200
Insurance, bonds and licenses	3,432	3,817	3,816	1
Other	7,300	7,300	2,764	4,536
Debt service:				
Principal retirement	25,388	25,388	25,388	-
Interest and fiscal charges	2,071	2,071	2,071	-
Total expenditures	<u>62,590</u>	<u>62,590</u>	<u>53,996</u>	<u>8,594</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>9,100</u>	<u>9,100</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>9,100</u>	<u>\$ 9,100</u>
Fund balance - beginning			<u>92,990</u>	
Fund balance - ending			<u>\$ 102,090</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 12

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - CENTRAL FIRE DISTRICT FUND

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 167,184	\$ 167,184	\$ 178,489	\$ 11,305
Total revenues	167,184	167,184	178,489	11,305
Expenditures				
Current:				
Supplies	8,750	9,730	7,238	2,492
Contractual services	75,652	75,752	77,015	(1,263)
Utilities	3,700	4,491	5,497	(1,006)
Repairs and maintenance	6,000	6,000	3,286	2,714
Fuel and oil	2,500	2,500	1,706	794
Furniture, machinery and equipment	22,701	23,449	19,326	4,123
Insurance, bonds and licenses	3,895	4,444	4,446	(2)
Other	3,825	3,825	-	3,825
Contingency	4,566	1,396	-	1,396
Debt service:				
Principal retirement	28,164	28,165	28,164	1
Interest and fiscal charges	7,431	7,432	7,431	1
Total expenditures	167,184	167,184	154,109	13,075
Excess of revenues over expenditures	-	-	24,380	24,380
Net change in fund balances	\$ -	\$ -	24,380	\$ 24,380
Fund balance - beginning			140,221	
Fund balance - ending			\$ 164,601	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 13

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - SHADY GROVE FIRE DISTRICT FUND

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 259,850	\$ 259,850	\$ 318,141	\$ 58,291
Intergovernmental	-	5,000	5,000	-
Contributions	-	-	2,000	2,000
Miscellaneous	-	-	1,159	1,159
Total revenues	<u>259,850</u>	<u>264,850</u>	<u>326,300</u>	<u>61,450</u>
Expenditures				
Current:				
Personnel services	227,697	227,697	228,754	(1,057)
Supplies	18,105	20,239	14,851	5,388
Contractual services	8,310	24,760	24,059	701
Utilities	15,500	15,500	14,171	1,329
Repairs and maintenance	6,800	11,664	11,063	601
Fuel and oil	6,000	6,000	3,629	2,371
Furniture, machinery and equipment	1,000	2,347	1,549	798
Insurance, bonds and licenses	2,984	5,904	5,903	1
Other	17,550	15,525	7,122	8,403
Contingency	15,000	4,310	3,317	993
Capital outlay	-	695,000	90,637	604,363
Total expenditures	<u>318,946</u>	<u>1,028,946</u>	<u>405,055</u>	<u>623,891</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(59,096)</u>	<u>(764,096)</u>	<u>(78,755)</u>	<u>685,341</u>
Other financing sources (uses)				
Proceeds from bond issuance	-	700,000	700,000	-
Total other financing sources (uses)	<u>-</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (59,096)</u>	<u>\$ (64,096)</u>	621,245	<u>\$ 685,341</u>
Fund balance - beginning			<u>224,391</u>	
Fund balance - ending			<u>\$ 845,636</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 14

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - ROCKY BOTTOM FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 3,100	\$ 3,100	\$ 3,167	\$ 67
Total revenues	<u>3,100</u>	<u>3,100</u>	<u>3,167</u>	<u>67</u>
Expenditures				
Current:				
Supplies	550	550	-	550
Contractual services	2,217	2,217	2,265	(48)
Insurance, bonds and licenses	333	333	360	(27)
Total expenditures	<u>3,100</u>	<u>3,100</u>	<u>2,625</u>	<u>475</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>542</u>	<u>542</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	542	<u>\$ 542</u>
Fund balance - beginning			<u>14,301</u>	
Fund balance - ending			<u>\$ 14,843</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 15

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - VINEYARDS FIRE DISTRICT FUND

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 657,912	\$ 657,912	\$ 670,967	\$ 13,055
Total revenues	<u>657,912</u>	<u>657,912</u>	<u>670,967</u>	<u>13,055</u>
Expenditures				
Current:				
Personnel services	910,382	910,382	845,284	65,098
Supplies	24,800	24,800	21,314	3,486
Contractual services	5,800	5,800	7,552	(1,752)
Utilities	24,000	24,000	19,812	4,188
Repairs and maintenance	31,000	31,000	32,953	(1,953)
Fuel and oil	13,000	13,000	10,360	2,640
Furniture, machinery and equipment	17,500	17,500	15,689	1,811
Insurance, bonds and licenses	17,000	17,000	15,446	1,554
Rent	300	300	63	237
Other	14,800	14,800	9,475	5,325
Contingency	28,274	28,274	-	28,274
Total expenditures	<u>1,086,856</u>	<u>1,086,856</u>	<u>977,948</u>	<u>108,908</u>
Deficiency of revenues under expenditures	<u>(428,944)</u>	<u>(428,944)</u>	<u>(306,981)</u>	<u>121,963</u>
Other financing sources (uses)				
Transfers (out) in	428,944	428,944	428,944	-
Total other financing sources (uses)	<u>428,944</u>	<u>428,944</u>	<u>428,944</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	121,963	<u>\$ 121,963</u>
Fund balance - beginning			<u>337,288</u>	
Fund balance - ending			<u>\$ 459,251</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 16

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - SPRINGS FIRE DISTRICT FUND

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 560,000	\$ 560,000	\$ 601,152	\$ 41,152
Total revenues	<u>560,000</u>	<u>560,000</u>	<u>601,152</u>	<u>41,152</u>
Expenditures				
Current:				
Personnel services	-	7	-	7
Supplies	29,300	29,300	13,508	15,792
Contractual services	12,963	13,489	5,766	7,723
Utilities	16,500	16,500	13,186	3,314
Repairs and maintenance	14,000	14,000	5,690	8,310
Fuel and oil	8,000	8,000	5,359	2,641
Furniture, machinery and equipment	10,855	10,855	4,914	5,941
Insurance, bonds and licenses	5,375	6,091	5,491	600
Rent	750	750	-	750
Other	12,600	12,600	9,682	2,918
Contingency	20,713	19,990	-	19,990
Total expenditures	<u>131,056</u>	<u>131,582</u>	<u>63,596</u>	<u>67,986</u>
Excess of revenues over expenditures	<u>428,944</u>	<u>428,418</u>	<u>537,556</u>	<u>109,138</u>
Other financing sources (uses)				
Transfers (out) in	(428,944)	(428,944)	(428,944)	-
Total other financing sources (uses)	<u>(428,944)</u>	<u>(428,944)</u>	<u>(428,944)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (526)</u>	108,612	<u>\$ 109,138</u>
Fund balance - beginning			<u>513,081</u>	
Fund balance - ending			<u>\$ 621,693</u>	

PICKENS COUNTY, SOUTH CAROLINA

COMBINING SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Tri-County Tech – This fund is used to account for the property tax receipts and disbursements to Tri-County Technical College.

Fixed Nuclear – This fund is used to account for funds received for emergency management related to Oconee Nuclear Station.

Sheriff Special – This fund was established to account for asset forfeitures received in various drug interdiction activities used to fund law enforcement activities.

Library – This fund is used to account for revenues and expenditures associated with the County's Public Library System.

Victim Rights – This fund was established to account for court assessments and conviction surcharges received by the County to provide services to individuals victimized by criminal acts.

State Road C-Fund – This special revenue fund accounts for the receipt of state gasoline tax "C" funds earmarked for local road maintenance.

Grants – This fund accounts for revenues and expenditures for federal and state financial assistance.

Emergency Phone System – This fund accounts for monies collected from telephone subscribers for the operation and maintenance of the County's E-911 system.

Law Enforcement Block Grant – This fund accounts for the revenues and expenditures received from the Local Law Enforcement Block Grant.

Accommodations Tax – This fund is used to account for the 2% accommodation fee collected by the State on transient room rentals throughout the County. All expenditures must be tourist related with the exception of the first \$25,000 and 5% of the remainder of the accommodations tax remitted by the State.

Tourism Restricted Resources – This fund accounts for the receipt and disbursement of contributions for the Pickens County Cultural Commission.

Road Fee – This fund accounts for the \$20 road maintenance fee collected for local road maintenance. A portion of this revenue is shared with the seven municipal governments located in Pickens County.

Tourism Development Fee – This fund accounts for the 1% local tourism fee. Revenues from this fee will be used for the payment of debt service on the County Museum expansion.

PICKENS COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

Schedule 17

JUNE 30, 2015

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 11,636,400	\$ 994,350	\$ 316,317	\$ 12,947,067
Property taxes receivable	367,670	227,137	-	594,807
Accounts receivable - other	70,025	-	-	70,025
Due from other governments	867,547	14,803	-	882,350
Prepaid items	9,338	-	-	9,338
Total assets	<u>\$ 12,950,980</u>	<u>\$ 1,236,290</u>	<u>\$ 316,317</u>	<u>\$ 14,503,587</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 499,363	\$ -	\$ 30,663	\$ 530,026
Accrued payroll	74,248	-	-	74,248
Advances from general fund	31,856	309,665	-	341,521
Total liabilities	<u>605,467</u>	<u>309,665</u>	<u>30,663</u>	<u>945,795</u>
Deferred Inflow of Resources:				
Unavailable revenue - delinquent taxes	601,200	218,216	-	819,416
Total Deferred Inflow of Resources	<u>601,200</u>	<u>218,216</u>	<u>-</u>	<u>819,416</u>
Fund balances:				
Prepaid items	9,338	-	-	9,338
Restricted	11,743,553	708,409	-	12,451,962
Committed	-	-	285,654	285,654
Unassigned	(8,578)	-	-	(8,578)
Total fund balances	<u>11,744,313</u>	<u>708,409</u>	<u>285,654</u>	<u>12,738,376</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 12,950,980</u>	<u>\$ 1,236,290</u>	<u>\$ 316,317</u>	<u>\$ 14,503,587</u>

