

PICKENS COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2016

And Reports of Independent Auditor

Prepared by:

Ralph Guarino, Finance Director

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
<u>Part I – Introductory Section</u>		
Letter of Transmittal		1-5
Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting		6
Pickens County Organization Chart		7
Principal Officials		8
<u>Part II – Financial Section</u>		
Report of Independent Auditor		9-10
Management’s Discussion and Analysis (Required Supplementary Information)		11-19
Basic Financial Statements		
Government – wide Financial Statements:		
Statement of Net Position	A	20
Statement of Activities	B	21
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C-1	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	D-1	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	D-3	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Fire Districts	D-4	27

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Table of Contents – Continued

	<u>Exhibit</u>	<u>Page</u>
Statement of Net Position – Proprietary Funds	E	28
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	F	29
Statement of Cash Flows – Proprietary Funds	G	30
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	H	31
Notes to Financial Statements		32-61
Required Supplementary Information		
Schedule of Funding Progress – Other Postemployment Benefits	I	62
Schedule of the Proportionate Share of the Net Pension Liability	J	63
Schedule of Pension Contributions	K	64
	<u>Schedule</u>	<u>Page</u>
Other Supplementary Information:		
Budgetary Comparison Schedule – General Fund	1	65-67
Combining Balance Sheet – Major Fund – Fire Districts	2	68-69
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Major Fund – Fire Districts	3	70-71
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Easley Fire District Fund	4	72
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Liberty Fire District Fund	5	73
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Pumpkintown Fire District Fund	6	74
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Crosswell Fire District Fund	7	75
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Six Mile Fire District Fund	8	76
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Pickens Fire District Fund	9	77

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Table of Contents – Continued

	<u>Schedule</u>	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Dacusville Fire District Fund	10	78
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Holly Springs Fire District Fund	11	79
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Central Fire District Fund	12	80
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Shady Grove Fire District Fund	13	81
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Rocky Bottom Fire District Fund	14	82
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Vineyards Fire District Fund	15	83
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Springs Fire District Fund	16	84
Combining Schedules – Nonmajor Governmental Funds		85
Combining Balance Sheet – Nonmajor Governmental Funds	17	86
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	18	87
Combining Balance Sheet – Nonmajor Special Revenue Funds	19	88-89
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	20	90-91
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tri-County Tech Fund	21	92
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Fixed Nuclear Fund	22	93
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Library Fund	23	94

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Table of Contents – Continued

	<u>Schedule</u>	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Victim Rights Fund	24	95
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Grants Fund	25	96
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tourism Restricted Resources Fund	26	97
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Accommodation Tax Fund	27	98
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Road Fee Fund	28	99
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tourism Development Fee Fund	29	100
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Emergency Phone System Fund	30	101
Combining Schedules – Debt Service Fund		102
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	31	103
Combining Schedules – Agency Funds		104
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	32	105-106
Capital Assets Used in the Operation of Governmental Funds:		
Schedule of Capital Assets by Function	33	107
Schedule of Changes in Capital Assets by Function	34	108

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part III – Statistical Section

Statistical Section Narrative	110
Net Position by Component (Accrual Basis of Accounting)	111
Changes in Net Position (Accrual Basis of Accounting)	112-114
Fund Balances – Governmental Funds (Modified Accrual Basis of Accounting)	115
Changes in Fund Balances – Governmental Funds (Modified Accrual Basis of Accounting)	116
Assessed Value and Estimated Actual Value of Taxable Property	117
Property Tax Rates – Direct and Overlapping Rates	118
Principal Property Taxpayers	119
County Property Tax Levy and Collections	120
Ratios of Outstanding Debt by Type	121
Ratios of General Bonded Debt Outstanding	122
Computation of Legal Debt Margin	123
Pledged Revenue Coverage	124
Demographic and Economic Statistics	125
Principal Employers	126
Authorized County Employee Positions by Function	127
Operating Indicators by Function/Program	128
Capital Asset Statistics by Function/Program	129

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part IV – Compliance 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 <i>Government Auditing Standards</i>	130-131
Supplementary Information Required by State of South Carolina: Schedule of Assessments for Victim Services	132

INTRODUCTORY SECTION

COUNTY OF PICKENS

www.co.pickens.sc.us



COUNTY ADMINISTRATOR
Gerald Wilson
CLERK TO COUNCIL
Crystal A. Alexander

COUNCIL MEMBERS

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

November 21, 2016

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

The Comprehensive Annual Financial Report (Report) for the County of Pickens, South Carolina, for the fiscal year ended June 30, 2016, 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, 2016. 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 unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The Report of Independent Auditor 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 auditors.

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

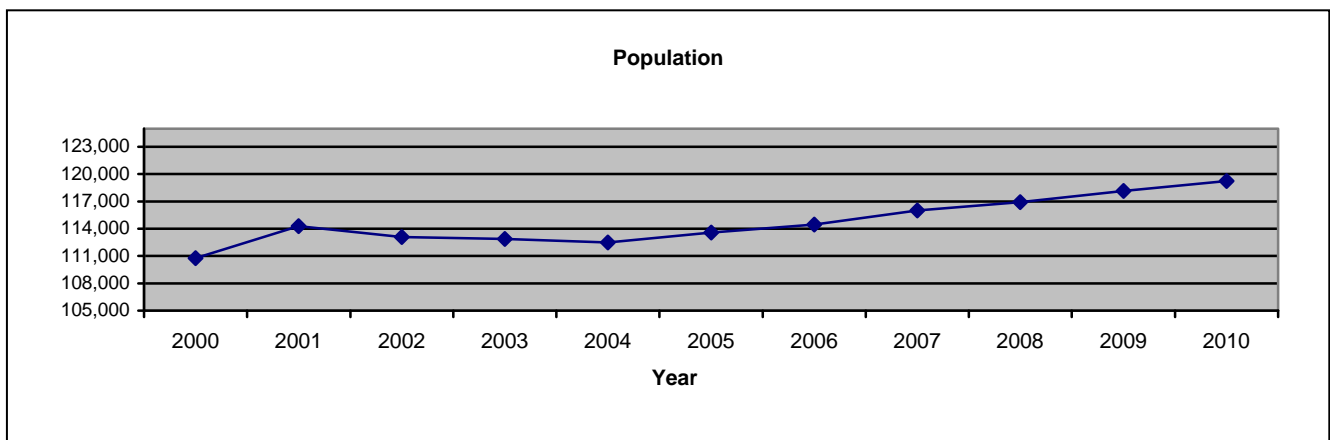
Local Economy

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.

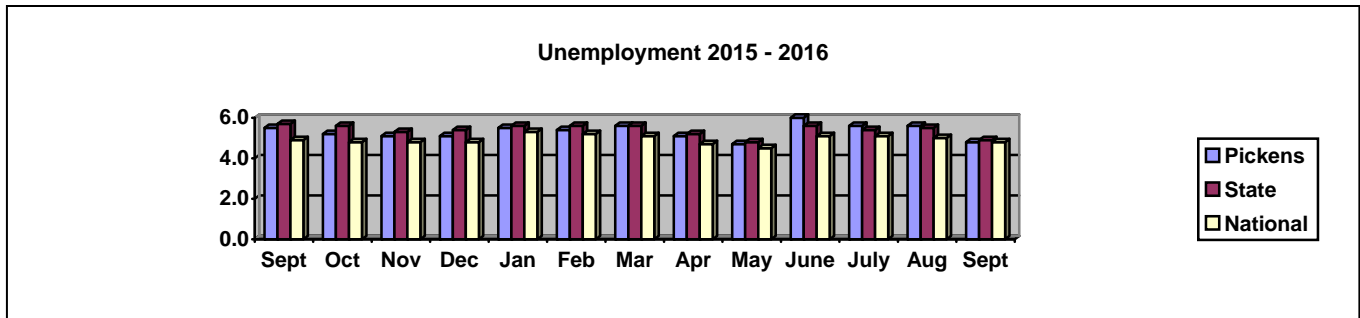
The County population grew 7.6% between the 2000 and 2010 censuses with average annual growth of .76% for the period. This has resulted in Pickens County lagging behind in the South Carolina Upstate region, which experienced an 11.2% population growth between censuses. The State of South Carolina experienced 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 5.6% to 4.8%. This is below the State of South Carolina unemployment rate of 4.9% and equal to the rate for the United States for September 2016.