PICKENS COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

Schedule 18

YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 4,162,477	\$ 2,927,211	\$ -	\$ 7,089,688
Intergovernmental	3,536,927	-	125,000	3,661,927
Fees, licenses and permits	2,867,921	309,669	-	3,177,590
Charges for services	144,475	-	-	144,475
Fines and forfeitures	186,840	-	-	186,840
Investment income	9,297	-	-	9,297
Contributions	13,165	-	-	13,165
Miscellaneous	4,321	-	-	4,321
Total revenues	<u>10,925,423</u>	<u>3,236,880</u>	<u>125,000</u>	<u>14,287,303</u>
Expenditures				
Current:				
General government	203,093	-	-	203,093
Public safety	985,778	-	-	985,778
Public works	2,842,689	-	-	2,842,689
Culture and recreation	3,343,673	-	-	3,343,673
Other	1,046,035	-	-	1,046,035
Capital outlay	1,014,526	-	1,501,581	2,516,107
Debt service:				
Principal retirement	-	2,511,731	-	2,511,731
Interest and fiscal charges	-	436,881	-	436,881
Total expenditures	<u>9,435,794</u>	<u>2,948,612</u>	<u>1,501,581</u>	<u>13,885,987</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,489,629</u>	<u>288,268</u>	<u>(1,376,581)</u>	<u>401,316</u>
Other financing sources (uses)				
Transfers in (out)	<u>(533,765)</u>	<u>(127,692)</u>	<u>770,000</u>	<u>108,543</u>
Total other financing sources (uses)	<u>(533,765)</u>	<u>(127,692)</u>	<u>770,000</u>	<u>108,543</u>
Net change in fund balances	955,864	160,576	(606,581)	509,859
Fund balance - beginning	<u>10,788,449</u>	<u>547,833</u>	<u>892,235</u>	<u>12,228,517</u>
Fund balance - ending	<u><u>\$ 11,744,313</u></u>	<u><u>\$ 708,409</u></u>	<u><u>\$ 285,654</u></u>	<u><u>\$ 12,738,376</u></u>

PICKENS COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

Schedule 19

JUNE 30, 2015

	Tri-County Tech	Fixed Nuclear	Sheriff Special	Library	Victim Rights	State Road C-Fund	Grants
ASSETS							
Cash and investments	\$ 596,751	\$ 45,493	\$ 1,884,294	\$ 1,737,690	\$ 61,050	\$ 4,476,700	\$ 154,201
Property taxes receivable	109,172	-	-	258,498	-	-	-
Accounts receivable - other	-	-	-	-	-	17,187	-
Due from other governments	9,622	-	-	48,160	-	145,427	113,638
Prepaid items	-	-	-	8,034	-	-	-
Total assets	<u>\$ 715,545</u>	<u>\$ 45,493</u>	<u>\$ 1,884,294</u>	<u>\$ 2,052,382</u>	<u>\$ 61,050</u>	<u>\$ 4,639,314</u>	<u>\$ 267,839</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 158	\$ 43	\$ 52,704	\$ 2	\$ 300,916	\$ 13,231
Accrued payroll	-	2,232	-	53,619	1,364	-	6,025
Advances from general fund	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>2,390</u>	<u>43</u>	<u>106,323</u>	<u>1,366</u>	<u>300,916</u>	<u>19,256</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	104,775	-	-	247,840	-	-	248,585
Total Deferred Inflows of Resources	<u>104,775</u>	<u>-</u>	<u>-</u>	<u>247,840</u>	<u>-</u>	<u>-</u>	<u>248,585</u>
Fund balances:							
Nonspendable:							
Prepaid items	-	-	-	8,034	-	-	-
Restricted	610,770	43,103	1,884,251	1,690,185	59,684	4,338,398	-
Unassigned	-	-	-	-	-	-	(2)
Total fund balances	<u>610,770</u>	<u>43,103</u>	<u>1,884,251</u>	<u>1,698,219</u>	<u>59,684</u>	<u>4,338,398</u>	<u>(2)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 715,545</u>	<u>\$ 45,493</u>	<u>\$ 1,884,294</u>	<u>\$ 2,052,382</u>	<u>\$ 61,050</u>	<u>\$ 4,639,314</u>	<u>\$ 267,839</u>

PICKENS COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

Schedule 19 - continued

JUNE 30, 2015

	Law Enforcement Block Grants	Tourism Restricted Resources	Accomodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and investments	\$ 4,106	\$ 170,771	\$ 61,678	\$ 1,335,755	\$ -	\$ 1,107,911	\$ 11,636,400
Property taxes receivable	-	-	-	-	-	-	367,670
Accounts receivable - other	-	-	-	-	27,983	24,855	70,025
Due from other governments	36,955	-	21,427	-	-	492,318	867,547
Prepaid items	-	109	-	-	1,195	-	9,338
Total assets	<u>\$ 41,061</u>	<u>\$ 170,880</u>	<u>\$ 83,105</u>	<u>\$ 1,335,755</u>	<u>\$ 29,178</u>	<u>\$ 1,625,084</u>	<u>\$ 12,950,980</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 41,061	\$ 2,582	\$ 43,600	\$ 15,945	\$ 1,822	\$ 27,299	\$ 499,363
Accrued payroll	-	695	-	1,879	2,881	5,553	74,248
Advances from general fund	-	-	-	-	31,856	-	31,856
Total liabilities	<u>41,061</u>	<u>3,277</u>	<u>43,600</u>	<u>17,824</u>	<u>36,559</u>	<u>32,852</u>	<u>605,467</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	-	-	-	-	-	-	601,200
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>601,200</u>
Fund balances:							
Nonspendable:							
Prepaid items	-	109	-	-	1,195	-	9,338
Restricted	-	167,494	39,505	1,317,931	-	1,592,232	11,743,553
Unassigned	-	-	-	-	(8,576)	-	(8,578)
Total fund balances	<u>-</u>	<u>167,603</u>	<u>39,505</u>	<u>1,317,931</u>	<u>(7,381)</u>	<u>1,592,232</u>	<u>11,744,313</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 41,061</u>	<u>\$ 170,880</u>	<u>\$ 83,105</u>	<u>\$ 1,335,755</u>	<u>\$ 29,178</u>	<u>\$ 1,625,084</u>	<u>\$ 12,950,980</u>

PICKENS COUNTY, SOUTH CAROLINA

**COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS**

YEAR ENDED JUNE 30, 2015

	Tri-County Tech	Fixed Nuclear	Sheriff Special	Library	Victim Rights	State Road C-Fund	Grants
Revenues							
Taxes	\$ 1,219,703	\$ -	\$ -	\$ 2,942,774	\$ -	\$ -	\$ -
Intergovernmental	-	86,440	-	187,507	-	1,962,903	506,447
Fees, licenses and permits	-	-	-	-	-	-	-
Charges for services	-	-	-	104,599	1,212	-	-
Fines and forfeitures	-	-	76,418	-	110,422	-	-
Investment income	-	-	-	-	-	9,297	-
Contributions	-	-	(22,716)	17,141	-	-	-
Miscellaneous	-	-	-	65	-	-	-
Total revenues	1,219,703	86,440	53,702	3,252,086	111,634	1,972,200	506,447
Expenditures							
Current:							
General government	-	-	-	-	-	-	203,093
Public safety	-	85,073	136,718	-	62,386	-	87,986
Public works	-	-	-	-	-	1,764,277	60,550
Culture and recreation	-	-	-	3,029,438	-	-	-
Other	1,041,000	-	-	-	-	-	-
Capital outlay	-	15,355	-	12,561	-	141,850	154,820
Total expenditures	1,041,000	100,428	136,718	3,041,999	62,386	1,906,127	506,449
Excess (deficiency) of revenues over (under) expenditures	178,703	(13,988)	(83,016)	210,087	49,248	66,073	(2)
Other financing sources (uses)							
Transfers in (out)	-	14,478	-	-	-	-	-
Total other financing sources (uses)	-	14,478	-	-	-	-	-
Net change in fund balances	178,703	490	(83,016)	210,087	49,248	66,073	(2)
Fund balance - beginning	432,067	42,613	1,967,267	1,488,132	10,436	4,272,325	-
Fund balance - ending	\$ 610,770	\$ 43,103	\$ 1,884,251	\$ 1,698,219	\$ 59,684	\$ 4,338,398	\$ (2)

PICKENS COUNTY, SOUTH CAROLINA

Schedule 20 - continued

**COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS**

YEAR ENDED JUNE 30, 2015

	Law Enforcement Block Grants	Tourism Restricted Resources	Accomodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Total Nonmajor Special Revenue Funds
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,162,477
Intergovernmental	54,654	10,338	89,858	-	-	638,780	3,536,927
Fees, licenses and permits	-	-	-	2,020,145	307,543	540,233	2,867,921
Charges for services	-	38,664	-	-	-	-	144,475
Fines and forfeitures	-	-	-	-	-	-	186,840
Investment income	-	-	-	-	-	-	9,297
Contributions	-	18,740	-	-	-	-	13,165
Miscellaneous	-	4,256	-	-	-	-	4,321
Total revenues	54,654	71,998	89,858	2,020,145	307,543	1,179,013	10,925,423
Expenditures							
Current:							
General government	-	-	-	-	-	-	203,093
Public safety	13,593	-	-	-	-	600,022	985,778
Public works	-	-	-	1,017,862	-	-	2,842,689
Culture and recreation	-	63,283	53,600	-	197,352	-	3,343,673
Other	-	5,035	-	-	-	-	1,046,035
Capital outlay	41,061	-	-	190,170	-	458,709	1,014,526
Total expenditures	54,654	68,318	53,600	1,208,032	197,352	1,058,731	9,435,794
Excess (deficiency) of revenues over (under) expenditures	-	3,680	36,258	812,113	110,191	120,282	1,489,629
Other financing sources (uses)							
Transfers in (out)	-	-	(28,243)	-	(520,000)	-	(533,765)
Total other financing sources (uses)	-	-	(28,243)	-	(520,000)	-	(533,765)
Net change in fund balances	-	3,680	8,015	812,113	(409,809)	120,282	955,864
Fund balance - beginning	-	163,923	31,490	505,818	402,428	1,471,950	10,788,449
Fund balance - ending	\$ -	\$ 167,603	\$ 39,505	\$ 1,317,931	\$ (7,381)	\$ 1,592,232	\$ 11,744,313

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - TRI-COUNTY TECH FUND**

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,165,000	\$ 1,165,000	\$ 1,219,703	\$ (54,703)
Total revenues	<u>1,165,000</u>	<u>1,165,000</u>	<u>1,219,703</u>	<u>(54,703)</u>
Expenditures				
Current:				
Other	1,165,000	1,165,000	1,041,000	124,000
Total expenditures	<u>1,165,000</u>	<u>1,165,000</u>	<u>1,041,000</u>	<u>124,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	178,703	69,297
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	178,703	<u>\$ 69,297</u>
Fund balance - beginning			<u>432,067</u>	
Fund balance - ending			<u>\$ 610,770</u>	

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - FIXED NUCLEAR FUND**

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ 89,579	\$ 89,579	\$ 86,440	\$ (3,139)
Total revenues	<u>89,579</u>	<u>89,579</u>	<u>86,440</u>	<u>(3,139)</u>
Expenditures				
Current:				
Public safety	103,246	87,630	85,073	2,557
Capital outlay	-	15,616	15,355	261
Total expenditures	<u>103,246</u>	<u>103,246</u>	<u>100,428</u>	<u>2,818</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,667)</u>	<u>(13,667)</u>	<u>(13,988)</u>	<u>(321)</u>
Other financing sources (uses)				
Transfers (out) in	13,667	13,667	14,478	811
Total other financing sources (uses)	<u>13,667</u>	<u>13,667</u>	<u>14,478</u>	<u>811</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	490	<u>\$ 490</u>
Fund balance - beginning			<u>42,613</u>	
Fund balance - ending			<u>\$ 43,103</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 23

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - LIBRARY FUND

YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Operations	State Aid	Totals	Variance With Final Positive (Negative)
Revenues						
Taxes	\$ 2,830,883	\$ 2,830,883	\$ 2,942,774	\$ -	\$ 2,942,774	\$ 111,891
Intergovernmental	120,000	150,030	38,477	149,030	187,507	37,477
Charges for services	114,000	114,000	104,599	-	104,599	(9,401)
Investment income	3,000	3,000	-	-	-	(3,000)
Contributions	12,000	15,266	17,141	-	17,141	1,875
Miscellaneous	-	-	65	-	65	65
Total revenues	3,079,883	3,113,179	3,103,056	149,030	3,252,086	138,907
Expenditures						
Current:						
Personnel services	(2,279,725)	2,265,081	2,239,020	-	2,239,020	26,061
Library collections	206,664	243,044	79,017	146,159	225,176	17,868
Supplies	(62,600)	66,389	56,878	-	56,878	9,511
Contractual services	(143,113)	117,913	102,375	-	102,375	15,538
Utilities	(164,125)	164,125	174,803	-	174,803	(10,678)
Repairs and maintenance	(59,490)	86,490	82,841	-	82,841	3,649
Fuel and oil	(3,500)	3,000	1,727	-	1,727	1,273
Furniture, machinery and equipment	(49,427)	50,882	41,484	-	41,484	9,398
Insurance, bonds and licenses	(39,414)	43,934	43,035	-	43,035	899
Rent	(44,450)	32,450	29,772	-	29,772	2,678
Retiree health and dental	-	(5,144)	6,211	-	6,211	(11,355)
Other	(27,175)	32,931	26,116	-	26,116	6,815
Capital outlay	(10,700)	12,700	12,561	-	12,561	139
Total expenditures	(2,677,055)	3,113,795	2,895,840	146,159	3,041,999	71,796
Excess of revenues over expenditures	5,756,938	(616)	207,216	2,871	210,087	210,703
Net change in fund balances	\$ 5,756,938	\$ (616)	207,216	2,871	210,087	\$ 210,703
Fund balance - beginning			1,528,226	(40,094)	1,488,132	
Fund balance - ending			<u>\$ 1,735,442</u>	<u>\$ (37,223)</u>	<u>\$ 1,698,219</u>	

PICKENS COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - VICTIM RIGHTS FUND

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Charges for services	\$ -	\$ -	\$ 1,212	\$ 1,212.00
Fines and forfeitures	93,800	93,800	110,422	16,622
Total revenues	<u>93,800</u>	<u>93,800</u>	<u>111,634</u>	<u>17,834</u>
Expenditures				
Current:				
Personnel services	79,667	79,667	54,982	24,685
Supplies	2,485	2,485	2,052	433
Contractual services	600	600	901	(301)
Utilities	375	675	761	(86)
Repairs and maintenance	1,200	1,200	958	242
Fuel and oil	2,784	2,484	863	1,621
Insurance, bonds and licenses	1,775	1,775	1,743	32
Other	50	50	126	(76)
Total expenditures	<u>88,936</u>	<u>88,936</u>	<u>62,386</u>	<u>26,550</u>
Excess of revenues over expenditures	<u>4,864</u>	<u>4,864</u>	<u>49,248</u>	<u>44,384</u>
Net change in fund balances	<u>\$ 4,864</u>	<u>\$ 4,864</u>	49,248	<u>\$ 44,384</u>
Fund balance - beginning			<u>10,436</u>	
Fund balance - ending			<u>\$ 59,684</u>	

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GRANTS FUND**

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 41,108	\$ 422,620	\$ 506,447	\$ 83,827
Total revenues	<u>41,108</u>	<u>422,620</u>	<u>506,447</u>	<u>83,827</u>
Expenditures				
Current:				
General government	156,426	299,215	203,093	96,122
Public safety	75,200	116,485	87,986	28,499
Public works	79,819	73,276	60,550	12,726
Health and welfare	798	798	-	798
Culture and recreation	14,596	-	-	-
Economic development and assistance	14,893	3,555	-	3,555
Capital outlay	<u>124,744</u>	<u>138,469</u>	<u>154,820</u>	<u>(16,351)</u>
Total expenditures	<u>466,476</u>	<u>631,798</u>	<u>506,449</u>	<u>125,349</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(425,368)</u>	<u>(209,178)</u>	<u>(2)</u>	<u>209,176</u>
Other financing sources (uses)				
Transfers (out) in	<u>(388,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(388,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (814,030)</u>	<u>\$ (209,178)</u>	<u>(2)</u>	<u>\$ 209,176</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ (2)</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 26

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - TOURISM RESTRICTED RESOURCES FUND**

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 10,338	\$ 10,338
Charges for services	51,500	51,500	38,664	(12,836)
Contributions	149,000	149,000	18,740	(130,260)
Miscellaneous	-	-	4,256	4,256
Total revenues	<u>200,500</u>	<u>200,500</u>	<u>71,998</u>	<u>(128,502)</u>
Expenditures				
Current:				
Culture and recreation	142,997	151,291	63,283	88,008
Other	<u>80,000</u>	<u>89,778</u>	<u>5,035</u>	<u>84,743</u>
Total expenditures	<u>222,997</u>	<u>241,069</u>	<u>68,318</u>	<u>172,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,497)</u>	<u>(40,569)</u>	<u>3,680</u>	<u>44,249</u>
Net change in fund balances	<u>\$ (22,497)</u>	<u>\$ (40,569)</u>	<u>3,680</u>	<u>\$ 44,249</u>
Fund balance - beginning			<u>163,923</u>	
Fund balance - ending			<u>\$ 167,603</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - ACCOMMODATION TAX FUND

Schedule 27

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 105,000	\$ 105,000	\$ 89,858	\$ (15,142)
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>89,858</u>	<u>(15,142)</u>
Expenditures				
Current:				
Culture and recreation	76,000	87,312	53,600	33,712
Total expenditures	<u>76,000</u>	<u>87,312</u>	<u>53,600</u>	<u>33,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,000</u>	<u>17,688</u>	<u>36,258</u>	<u>18,570</u>
Other financing uses				
Transfers (out) in	(29,000)	(29,000)	(28,243)	757
Total other financing uses	<u>(29,000)</u>	<u>(29,000)</u>	<u>(28,243)</u>	<u>757</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (11,312)</u>	8,015	<u>\$ 19,327</u>
Fund balance - beginning			<u>31,490</u>	
Fund balance - ending			<u>\$ 39,505</u>	

PICKENS COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - ROAD FEE FUND

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ (1,978,664)	\$ 1,975,000	\$ 2,020,145	\$ 45,145
Total revenues	<u>(1,978,664)</u>	<u>1,975,000</u>	<u>2,020,145</u>	<u>45,145</u>
Expenditures				
Current:				
Public works	179,583	1,922,341	1,017,862	904,479
Capital outlay	528,416	451,967	190,170	261,797
Total expenditures	<u>707,999</u>	<u>2,374,308</u>	<u>1,208,032</u>	<u>1,166,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,686,663)</u>	<u>(399,308)</u>	<u>812,113</u>	<u>1,211,421</u>
Net change in fund balances	<u>\$ (2,686,663)</u>	<u>\$ (399,308)</u>	<u>812,113</u>	<u>\$ 1,211,421</u>
Fund balance - beginning			<u>505,818</u>	
Fund balance - ending			<u>\$ 1,317,931</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 29

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - TOURISM DEVELOPMENT FEE FUND**

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 275,000	\$ 275,000	\$ 307,543	\$ 32,543
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>307,543</u>	<u>32,543</u>
Expenditures				
Current:				
Personnel services	135,816	135,816	150,913	(15,097)
Supplies	64,000	24,248	15,633	8,615
Contractual services	600	36,730	26,830	9,900
Utilities	-	350	420	(70)
Furniture, machinery and equipment	-	65	64	1
Insurance, bonds and licenses	-	921	920	1
Rent	-	-	286	(286)
Other	-	2,286	2,286	-
Total expenditures	<u>200,416</u>	<u>200,416</u>	<u>197,352</u>	<u>3,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>74,584</u>	<u>74,584</u>	<u>110,191</u>	<u>35,607</u>
Other financing sources (uses)				
Transfers (out) in	-	(520,000)	(520,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(520,000)</u>	<u>(520,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 74,584</u>	<u>\$ (445,416)</u>	<u>(409,809)</u>	<u>\$ 35,607</u>
Fund balance - beginning			<u>402,428</u>	
Fund balance - ending			<u>\$ (7,381)</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 30

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - EMERGENCY PHONE SYSTEM FUND

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 226,600	\$ 226,600	\$ 638,780	\$ 412,180
Fees, licenses and permits	452,000	452,000	540,233	88,233
Total revenues	<u>678,600</u>	<u>678,600</u>	<u>1,179,013</u>	<u>500,413</u>
Expenditures				
Current:				
Personnel services	228,377	228,377	236,873	(8,496)
Supplies	5,848	7,843	6,116	1,727
Contractual services	154,520	155,820	154,743	1,077
Utilities	165,460	183,690	184,146	(456)
Repairs and maintenance	3,900	2,400	23	2,377
Fuel and oil	1,840	1,840	516	1,324
Furniture, machinery and equipment	3,800	3,750	1,158	2,592
Insurance, bonds and licenses	2,337	2,387	2,420	(33)
Other	14,750	14,750	14,027	723
Capital outlay	520,000	499,975	458,709	41,266
Total expenditures	<u>1,100,832</u>	<u>1,100,832</u>	<u>1,058,731</u>	<u>42,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(422,232)</u>	<u>(422,232)</u>	<u>120,282</u>	<u>542,514</u>
Net change in fund balances	<u>\$ (422,232)</u>	<u>\$ (422,232)</u>	<u>120,282</u>	<u>\$ 542,514</u>
Fund balance - beginning			<u>1,471,950</u>	
Fund balance - ending			<u>\$ 1,592,232</u>	

PICKENS COUNTY, SOUTH CAROLINA
COMBINING SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

The debt service fund is used to account for the accumulation of resources and payment of principal and interest on general obligation bonds and notes payable.