Long-Term Financial Planning

The County entered fiscal year 2016 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, 2016, in the General Fund was \$34,445,468 and \$23,924,817 respectively. This represents 90% and 63% of expenditures, respectively.

As part of the fiscal year 2016 budget, Pickens County approved funding for the jail expansion at the Law Enforcement Center. The project generally consists of a new Jail Expansion totaling approximately 80,000 square feet. Construction includes concrete masonry and brick veneer construction with steel framing, interior CMU and CFSS partitions, TPO roofing, architectural casework, food service equipment, detention equipment, security electronics, and finishes typically associated with a new Jail Expansion. The project includes a kitchen, laundry, vehicle sally port, intake/booking and steel cells. Site work includes, but is not limited to, the following: stormwater management, sidewalks, parking lots, grading, and security fencing/gates. Construction is anticipated to begin by January-February 2017 with substantial completion is anticipated to be no later than September 2018.

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

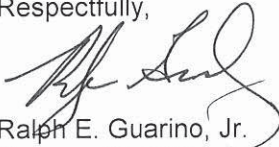
Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Retirement System (PORS), both of which are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. 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,



Ralph E. Guarino, Jr.
Finance Director



Government Finance Officers Association

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

Presented to

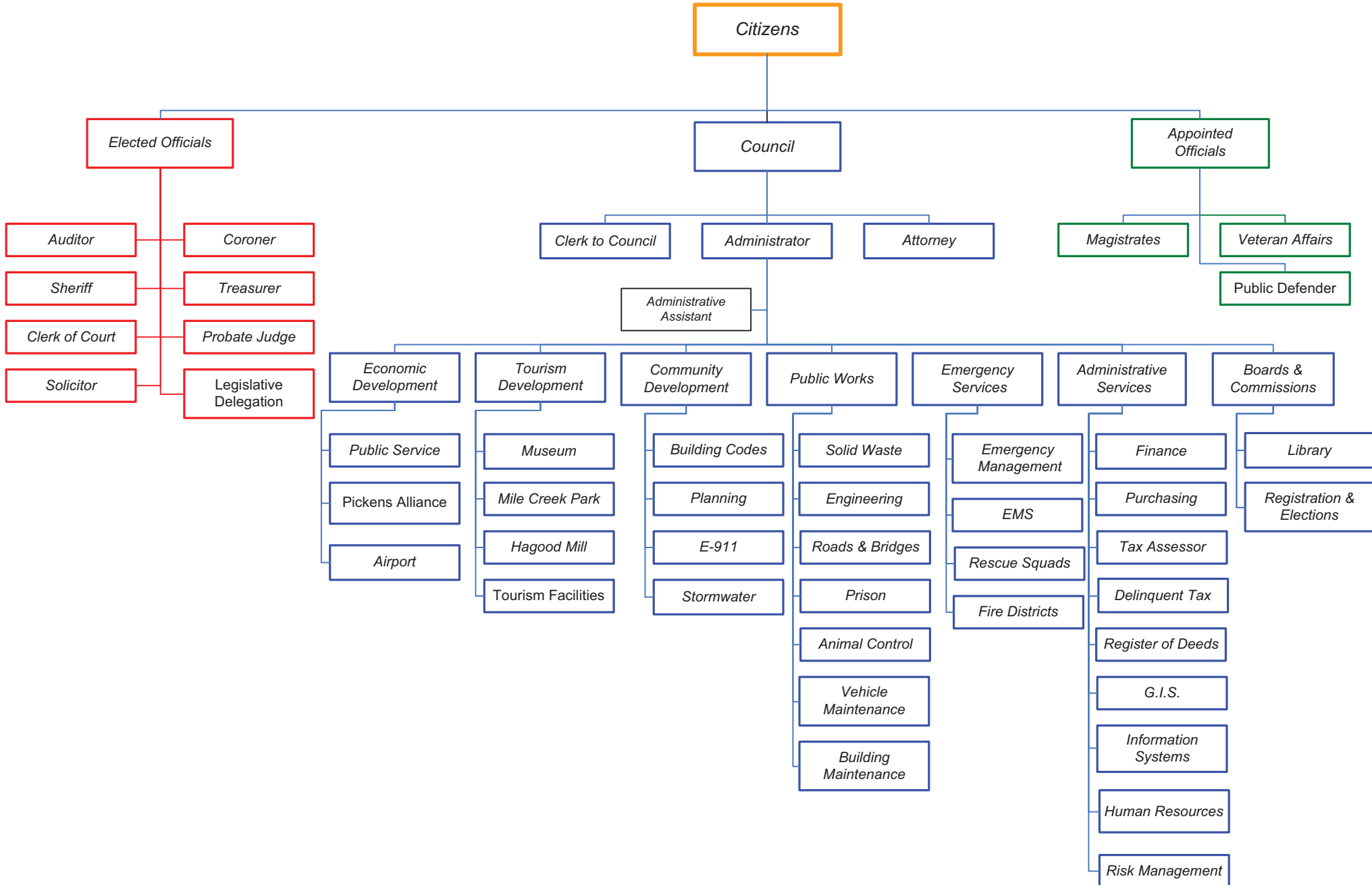
**Pickens County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Pickens County



PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2016

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

Tom Hendricks., Interim County Administrator
Ralph E. Guarino Jr., Finance Director
Crystal Alexander, 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, 2016, 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, 2016, 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.

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 11 through 19 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 section, combining and individual nonmajor fund financial statements, statistical section, and compliance section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules 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 21, 2016 on our consideration of the County's internal control over financial reporting and on compliance 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.



Greenville, South Carolina
November 21, 2016

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, 2016. 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

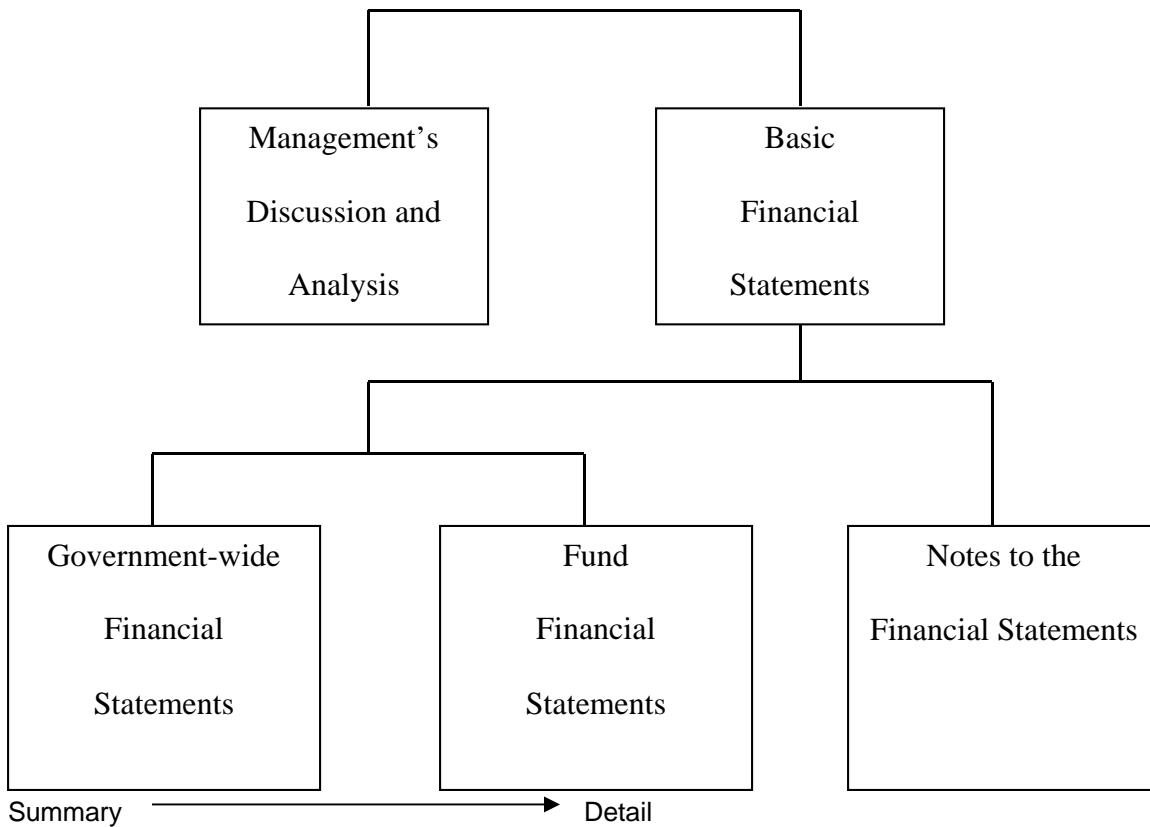
- The assets of Pickens County exceeded its liabilities at the close of the fiscal year by \$85,779,889. Of this amount \$11,713,835 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$5,294,311; several items contributed to this increase in net position. One of the factors was an unexpected increase in the sales tax revenue for the General Fund. The County had projected revenue at \$7,750,000 during the budget process but revenues for sales tax came in at \$8,789,263, a difference of \$1,039,263. Another factor relates to the Road Maintenance fee the County charges on each vehicle tax bill. The County collects approximately \$2,000,000 per year on the \$20 fee for road repairs and maintenance. Due to a delay in bidding out the roads repair in fiscal year 2016, the County had on hand at the end of the year approximately \$1,200,000, which will be spent in fiscal year 2017.
- The County's unassigned General Fund balance increased by \$1,409,383 during the 2016 fiscal year due to vacant positions throughout the fiscal year and, as mentioned above, local sales tax ending up higher than expected.
- The County had \$58,532,411 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$22,375,323 of these expenses. General revenues (primarily taxes and unrestricted grants) of \$42,487,769 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 \$51,538,344, an increase of \$4,150,292 in comparison with the prior year. Approximately 62.9% of this total amount, or \$32,414,058, 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 \$23,924,817 or 62.6% of total General Fund expenditures for the fiscal year.
- During the 2016 fiscal year, the County's governmental fund type revenues were \$64,938,133 compared to \$57,368,797 in the prior year.
- The total long-term liabilities of the governmental-type activities increased by \$1,917,426. This is due to normal inflationary cost associated with health insurance for retired County employees who stay on the County health until they reach Medicare age.

Overview of the Financial Statements

This discussion and analysis is 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 **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 outflows of resources) and total liabilities (including deferred inflows of resources). Measuring net position is one way to assess the County's financial condition.

Government-wide Financial Statements – continued

The government-wide statements are divided into three categories: 1) governmental activities, 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.

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.

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.

Fund Financial Statements – continued

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.