PICKENS COUNTY, SOUTH CAROLINA

Schedule 31

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 2,764,501	\$ 2,764,501	\$ 2,927,211	\$ 162,710
Fees, licenses and permits	309,669	309,669	309,669	-
Total revenues	<u>3,074,170</u>	<u>3,074,170</u>	<u>3,236,880</u>	<u>162,710</u>
Expenditures				
Debt service:				
Principal retirement	2,511,732	2,511,732	2,511,731	1
Interest and fiscal charges	434,746	434,746	436,881	(2,135)
Total expenditures	<u>2,946,478</u>	<u>2,946,478</u>	<u>2,948,612</u>	<u>(2,134)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>127,692</u>	<u>127,692</u>	<u>288,268</u>	<u>160,576</u>
Other financing sources (uses):				
Transfers (out) in	(127,692)	(127,692)	(127,692)	-
Total other financing sources (uses)	<u>(127,692)</u>	<u>(127,692)</u>	<u>(127,692)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	160,576	<u>\$ 160,576</u>
Fund balance - beginning			<u>547,833</u>	
Fund balance - ending			<u>\$ 708,409</u>	

PICKENS COUNTY, SOUTH CAROLINA
COMBINING SCHEDULES

AGENCY FUNDS

Agency funds are custodial in nature (assets equal liabilities) and thus do not represent the measurement or results of operations.

Agency Funds – This fund primarily consists of monies collected and disbursed by the County Treasurer (an elected, constitutionally mandated official) for various governmental units and other entities within Pickens County. These monies are not under the control of Pickens County Council. This fund also consists of monies administered by several elected, appointed or other officials who, by nature of their position, collect and disburse cash. These officials consist of Magistrates, Family Court and Clerk of Court.

PICKENS COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND
LIABILITIES - AGENCY FUNDS**

YEAR ENDED JUNE 30, 2015

	<u>Balance June 30, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2015</u>
School District Fund				
Assets				
Cash	\$ 25,280,322	\$ 165,878,789	\$ 160,375,489	\$ 30,783,622
Property taxes receivable, net	5,789,777	560,773	29,403	6,321,147
	<u>\$ 31,070,099</u>	<u>\$ 166,439,562</u>	<u>\$ 160,404,892</u>	<u>\$ 37,104,769</u>
Liabilities				
Due to others	\$ 31,070,099	\$ 166,439,562	\$ 160,404,892	\$ 37,104,769
	<u>\$ 31,070,099</u>	<u>\$ 166,439,562</u>	<u>\$ 160,404,892</u>	<u>\$ 37,104,769</u>
Municipal Fund				
Assets				
Cash	\$ 61,539	\$ 10,429,432	\$ 10,508,436	\$ (17,465)
Property taxes receivable, net	924,024	58,686	2,934	979,776
	<u>\$ 985,563</u>	<u>\$ 10,488,118</u>	<u>\$ 10,511,370</u>	<u>\$ 962,311</u>
Liabilities				
Accounts payable	\$ 61,539	\$ 10,237,428	\$ 10,205,868	\$ 93,099
Due to others	924,024	250,690	305,502	869,212
	<u>\$ 985,563</u>	<u>\$ 10,488,118</u>	<u>\$ 10,511,370</u>	<u>\$ 962,311</u>
Mini-bottle Fund				
Assets				
Cash	\$ -	\$ 183,126	\$ 183,126	\$ -
Liabilities				
Due to others	\$ -	\$ 183,126	\$ 183,126	\$ -
Fire District Fund				
Assets				
Cash	\$ -	\$ 223,868	\$ 223,868	\$ -
Liabilities				
Due to others	\$ -	\$ 223,868	\$ 223,868	\$ -
Magistrates' Fund				
Assets				
Cash	\$ 62,779	\$ 865,202	\$ 860,042	\$ 67,939
Liabilities				
Due to others	\$ 62,779	\$ 865,202	\$ 860,042	\$ 67,939

PICKENS COUNTY, SOUTH CAROLINA

Schedule 32 - continued

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND
LIABILITIES - AGENCY FUNDS**

YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Family Court Fund				
Assets				
Cash and investments	\$ 19,486	\$ 6,845,295	\$ 6,835,536	\$ 29,245
Liabilities				
Due to others	\$ 19,486	\$ 6,845,295	\$ 6,835,536	\$ 29,245
Clerk of Court Fund				
Assets				
Cash and investments	\$ 984,222	\$ 893,558	\$ 775,179	\$ 1,102,601
Liabilities				
Due to others	\$ 984,222	\$ 893,558	\$ 775,179	\$ 1,102,601
Prison				
Assets				
Cash and investments	\$ 4,142	\$ 95,167	\$ 92,068	\$ 7,241
Liabilities				
Due to others	\$ 4,142	\$ 95,167	\$ 92,068	\$ 7,241
Museum				
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Liabilities				
Due to others	\$ -	\$ -	\$ -	\$ -
Library Foundation				
Assets				
Cash and investments	\$ 61,558	\$ 2,348	\$ 2,677	\$ 61,229
Liabilities				
Due to others	\$ 61,558	\$ 2,348	\$ 2,677	\$ 61,229
Total of all Agency Funds				
Assets				
Cash and investments	\$ 26,474,047	\$ 185,416,785	\$ 179,856,421	\$ 32,034,411
Property taxes receivable	6,713,801	619,459	32,337	7,300,923
Total assets	<u>\$ 33,187,848</u>	<u>\$ 186,036,244</u>	<u>\$ 179,888,758</u>	<u>\$ 39,335,334</u>
Liabilities				
Accounts payable	\$ 61,539	\$ 10,237,428	\$ 10,205,868	\$ 93,099
Due to others	33,126,309	175,798,816	169,682,890	39,242,235
Total liabilities	<u>\$ 33,187,848</u>	<u>\$ 186,036,244</u>	<u>\$ 179,888,758</u>	<u>\$ 39,335,334</u>

PICKENS COUNTY, SOUTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE OF CAPITAL ASSETS
BY FUNCTION**

JUNE 30, 2015

Function	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Improvements and Infrastructure	Total
General government	\$ 1,778,247	\$ 1,711,074	\$ 10,857,036	\$ 2,102,864	\$ -	\$ 16,449,221
Public safety	503,027	377	11,838,427	16,557,113	169,727	29,068,671
Public works	1,088,914	226,394	1,308,565	10,385,583	28,492,570	41,502,026
Public health and welfare	26,902	-	998,301	325,895	-	1,351,098
Culture and recreation	778,549	-	11,032,893	843,039	308,135	12,962,616
Economic development	109,298	12,223	1,926,324	-	1,916,522	3,964,367
Intergovernmental	-	-	1,183,750	20,820	-	1,204,570
Total governmental funds capital assets	\$ 4,284,937	\$ 1,950,068	\$ 39,145,296	\$ 30,235,314	\$ 30,886,954	\$ 106,502,569

PICKENS COUNTY, SOUTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION

JUNE 30, 2015

Function	Beginning of Year	Additions	Deletions	Transfers		End of Year
				In	Out	
General government administration	\$ 14,931,568	\$ 1,549,421	\$ 59,866	\$ 57,083	\$ 28,985	\$ 16,449,221
Public safety	26,074,706	4,083,715	1,027,384	20,758	83,124	29,068,671
Public works	41,373,294	356,192	250,228	22,768	-	41,502,026
Public health and welfare	1,370,579	-	19,481	-	-	1,351,098
Culture and recreation	12,937,824	32,616	19,324	30,244	18,744	12,962,616
Economic development	6,854,207	12,223	2,902,063	-	-	3,964,367
Intergovernmental	1,204,570	-	-	-	-	1,204,570
Total governmental funds capital assets	\$ 104,746,748	\$ 6,034,167	\$ 4,278,346	\$ 130,853	\$ 130,853	\$ 106,502,569

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STATISTICAL SECTION

PICKENS COUNTY, SOUTH CAROLINA

STATISTICAL SECTION NARRATIVE

FOR THE FISCAL YEAR JUNE 30, 2015

This section of the 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

Financial Trends

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

These schedules contain information to help the reader assess the County's most significant revenue source, tax revenue.

Debt Capacity

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

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**PICKENS COUNTY, SOUTH CAROLINA
NET POSITION BY COMPONENT**

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities										
Invested in capital assets, net of related debt	\$ 18,309,975	\$ 38,341,795	\$ 41,537,095	\$ 33,371,208	\$ 35,269,425	\$ 34,058,641	\$ 41,896,168	\$ 44,803,759	\$ 43,964,937	\$ 45,459,121
Restricted	12,205,788	13,038,304	13,002,730	12,314,922	11,358,716	11,628,296	11,835,113	11,960,394	15,397,427	15,634,038
Unrestricted	16,849,075	15,010,111	15,754,877	22,977,434	25,011,349	32,630,194	25,831,302	24,136,243	25,986,376	(8,736,449)
Total governmental activities net assets	<u>47,364,838</u>	<u>66,390,210</u>	<u>70,294,702</u>	<u>68,663,564</u>	<u>71,639,490</u>	<u>78,317,131</u>	<u>79,562,583</u>	<u>80,900,396</u>	<u>85,348,740</u>	<u>52,356,710</u>
Business-type Activities										
Invested in capital assets, net of related debt	22,851,882	23,533,189	27,584,777	28,137,870	28,304,398	29,301,120	29,786,626	29,155,636	28,023,881	26,816,226
Restricted	414,481	477,589	540,697	603,805	631,008	631,008	682,544	700,992	756,000	809,568
Unrestricted (Deficit)	215,564	(249,782)	324,284	2,155,050	2,012,819	1,149,004	929,489	1,122,850	1,091,496	503,074
Total business-type activities net assets	<u>23,481,927</u>	<u>23,760,996</u>	<u>28,449,758</u>	<u>30,896,725</u>	<u>30,948,225</u>	<u>31,081,132</u>	<u>31,398,659</u>	<u>30,979,478</u>	<u>29,871,377</u>	<u>28,128,868</u>
Component Unit										
Unrestricted (Deficit)	-	-	-	337,586	373,588	320,221	288,705	169,334	100,109	80,150
Total component unit net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,586</u>	<u>373,588</u>	<u>320,221</u>	<u>288,705</u>	<u>169,334</u>	<u>100,109</u>	<u>80,150</u>
Primary Government										
Invested in capital assets, net of related debt	41,161,857	61,874,984	69,121,872	61,509,078	63,573,823	63,359,761	71,682,794	73,959,395	71,988,818	72,275,347
Restricted	12,620,269	13,515,893	13,543,427	12,918,727	11,989,724	12,259,304	12,517,657	12,661,386	16,153,427	16,443,606
Unrestricted	17,064,639	14,760,329	14,760,329	25,470,070	27,397,756	34,099,419	27,049,496	25,428,427	27,177,981	(8,153,225)
Total primary government net assets	<u>\$ 70,846,765</u>	<u>\$ 90,151,206</u>	<u>\$ 97,425,628</u>	<u>\$ 99,897,875</u>	<u>\$ 102,961,303</u>	<u>\$ 109,718,484</u>	<u>\$ 111,249,947</u>	<u>\$ 112,049,208</u>	<u>\$ 115,320,226</u>	<u>\$ 80,565,728</u>

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
<u>Governmental activities:</u>										
General government	\$ 9,292,433	\$ 9,531,581	\$ 10,383,406	\$ 11,629,191	\$ 11,104,765	\$ 10,917,949	\$ 10,988,712	\$ 11,088,305	\$ 11,469,811	\$ 12,254,981
Public safety	17,028,781	17,381,994	18,701,286	20,164,030	20,917,120	20,465,118	20,300,914	21,850,514	22,626,518	22,559,150
Public works	10,061,181	10,182,540	11,342,672	12,499,271	10,179,397	9,094,190	10,590,594	11,256,677	10,277,306	9,259,568
Health and welfare	690,329	734,956	329,074	1,217,282	1,229,437	1,078,351	1,188,284	864,265	877,186	860,695
Cultural and recreation	3,615,200	4,168,650	4,197,104	5,433,793	5,206,481	5,520,862	5,415,087	4,246,760	4,541,962	4,283,221
Economic development	562,665	568,792	589,302	419,161	427,052	381,571	762,985	665,236	1,081,084	474,033
Intergovernmental	1,573,120	1,769,773	1,696,013	-	-	-	38,607	1,350,409	1,422,329	1,428,094
Interest on long-term debt	483,791	423,517	432,473	140,600	94,907	92,815	-	-	-	-
Debt service - other	-	-	-	934,897	901,755	827,473	732,303	605,613	535,849	504,353
Total governmental activities expenses	43,307,500	44,761,803	47,671,330	52,438,225	50,060,914	48,378,329	50,017,486	51,927,779	52,832,045	51,624,095
<u>Business-type activities:</u>										
Public Service Commission	2,086,584	2,041,793	2,025,662	2,273,647	2,493,077	2,451,997	2,563,062	2,699,977	2,816,922	2,683,046
Airport	588,187	641,239	860,893	880,955	817,008	903,663	983,591	947,016	916,192	837,465
Total business-type activities expense	2,674,771	2,683,032	2,886,555	3,154,602	3,310,085	3,355,660	3,546,653	3,646,993	3,733,114	3,520,511
Total Primary Government Expenses	45,982,271	47,444,835	50,557,885	55,592,827	53,370,999	51,733,989	53,564,139	55,574,772	56,565,159	55,144,606
<u>Component unit activities:</u>										
Alliance Pickens	-	-	-	578,695	357,901	414,629	556,630	794,974	472,450	356,336
Total component unit expenses	-	-	-	578,695	357,901	414,629	556,630	794,974	472,450	356,336
Total expenses	45,982,271	47,444,835	50,557,885	56,171,522	53,728,900	52,148,618	54,120,769	56,369,746	57,037,609	55,500,942
Program Revenues										
<u>Governmental activities:</u>										
<u>Charges for services</u>										
General government	1,810,994	1,676,604	2,141,308	1,317,074	1,285,073	1,229,792	1,214,622	1,301,297	1,297,344	1,334,387
Public safety	6,666,736	6,833,609	6,738,601	6,833,279	7,042,849	7,295,934	7,355,656	7,719,457	9,161,649	7,943,150
Public works	1,236,061	3,281,515	3,355,920	1,189,219	1,135,204	1,242,067	1,236,597	999,045	989,904	1,035,390
Health and welfare	-	28,988	22,741	330	13,965	12,495	11,572	4,426	16,387	29,217
Cultural and recreation	379,457	551,901	592,737	416,725	440,966	519,084	521,452	560,701	553,744	532,321
Economic development	11,842	21,732	26,612	-	-	-	-	-	-	-
Operating grants and contributions	5,751,643	5,090,312	3,543,585	4,755,930	4,998,531	5,743,390	4,710,501	4,741,551	5,648,952	5,984,172
Capital grants and contributions	585,721	609,054	1,923,909	631,301	717,022	497,965	113,796	147,275	423,643	125,000
Total governmental activities program revenues	16,442,454	18,093,715	18,345,413	15,143,858	15,633,610	16,540,727	15,164,196	15,473,752	18,091,623	16,983,637

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Business-type activities:										
Charges for services										
Public Service Commission	1,248,421	1,111,067	1,195,127	949,682	1,223,966	1,228,583	1,186,460	1,255,385	1,268,272	1,289,956
Airport	253,965	287,119	413,056	474,368	433,935	507,926	570,777	550,821	494,435	478,820
Operating grants and contributions	10,672	-	69,971	884	-	-	-	-	-	-
Capital grants and contributions	110,896	710,863	1,170,716	2,088,611	1,179,087	1,023,482	1,940,208	1,200,981	583,785	437,925
Total business-type activities program revenues	<u>1,623,954</u>	<u>2,109,049</u>	<u>2,848,870</u>	<u>3,513,545</u>	<u>2,836,988</u>	<u>2,759,991</u>	<u>3,697,445</u>	<u>3,007,187</u>	<u>2,346,492</u>	<u>2,206,701</u>
Total Primary Government Program Revenues	<u>18,066,408</u>	<u>20,202,764</u>	<u>21,194,283</u>	<u>18,657,403</u>	<u>18,470,598</u>	<u>19,300,718</u>	<u>18,861,641</u>	<u>18,480,939</u>	<u>20,438,115</u>	<u>19,190,338</u>
Component unit activities:										
Alliance Pickens	-	-	-	192,613	393,903	19,104	172,887	232,887	11,324	22,324
Total component unit revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,613</u>	<u>393,903</u>	<u>19,104</u>	<u>172,887</u>	<u>232,887</u>	<u>11,324</u>	<u>22,324</u>
Total revenues	<u>18,066,408</u>	<u>20,202,764</u>	<u>21,194,283</u>	<u>18,850,016</u>	<u>18,864,501</u>	<u>19,319,822</u>	<u>19,034,528</u>	<u>18,713,826</u>	<u>20,449,439</u>	<u>19,212,662</u>
Net (Expense) Revenue										
Governmental activities	(26,865,046)	(26,668,088)	(29,325,917)	(37,294,367)	(34,427,304)	(31,837,602)	(34,853,290)	(36,461,230)	(34,740,422)	(34,640,458)
Business-type activities	(1,050,817)	(573,983)	(37,685)	358,943	(473,097)	(595,669)	150,792	(639,806)	(1,386,622)	(1,313,810)
Component unit activities	-	-	-	(386,082)	36,002	(395,525)	(383,743)	(562,087)	(461,126)	(334,012)
Total Primary Government	<u>(27,915,863)</u>	<u>(27,242,071)</u>	<u>(29,363,602)</u>	<u>(37,321,506)</u>	<u>(34,864,399)</u>	<u>(32,828,796)</u>	<u>(35,086,241)</u>	<u>(37,663,123)</u>	<u>(36,588,170)</u>	<u>(36,288,280)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes	28,051,248	28,144,246	29,960,665	31,541,678	32,288,793	32,953,640	31,646,911	32,606,724	34,453,144	35,248,707
Grants and contributions	5,495,186	6,139,217	6,774,688	6,626,329	5,592,546	4,664,736	4,132,297	4,887,962	4,856,536	4,841,567
Investment earnings	548,420	966,546	682,166	299,313	111,949	117,105	120,662	108,448	135,870	200,655
Fees, licenses, and permits	143,335	-	-	-	-	-	-	-	-	-
Miscellaneous	3,018,377	391,397	269,712	330,760	84,577	1,425,212	212,954	334,963	(15,127)	(2,499,667)
Gain on sale of capital assets	-	(509)	53,454	(323,162)	-	92,409	152,653	19,351	123,308	(50,577)
Transfers	(699,927)	(872,089)	(4,798,421)	(2,463,024)	(674,635)	(737,861)	(166,735)	(158,405)	(278,521)	(303,751)
Total governmental activities	<u>36,556,639</u>	<u>34,768,808</u>	<u>32,942,264</u>	<u>36,011,894</u>	<u>37,403,230</u>	<u>38,515,241</u>	<u>36,098,742</u>	<u>37,799,043</u>	<u>39,275,210</u>	<u>37,436,934</u>

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Business-type activities:										
Gain on sale of capital assets						(9,285)	-	-	-	-
Transfers	699,927	872,089	4,798,421	2,088,024	674,635	737,861	166,735	158,405	278,521	303,751
Total business-type activities	<u>699,927</u>	<u>872,089</u>	<u>4,798,421</u>	<u>2,088,024</u>	<u>674,635</u>	<u>728,576</u>	<u>166,735</u>	<u>158,405</u>	<u>278,521</u>	<u>303,751</u>
Total Primary Government	<u>37,256,566</u>	<u>35,640,897</u>	<u>37,740,685</u>	<u>38,099,918</u>	<u>38,077,865</u>	<u>39,243,817</u>	<u>36,265,477</u>	<u>37,957,448</u>	<u>39,553,731</u>	<u>37,740,685</u>
Component Unit Activities:										
Investment Earnings	-	-	-	-	-	2,158	1,590	666	514	320
Transfers	-	-	-	375,000	-	340,000	350,637	442,050	391,387	313,733
Total component unit activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>	<u>-</u>	<u>342,158</u>	<u>352,227</u>	<u>442,716</u>	<u>391,901</u>	<u>314,053</u>
Cumulative Effect of Change in Accounting Principle										
Governmental activities	-	-	-	-	-	-	-	-	-	(35,788,506)
Business-type activities	-	-	-	-	-	-	-	-	-	(732,450)
Total Primary Government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,520,956)</u>
Change in Net Assets										
Governmental activities	9,691,593	8,100,720	3,616,347	(1,282,473)	2,975,926	6,677,639	1,245,452	1,337,813	4,534,788	(32,992,030)
Business-type activities	(350,890)	298,106	4,760,736	2,446,967	201,538	132,907	317,527	(481,401)	(1,108,101)	(1,742,509)
Total Primary Government	<u>9,340,703</u>	<u>8,398,826</u>	<u>8,377,083</u>	<u>1,164,494</u>	<u>3,177,464</u>	<u>6,810,546</u>	<u>1,562,979</u>	<u>856,412</u>	<u>3,426,687</u>	<u>(34,734,539)</u>
Component unit activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,082)</u>	<u>36,002</u>	<u>(53,367)</u>	<u>(31,516)</u>	<u>(119,371)</u>	<u>(69,225)</u>	<u>(19,959)</u>
Total Reporting Unit	<u>\$ 9,340,703</u>	<u>\$ 8,398,826</u>	<u>\$ 8,377,083</u>	<u>\$ 1,153,412</u>	<u>\$ 3,213,466</u>	<u>\$ 6,757,179</u>	<u>\$ 1,531,463</u>	<u>\$ 737,041</u>	<u>\$ 3,357,462</u>	<u>\$ (34,754,498)</u>