Government-wide Financial Analysis

Pickens County’s Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	Total
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 62,176,022	\$ 57,504,404	\$ 2,269,594	\$ 2,369,004	\$ 64,445,616	\$ 59,873,408
Land held for resale	1,104,628	1,192,836	-	-	1,104,628	1,192,836
Capital assets	58,947,828	58,934,576	32,175,692	33,271,229	91,123,520	92,205,805
Total assets	<u>122,228,478</u>	<u>117,631,816</u>	<u>34,445,286</u>	<u>35,640,233</u>	<u>156,673,764</u>	<u>152,079,213</u>
Deferred outflow of resources	3,459,258	3,315,772	64,324	71,619	3,523,582	3,387,391
Long-term liabilities outstanding	56,764,407	54,846,981	6,957,480	7,049,467	63,721,887	61,896,448
Other liabilities	8,960,218	10,046,737	418,787	410,216	9,379,005	10,456,953
Total liabilities	<u>65,724,625</u>	<u>64,893,718</u>	<u>7,376,267</u>	<u>7,459,683</u>	<u>73,100,892</u>	<u>72,353,401</u>
Deferred inflow of resources	1,275,720	3,697,160	40,845	123,301	1,316,565	3,820,461
Net position:						
Net investment in capital assets	48,208,673	45,459,121	25,857,381	26,816,226	74,066,054	72,275,347
Restricted	17,573,313	15,634,038	817,308	809,568	18,390,621	16,443,606
Unrestricted	(7,094,595)	(8,736,449)	417,809	503,074	(6,676,786)	(8,233,375)
Total net position	<u>\$ 58,687,391</u>	<u>\$ 52,356,710</u>	<u>\$ 27,092,498</u>	<u>\$ 28,128,868</u>	<u>\$ 85,779,889</u>	<u>\$ 80,485,578</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 \$85,779,889 as of June 30, 2016. The County’s net position increased by \$5,294,311 for the fiscal year ended June 30, 2016. 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 \$74,066,054 (86.3% 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 \$18,390,621 (21.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$6,676,786) is unrestricted.

Government-wide Financial Analysis – continued

Pickens County's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 12,059,768	\$ 10,874,465	\$ 1,859,653	\$ 1,768,776	\$ 13,919,421	\$ 12,643,241
Operating grants and contributions	10,315,555	5,984,172	-	-	10,315,555	5,984,172
Capital grants and contributions	-	125,000	586,072	437,925	586,072	562,925
General revenues:						
Property taxes	27,744,660	27,025,106	-	-	27,744,660	27,025,106
Other taxes	9,253,769	8,223,601	-	-	9,253,769	8,223,601
Grants and contributions not restricted to specific programs	4,940,083	4,841,567	-	-	4,940,083	4,841,567
Other	854,250	(2,349,589)	-	-	854,250	(2,349,589)
Total revenues	<u>65,168,085</u>	<u>54,724,322</u>	<u>2,445,725</u>	<u>2,206,701</u>	<u>67,613,810</u>	<u>56,931,023</u>
Expenses:						
General government	12,604,182	12,254,981	-	-	12,604,182	12,254,981
Public safety	25,758,032	22,559,150	-	-	25,758,032	22,559,150
Public works	12,714,042	9,259,568	-	-	12,714,042	9,259,568
Health and welfare	933,146	860,695	-	-	933,146	860,695
Culture and recreation	4,689,443	4,283,221	-	-	4,689,443	4,283,221
Economic development	547,444	474,033	-	-	547,444	474,033
Assistance to other agencies	883,737	1,428,094	-	-	883,737	1,428,094
Unallocated interest expense and fees	402,385	504,353	-	-	402,385	504,353
Public service commission	-	-	3,050,970	2,683,046	3,050,970	2,683,046
Airport	-	-	736,118	837,465	736,118	837,465
Total expenses	<u>58,532,411</u>	<u>51,624,095</u>	<u>3,787,088</u>	<u>3,520,511</u>	<u>62,319,499</u>	<u>55,144,606</u>
Increase (decrease) in net position before transfers	6,635,674	3,100,227	(1,341,363)	(1,313,810)	5,294,311	1,786,417
Transfers	(304,993)	(303,751)	304,993	303,751	-	-
Increase (decrease) in net position	6,330,681	2,796,476	(1,036,370)	(1,010,059)	5,294,311	1,786,417
Cumulative effect of change in accounting principle	-	(35,788,506)	-	(732,450)	-	(36,520,956)
Net assets - position, restated	<u>52,356,710</u>	<u>49,560,234</u>	<u>28,128,868</u>	<u>29,138,927</u>	<u>80,485,578</u>	<u>78,699,161</u>
Net position, ending	<u>\$ 58,687,391</u>	<u>\$ 52,356,710</u>	<u>\$ 27,092,498</u>	<u>\$ 28,128,868</u>	<u>\$ 85,779,889</u>	<u>\$ 80,485,578</u>