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUED BASIS OF ACCOUNTING)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,784,717	\$ 1,597,235	\$ 2,455,301	\$ 3,713,840	\$ 3,045,149					
Unreserved	16,862,916	21,527,579	23,882,694	20,870,743	23,176,899					
Total General Fund	<u>18,647,633</u>	<u>23,124,814</u>	<u>26,337,995</u>	<u>24,584,583</u>	<u>26,222,048</u>					
All Other Governmental Funds										
Reserved										
Debt service	843,318	535,141	541,633	541,633	314,693					
Other reserves	328,664	620,352	2,000,027	558,733	1,417,705					
Unreserved, reported in:										
Special revenue funds	12,118,506	12,938,696	11,793,525	10,705,047	9,184,588					
Debt service funds	-	-	-	(102,627)	-					
Capital project funds	1,214,214	671,084	887,462	444,405	441,815					
Total All Other Governmental Funds	<u>14,504,702</u>	<u>14,765,273</u>	<u>15,222,647</u>	<u>12,147,191</u>	<u>11,358,801</u>					
Total Governmental Fund Balance	<u>\$ 33,152,335</u>	<u>\$ 37,890,087</u>	<u>\$ 41,560,642</u>	<u>\$ 36,731,774</u>	<u>\$ 37,580,849</u>					
General Fund										
Nonspendable						\$ 1,706,049	\$ 1,954,935	\$ 1,586,053	\$ 1,597,119	\$ 1,579,659
Committed						1,594,752	2,846,104	3,199,414	-	-
Assigned						3,814,159	3,734,180	4,639,991	6,591,559	7,790,805
Unassigned						20,039,896	20,406,845	19,209,791	20,915,924	22,515,434
Total General Fund						<u>27,154,856</u>	<u>28,942,064</u>	<u>28,635,249</u>	<u>29,104,602</u>	<u>31,885,898</u>
All Other Governmental Funds										
Nonspendable						1,240	349	1,703	649,129	9,835
Restricted						11,791,094	11,562,227	7,833,127	15,397,427	15,634,043
Committed						426,766	207,703	3,604,377	892,235	285,654
Assigned						71,813	91,243	-	-	-
Unassigned						(235,865)	(122,200)	(126,849)	(498,409)	(427,378)
Total All Other Governmental Funds						<u>12,055,048</u>	<u>11,739,322</u>	<u>11,312,358</u>	<u>16,440,382</u>	<u>15,502,154</u>
Total Governmental Fund Balance						<u>\$ 39,209,904</u>	<u>\$ 40,681,386</u>	<u>\$ 39,947,607</u>	<u>\$ 45,544,984</u>	<u>\$ 47,388,052</u>

Source: Annual Financial Statements

The information, beginning with FY 2011, is presented differently due to the implementation of GASB 54.

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 27,909,119	\$ 27,883,001	\$ 29,593,673	\$ 29,907,909	\$ 31,463,280	\$ 31,809,502	\$ 31,964,892	\$ 32,335,013	\$ 33,791,817	\$ 34,292,274
Fees, licenses and permits	4,894,813	5,108,915	5,461,999	5,307,166	5,429,003	5,706,190	5,789,261	6,098,332	6,183,688	6,650,297
Intergovernmental	9,335,262	11,210,389	11,045,142	10,109,495	9,050,636	8,462,632	6,758,120	7,602,068	8,702,952	8,737,519
Charges for services	5,722,544	6,398,628	6,251,805	5,886,863	6,324,966	6,454,395	6,461,207	6,269,400	6,002,528	6,268,814
Fines and forfeitures	938,369	942,141	975,288	832,055	899,557	789,030	815,979	757,288	2,293,571	695,656
Investment income	1,024,978	1,520,297	1,176,242	451,499	179,095	173,499	174,974	178,351	203,026	263,906
Rental income	-	-	-	22,103	20,052	27,210	20,930	66,518	24,204	20,933
Contributions	115,668	74,446	148,642	21,720	15,136	290,243	48,630	12,891	81,197	47,705
Miscellaneous	705,252	159,906	190,062	1,522,903	114,601	1,545,885	429,327	410,081	334,719	391,693
Total Revenues	50,646,005	53,297,723	54,842,853	54,061,713	53,496,326	55,258,586	52,463,320	53,729,942	57,617,702	57,368,797
Expenditures										
General government	8,932,315	9,155,233	9,861,628	10,307,518	10,099,195	9,633,375	9,733,134	9,996,701	10,425,459	10,872,211
Public safety	17,207,330	16,249,967	17,453,255	19,122,790	19,700,901	19,265,676	19,010,099	20,487,005	21,169,840	20,880,137
Public works	10,324,117	8,939,715	9,914,630	11,877,268	9,375,375	8,100,479	9,140,139	10,052,522	9,207,995	8,172,262
Health and welfare	661,020	690,162	778,940	823,673	758,168	744,985	809,118	824,990	832,512	817,536
Culture and recreation	3,483,387	3,863,186	3,892,592	3,938,808	3,779,990	4,058,464	4,082,413	3,921,338	4,212,529	3,944,464
Economic development	1,050,117	548,535	570,531	397,421	397,622	2,173	365,817	586,003	986,244	366,248
Other	127,681	169,233	73,067	452,016	1,587,236	1,522,448	1,412,603	1,357,395	1,429,315	1,440,115
Intergovernmental	1,422,564	1,577,665	1,673,392	1,325,975	94,907	92,815	(306)	103,512	89,475	169,961
Capital outlay	959,939	3,930,308	4,120,698	7,085,512	3,672,026	7,116,474	2,872,562	3,932,728	3,143,834	6,034,166
Debt service										
Principal	2,810,309	1,767,801	1,767,006	2,135,545	2,018,689	2,132,390	2,324,544	2,418,939	2,679,193	2,711,850
Interest	982,353	845,923	790,629	902,872	896,901	832,393	724,331	624,183	565,407	513,028
Total Expenditures	47,961,132	47,737,728	50,896,368	58,369,398	52,381,010	53,501,672	50,474,454	54,305,316	54,741,803	55,921,978
Excess of Revenues Over (Under) Expenditures	2,684,873	5,559,995	3,946,485	(4,307,685)	1,115,316	1,756,914	1,988,866	(575,374)	2,875,899	1,446,819
Other Financing Sources (Uses)										
Proceeds from capital lease	572,725	-	360,000	490,510	408,394	-	-	-	-	-
Proceeds from bond issuance	-	-	3,874,344	1,800,000	-	950,000	-	-	3,000,000	700,000
Transfers in (out)	(699,927)	(872,089)	(4,798,421)	(2,463,024)	(674,635)	(1,077,861)	(166,735)	(158,405)	(278,521)	(303,751)
Transfers to Pickens Alliance	-	-	-	-	-	-	(350,649)	-	-	-
Total Other Financing Sources (Uses)	(127,202)	(872,089)	(564,077)	(172,514)	(266,241)	(127,861)	(517,384)	(158,405)	2,721,479	396,249
Net Change in Fund Balance	\$ 2,557,671	\$ 4,687,906	\$ 3,382,408	\$ (4,480,199)	\$ 849,075	\$ 1,629,053	\$ 1,471,482	\$ (733,779)	\$ 5,597,378	\$ 1,843,068
Debt Service as a percentage of noncapital expenditures	8.07%	5.97%	5.47%	5.92%	5.99%	6.39%	6.40%	6.04%	6.29%	6.46%

Source: Annual Financial Statements

PICKENS 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 (1)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2006	2005	\$ 269,309,178	\$ 116,884,194	\$ -	\$ 386,193,372	\$ 70.00	\$ 6,623,699,956	5.83%
2007	2006	282,718,664	113,649,991	-	396,368,655	69.10	6,870,455,103	5.77%
2008	2007	290,390,511	112,850,047	-	403,240,558	69.10	7,090,308,644	5.69%
2009	2008	310,458,774	110,238,582	-	420,697,356	69.10	7,423,479,505	5.67%
2010	2009	319,731,823	102,207,991	-	421,939,814	69.10	7,505,625,497	5.62%
2011	2010	341,121,845	100,901,520	-	442,023,365	65.60	7,956,831,166	5.56%
2012	2011	344,028,258	100,149,585	-	444,177,843	65.60	8,045,411,232	5.52%
2013	2012	346,468,573	105,416,061	-	451,884,634	65.60	8,178,289,922	5.53%
2014	2013	349,020,293	112,959,999	-	461,980,292	65.60	8,311,532,266	5.56%
2015	2014	342,164,203	116,892,926	-	459,057,129	68.20	8,238,393,674	5.57%

(1) Per \$1,000 of assessed value

Source: Pickens County Auditor's Office

PICKENS COUNTY, SOUTH CAROLINA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING RATES

LAST TEN FISCAL YEARS

(RATE PER \$1,000 OF ASSESSED VALUE)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
County Wide Tax Rates										
General County	60.9	60.0	60.0	60.0	60.0	57.1	57.1	57.1	57.1	59.3
Tri-County Technical	2.7	2.7	2.7	2.7	2.7	2.5	2.5	2.5	2.5	2.6
Library	6.4	6.4	6.4	6.4	6.4	6.0	6.0	6.0	6.0	6.3
Total Direct Rate	<u>70.0</u>	<u>69.1</u>	<u>69.1</u>	<u>69.1</u>	<u>69.1</u>	<u>65.6</u>	<u>65.6</u>	<u>65.6</u>	<u>65.6</u>	<u>68.2</u>
City Rates										
Easley	59.0	61.0	61.0	61.0	61.0	58.0	58.0	58.0	58.0	60.0
Liberty	77.5	77.5	77.5	77.5	77.5	74.0	80.0	80.0	80.0	79.7
Norris	77.2	77.2	77.2	77.2	77.2	72.2	72.2	72.2	72.2	73.8
Central	59.0	61.0	63.0	64.8	67.3	67.0	70.0	72.0	72.0	74.0
Clemson	76.9	77.9	79.5	81.0	81.0	78.6	83.4	83.4	83.4	82.2
Six Mile	36.0	36.0	36.0	36.0	36.0	35.8	35.8	31.8	31.8	33.5
Pickens	46.7	46.7	48.5	50.0	52.0	47.6	51.9	58.3	60.3	64.9
School District Rate	130.9	128.0	167.0	165.0	159.0	160.0	162.0	160.5	160.5	165.2
Special District Rates										
Keowee Vineyards	34.0	32.7	36.2	37.3	38.9	38.4	38.4	38.4	38.4	46.7
Keowee Springs	-	-	-	42.8	51.1	48.2	56.7	56.7	56.7	70.7
Pumpkintown	-	-	-	-	-	-	-	-	-	-
Shady Grove	19.0	14.5	12.9	12.0	11.5	11.3	11.6	11.6	11.6	14.3
County Sewer	0.5	0.5	1.5	1.5	1.5	1.9	1.9	1.9	1.9	2.0
Georges Creek	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6
Sedgewood	7.3	7.0	5.0	4.3	4.3	4.0	5.0	6.0	6.5	6.5
Saluda Lake	10.6	10.6	10.6	10.6	10.6	9.5	-	-	-	-

Note: Property was reassessed as of 1999-2000

Source: Pickens County Auditor's Office

PICKENS COUNTY, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS

CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

	2015			2006	
	Taxable Assessed Value	Percent of Total Taxable Assessed Value		Taxable Assessed Value	Percent of Total Taxable Assessed Value
Taxpayer	Value	Value	Taxpayer	Value	Value
Duke Energy Corporation	18,853,890	4.11%	Duke Energy Corporation	16,447,690	4.26%
Blue Ridge Electric Coop., Inc	6,179,510	1.35%	Blue Ridge Electric Coop., Inc	4,829,100	1.25%
Bellsouth Telecommunications	3,630,120	0.79%	Bellsouth Telecommunications	4,737,240	1.23%
Breckenridge Group Clemson SC	1,527,850	0.33%	Alice Manufacturing Company	2,359,229	0.61%
Reliable Automatic Sprinkler	1,488,020	0.32%	Keowee Investment Group LLC	1,809,444	0.47%
Chimney Ridge II LLC	1,405,160	0.31%	Keowee River Club LLC	1,690,610	0.44%
Shaw Industries Group Inc	1,399,872	0.30%	Milliken & Company Inc	1,492,912	0.39%
Keowee River Club LLC	1,294,595	0.28%	Sauer Danfoss NA Company	1,412,334	0.37%
Pacesetter Inc	1,260,184	0.27%	Shaw Industries Group Inc	1,315,660	0.34%
Urbana Cliffs RE LLC	1,197,499	0.26%	Champion Aerospace Inc	1,278,520	0.33%
Total	\$ 38,236,700	8.33%		\$ 37,372,739	9.68%

Source: Pickens County Auditor's Office

PICKENS COUNTY, SOUTH CAROLINA
COUNTY PROPERTY TAX LEVY AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Total Adjusted Levy (1)	Collected within the Fiscal Year of the Levy (2)		Receivable June 30, 2015	Estimated Tax Collections to Date (3)	
		Amount	Percentage of Adjusted Levy		Estimated Amount	Percentage of Adjusted Levy
2006	\$ 17,824,985	\$ 16,133,203	90.51%	\$ 57,805	\$ 17,767,180	99.68%
2007	17,398,589	15,977,443	91.83%	101,246	17,297,343	99.42%
2008	17,475,608	16,600,160	94.99%	107,962	17,367,646	99.38%
2009	18,379,527	17,426,581	94.82%	122,003	18,257,524	99.34%
2010	19,009,045	17,968,836	94.53%	156,787	18,852,258	99.18%
2011	18,945,172	18,015,888	95.09%	170,811	18,774,361	99.10%
2012	19,789,534	18,858,885	95.30%	198,076	19,591,458	99.00%
2013	19,270,020	18,528,689	96.15%	244,915	19,025,105	98.73%
2014	18,619,253	18,033,263	96.85%	224,929	18,394,324	98.79%
2015	19,304,671	18,672,716	96.73%	599,034	18,705,637	96.90%

Notes:

- (1) Includes the adjusted County operating and bond millage. The original tax levy information was unavailable.
- (2) Does not include current year taxes collected as delinquent in the year of the levy.
- (3) Collections in subsequent years by year of levy were unavailable. Amounts receivable at June 30, 2013, were used to estimate the total collections to date.

Source: Pickens County Treasurer's and Auditor's offices

PICKENS COUNTY, SOUTH CAROLINA
RATIOS 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	Per Capita
	General Obligation Bonds	Special Source Revenue Bonds	Capital Leases	Notes Payable	Sewer Revenue Bonds	Notes Payable			
2006	\$ 12,506,000	\$ -	\$ 2,314,240	\$ 7,059,933	\$ 5,265,412	\$ 120,833	\$ 27,266,418	0.90%	236
2007	11,529,000	-	1,840,176	6,743,196	5,198,573	70,833	25,381,778	0.79%	217
2008	14,353,470	-	1,812,503	6,413,737	5,128,488	20,833	27,729,031	0.83%	234
2009	15,405,526	-	1,258,102	6,071,047	5,055,001	-	27,789,676	0.85%	233
2010	14,121,644	-	1,291,643	5,714,593	4,977,946	-	26,105,826	0.79%	219
2011	13,599,219	-	1,002,447	5,343,822	4,897,151	-	24,842,639	0.73%	208
2012	11,891,027	-	780,652	4,949,266	6,829,510	-	24,450,455	0.70%	204
2013	10,112,744	-	550,518	4,538,744	6,712,349	-	21,914,355	0.61%	183
2014	10,977,125	-	430,555	4,115,130	6,586,311	-	22,109,121	0.61%	184
2015	9,526,866	-	306,119	3,677,978	6,455,007	-	19,965,970	0.54%	166

Note: See the "Demographic and Economic Statistics" table for personal income and population data.

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Debt Per Capita (2)
2006	\$ 12,506,000	\$ -	\$ 12,506,000	0.19%	108
2007	11,529,000	-	11,529,000	0.17%	99
2008	14,353,470	-	14,353,470	0.20%	121
2009	15,405,526	-	15,405,526	0.21%	129
2010	14,121,644	-	14,121,644	0.19%	118
2011	13,599,219	-	13,599,219	0.17%	114
2012	11,891,027	446,811	11,444,216	0.14%	96
2013	10,112,744	605,669	9,507,075	0.12%	79
2014	10,977,125	751,499	10,225,626	0.12%	85
2015	9,526,866	866,055	8,660,811	0.11%	72

Note:

(1) See the "Assessed Value and Estimated Actual Value of Taxable Property" table for property value data.

(2) See the "Demographic and Economic Statistics" table for population data.

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed valuation	\$ 459,057,129
Less: exemptions	-
Net assessed value	<u>\$ 459,057,129</u>
Debt limit - 8 percent of total assessed value	\$ 36,724,570
Amount of debt applicable to debt limit	<u>4,082,304</u>
Legal debt margin	<u>\$ 32,642,266</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 29,973,504	\$ 31,709,492	\$ 32,259,245	\$ 33,655,788	\$ 33,755,185	\$ 35,361,869	\$ 35,534,227	36,150,771	36,958,423	36,724,570
Total net debt applicable to limit	<u>15,393,073</u>	<u>14,368,521</u>	<u>13,287,022</u>	<u>12,163,299</u>	<u>10,977,065</u>	<u>9,738,018</u>	<u>8,410,849</u>	<u>7,025,234</u>	<u>5,570,834</u>	<u>4,082,304</u>
Legal debt margin	<u>\$ 14,580,431</u>	<u>\$ 17,340,971</u>	<u>\$ 18,972,223</u>	<u>\$ 21,492,489</u>	<u>\$ 22,778,120</u>	<u>\$ 25,623,851</u>	<u>\$ 27,123,378</u>	<u>29,125,537</u>	<u>31,387,589</u>	<u>32,642,266</u>
Total net debt applicable to the limit as a percentage of debt limit	51.36%	45.31%	41.19%	36.14%	32.52%	27.54%	23.67%	19.43%	15.07%	11.12%

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.

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Series 1999A and 1999B Revenue Bonds (1)

Funding Source: Fee in lieu of taxes

Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2006	n/a	n/a	n/a	n/a
2007	n/a	n/a	n/a	n/a
2008	n/a	n/a	n/a	n/a
2009	n/a	n/a	n/a	n/a
2010	n/a	n/a	n/a	n/a
2011	n/a	n/a	n/a	n/a
2012	n/a	n/a	n/a	n/a
2013	n/a	n/a	n/a	n/a
2014	n/a	n/a	n/a	n/a
2015	n/a	n/a	n/a	n/a

Sewer System Revenue Bonds (2)

Funding Source: Capital charges and transfers

Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2006	\$ 315,504	\$ 63,745	\$ 251,759	1.00
2007	315,504	66,840	248,664	1.00
2008	315,504	70,085	245,419	1.00
2009	315,504	73,487	242,017	1.00
2010	315,504	77,055	238,449	1.00
2011	315,504	80,796	234,708	1.00
2012	315,504	84,718	230,786	1.00
2013	392,808	120,762	272,046	1.00
2014	392,808	126,037	266,771	1.00
2015	392,808	131,307	261,501	1.00

Note:

(1) Revenue bonds issued June 1, 1999. Both Series were payable from the same revenue source. Bonds were redeemed in fiscal year 2006 using General Fund reserves.

(2) Revenue bonds issued September 29, 1999. Funding for debt service is allocated between the County and the cities of Liberty and Central based on their reserved capacity in the related wastewater treatment facilities.

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2006	115,570	\$ 3,020,213,000	\$ 26,133	6.7%
2007	116,815	3,202,332,000	27,414	5.8%
2008	118,330	3,339,917,000	28,225	5.3%
2009	119,183	3,253,736,000	27,300	8.6%
2010	119,210	3,289,421,000	27,593	10.6%
2011	119,448	3,405,264,000	28,508	9.3%
2012	119,745	3,517,217,000	29,373	8.7%
2013	119,829	3,581,362,000	29,887	7.4%
2014	119,959	3,653,485,080	30,456	5.6%
2015	120,089	3,727,060,607	31,036	6.0%

Notes:

(1) Personal Income and Per Capita Personal Income for 2014 and 2015 were estimated based on the average yearly change over the previous five years.

Last updated: November 20, 2014

Source: Population, personal income and per capita personal income - U.S. Bureau of Economic Analysis, Unemployment Rate - South Carolina Employment Security Commission

**PICKENS COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS**

CURRENT YEAR AND NINE YEARS AGO

Company or Organization	June 30, 2015	
	Number of Employees	Percent of Total County Employment
Clemson University	3,529	6.60%
School District of Pickens County	1,893	3.54%
Aramark Services	800	1.50%
Palmetto Baptist Medical Center	656	1.23%
YH America, South Carolina, LLC	619	1.16%
Pickens County	592	1.11%
Milliken & Co - Pendleton Finishing Plant	400	0.75%
St. Jude Medical, Inc.	400	0.75%
Reliable Automatic Sprinkler Company, Inc.	390	0.73%
Comatrol (formerly Sauer-Danfoss)	335	0.63%
	9,614	17.99%

Company or Organization	June 30, 2006	
	Number of Employees	Percent of Total County Employment
Clemson University	7,997	15.95%
State of South Carolina	3,534	7.05%
School District of Pickens County	2,000	3.99%
Palmetto Baptist Medical Center	750	1.50%
Confluence Watersports	650	1.30%
Reliable Automatic Sprinkler Company, Inc., The	700	1.40%
Pickens County	585	1.17%
Alice Manufacturing Company	554	1.11%
Mark IV Automotive - Dayco Products, Inc.	539	1.08%
Bi-Lo	453	0.90%
	17,762	35.43%

Source: Appalachian Council of Governments and InfoMentum.

PICKENS COUNTY, SOUTH CAROLINA
AUTHORIZED COUNTY EMPLOYEE POSITIONS BY FUNCTION

LAST TEN FISCAL YEARS

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	147	147	148	150	146	135	135	132	133	143
Public safety	262	268	267	275	278	284	291	297	300	326
Public works	105	105	104	102	97	96	96	94	91	92
Health and welfare	9	9	9	10	11	11	12	12	12	12
Culture and recreation	70	70	70	69	70	70	71	72	73	72
Transportation	4	4	4	4	3	3	3	3	3	3
Economic Development	3	3	0	0	0	2	3	3	3	3
Intergovernmental	1	1	1	1	1	1	1	1	1	1
Total authorized positions	601	607	603	611	606	602	612	614	616	652

Source: County's Adopted Budget

PICKENS COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM

FISCAL YEARS 2005-2014

Function/Program	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
General government										
Probate Court estate cases	739	716	785	737	716	770	845	851	895	944
Marriage license applications	769	796	718	762	739	807	798	781	746	832
Register of Deeds documents filed	29,363	27,188	19,605	21,543	20,292	19,061	20,280	21,481	19,907	19,220
Clerk of Court civil cases filed	1,989	1,921	2,233	3,092	3,652	2,735	2,835	1,656	1,562	2,772
Clerk of Court warrants received	4,194	3,384	3,615	3,009	3,545	3,244	3,367	3,808	3,986	3,651
Vehicle bills and renewals processed	115,319	109,141	111,797	117,633	115,593	115,636	116,570	117,159	118,097	119,208
Magistrate case filings	19,040	16,791	20,685	17,384	18,162	17,951	16,419	14,896	15,372	11,656
Public Safety										
Sheriff 911 calls received	37,014	35,295	38,167	39,364	44,835	45,756	47,779	49,271	47,354	46,161
Coroner's Office investigations	196	200	n/a	426	568	566	653	756	796	798
Prison inmates received	597	621	742	678	709	643	588	608	473	727
EMS ambulance calls	12,608	14,498	15,158	14,810	14,494	14,289	14,704	15,012	14,979	14,553
Victim Rights services and assistance	7,208	7,792	8,026	8,191	6,965	7,288	6,600	7,674	6,822	6,891
Building Code commercial permits						110	100	70	100	57
Building Code residential permits						580	723	597	639	742
Public Works										
Solid Waste transfer station tonnage	41,464	44,356	42,042	40,785	39,974	36,784	36,409	36,482	36,545	39,943
Recyclables tonnage	9,030	3,558	7,742	6,618	5,078	6,365	6,407	4,842	4,670	7,761
Roads paved	36	65	n/a	113	89	55	64	58	111	34
Signs installed/repared	457	1,649	n/a	114	270	728	494	1,400	928	874
Health and Welfare										
Animal Control calls received	9,985	9,713	9,808	10,292	11,143	11,666	13,834	14,183	13,243	13,660
Veteran's Affairs claims/actions	23,073	21,517	24,662	24,706	24,792	25,675	25,963	21,884	20,112	22,300
Culture and Recreation										
County Park										
Park camping and day use passes	6,713	5,787	7,360	7,993	7,229	6,929	7,403	6,619	6,901	6,799
Museum & Mill visitors (1)	19,277	32,527	33,789	34,171	33,665	32,226	33,885	33,487	24,119	22,256
Library visitors	426,075	426,829	480,822	546,557	575,410	543,194	542,872	544,840	489,578	468,073
Public Service Commission										
Wastewater Treated /Gallons	280,842,244	333,899,990	298,610,000	307,653,081	323,979,349	300,900,343	250,146,013	309,780,415	368,137,345	299,559,531

Notes:

(1) Mill was closed December 2013 - April 2014.

Source: County's Adopted Budget and County departments

PICKENS COUNTY, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Sheriff Patrol units	101	101	101	102	102	102	100	101	105	101
EMS Stations	7	7	7	8	8	8	8	8	8	8
Public Works										
Solid Waste convenience centers	8	8	8	8	8	8	8	8	8	8
Roads (miles)	181.2	182.0	183.6	184.8	185.3	657.0	662.3	669.4	669.4	670.8
Bridges	68	68	73	74	74	74	74	74	74	74
Public Service Commission										
Sanitary sewers (miles)	26.75	28.29	28.61	28.81	28.81	35.97	36.2	36.2	36.2	36.4
Culture and Recreation										
Number of county parks	2	2	2	2	2	2	2	2	2	2

Source: County's Adopted Budget and County departments

SINGLE AUDIT SECTION

**Report of Independent Auditor on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Pickens County Council
Pickens County, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the Economic Development Alliance of Pickens County (the "Alliance"), a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina (the "County"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 18, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Cherry Behaert LLP

Greenville, South Carolina
November 18, 2015

**Report of Independent Auditor on Compliance
for Each Major Program and on Internal Control
over Compliance Required by OMB Circular A-133**

Pickens County Council
Pickens County, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Pickens County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Behaert LHP". The signature is written in a cursive style with a large initial 'C' and 'B'.

Greenville, South Carolina
November 18, 2015

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses yes no

Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses yes no

Noncompliance material to federal awards yes no

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 yes no

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.563	Child Support Enforcement – Dept. of Health and Human Services

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

Section I. Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between
Type A and Type B Programs

\$ 300,000

Auditee qualified as low-risk auditee?

X yes no

Section II. Financial Statement Findings

There were no audit findings.

Section III. Federal Award Questioned Costs & Findings

There were no audit findings.

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

Section IV. Resolution of Prior Year Findings

There were no prior year audit findings

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor / Program Title	Federal CFDA Number	Grant / Award Number	Federal Expenditures
<u>US Department of Agriculture</u>			
Passed through SC Forestry Commission			
Volunteer Fire Asst (VFA) FY 2014 - Shady Grove (G*321)	10.760		\$ 5,000
			<u>5,000</u>
<u>US Department of Justice</u>			
FY2011 Justice Assistance Grant (G*254)	16.738	2011-DJ-BX-2795	13,593
Passed through SC Department of Public Safety			
VAWA Domestic Investigator/Advocate Year 13 (G*312)	16.588	1K13057	5,772
VAWA Domestic Investigator/Advocate Year 13 (G*314)	16.588	1K14013	37,533
Live Scan (G*313)	16.738	1G13033	32,130
Courthouse Security Equipment (G*323)	16.738	1G14016	36,955
			<u>125,983</u>
<u>US Department of Health and Human Services</u>			
Passed through SC Dept. of Social Services (G*013)**			
Dept. of Social Services Title IV-D Service of Process	93.563		15,956
Dept. of Social Services Title IV-D Unit Cost	93.563		149,920
Dept. of Social Services Title IV-D Incentives	93.563		37,217
			<u>203,093</u>
<u>US Department of Homeland Security</u>			
Passed through SC Office of Adjutant General, Emergency Preparedness Division			
Emergency Management Performance Grant(s)			
FY2014 LEMPG (G*283)	97.042	14EMPG01	67,602
FY2013 LEMPG (Supplemental) (G*316)	97.042	13EMPG01	26,040
Passed through SC Law Enforcement Division			
Communications Interoperability-UHF & VHF Radio Coverage (G*309)	97.067	13SHSP55	73,094
			<u>166,736</u>
<u>US Department of Transportation</u>			
Federal Aviation Administration			
Crossfield Terminal Development (G*325)	20.106	3-45-0047-021-2015	31,300
South Carolina Emergency Management Division			
HMEP Planning Grant (G*299)	20.703	HM-HMP-0334-13-01-00	408
HMEP Planning Grant (G*315)	20.703	HM-HMP-0406-14-01-00	21,551
			<u>53,259</u>
<u>Environmental Protection Agency (Office of Water)</u>			
Passed through SC Dept. of Health & Environmental Control			
Pickens County Septage Receiving Center (G*322)	66.458	SRF Project #592-19	38,345
<u>Institute of Museum & Library Services</u>			
Library Services & Technology Act (LSTA) Grant			
Passed through South Carolina State Library			
LSTA Project IIIA Tuition Assistance FY13 (G*311)	45.310	IIIA-13-21	756
LSTA Summer Reading Program (G*324)	45.310	IID-14-126	1,000
			<u>1,756</u>
			<u>\$ 594,172</u>

** Indicates major program

PICKENS COUNTY, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pickens County, South Carolina and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

COMPLIANCE SECTION

PICKENS COUNTY, SOUTH CAROLINA
VICTIMS SERVICES - SUPPLEMENTARY SCHEDULE OF ASSESSMENTS

JUNE 30, 2015

Clerk of Court Collections

Fines and fees	\$ 343,948
Assessments	59,894
Surcharges	<u>70,377</u>
Total Clerk of Court Collections	<u>474,219</u>

Magistrate Court Collections

Fines and fees	397,564
Assessments	312,589
Surcharges	<u>138,949</u>
Total Collections for Magistrate Court	<u>849,101</u>
Total Collections for Clerk of Court and Magistrate Court	<u><u>\$ 1,323,320</u></u>

Clerk of Court Retainage

Fines and fees	143,126
Assessments	18,349
Surcharges	<u>40,710</u>
Total Clerk of Court Retainage	<u>202,185</u>

Magistrate Court Retainage

Fines and fees	364,506
Assessments	29,241
Surcharges	<u>22,122</u>
Total Magistrate Court Retainage	<u>415,869</u>
Total Retainage for Clerk of Court and Magistrate Court	<u><u>\$ 618,054</u></u>

Amount Remitted to State Treasurer

Fines and Assessments	<u><u>\$ 705,266</u></u>
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Amount of Funds Allocated to Victim Services by Fund Source

From Assessments and Surcharges	<u>\$ 110,422</u>
	<u><u>\$ 110,422</u></u>

Funds Carried Forward to Fiscal Year 2015 Designated as Victim Services Funds	<u><u>\$ 59,684</u></u>
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