Changes in Net Position - The County's total revenues increased from the prior year by approximately \$10,700,000 or 18.8% (See figure 3 above). Property taxes accounts and program revenues (charges for services and restricted operating and capital grants) accounts for 41.0% and 36.7% of the County's revenues, respectively. Contributions and donations, other taxes, franchise fees and interest income account for the remainder of the revenue.

The total cost of all programs increased from the prior year by approximately \$7,200,000, or 13.0%, which includes depreciation for all capital assets as required under Governmental Accounting Standards Board Statement number 34.

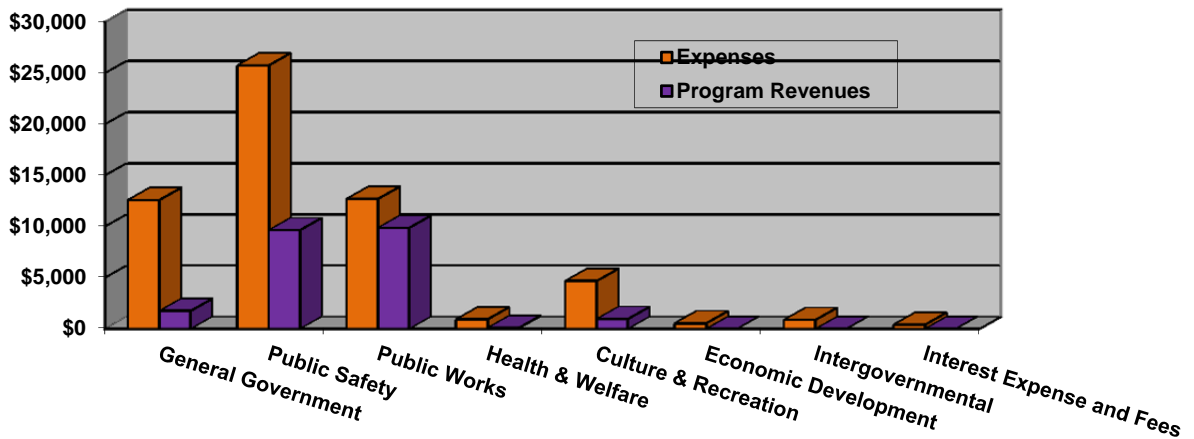
Governmental Activities – Governmental activities increased the County's net position by \$6,330,681. Several particular aspects of the County's financial operations positively influenced the total governmental activities:

- As noted earlier in the Management and Discussion Analysis, one of the factors was an unexpected increase in the sales tax revenue for the general fund. The County had projected revenue at \$7,750,000 during the budget process but revenues for sales tax came in at \$8,789,263, a difference of \$1,039,263. Another factor relates to the Road Maintenance fee the County charges on each vehicle tax bill. The County collects approximately \$2,000,000 per year on the \$20 fee for road repairs and maintenance. Due to a delay in bidding out the roads repair in fiscal year 2016, the County had on hand at the end of the year approximately \$1,200,000, which will spend in fiscal year 2017.

Government-wide Financial Analysis – continued

Expenses and Program Revenues - Governmental Activities

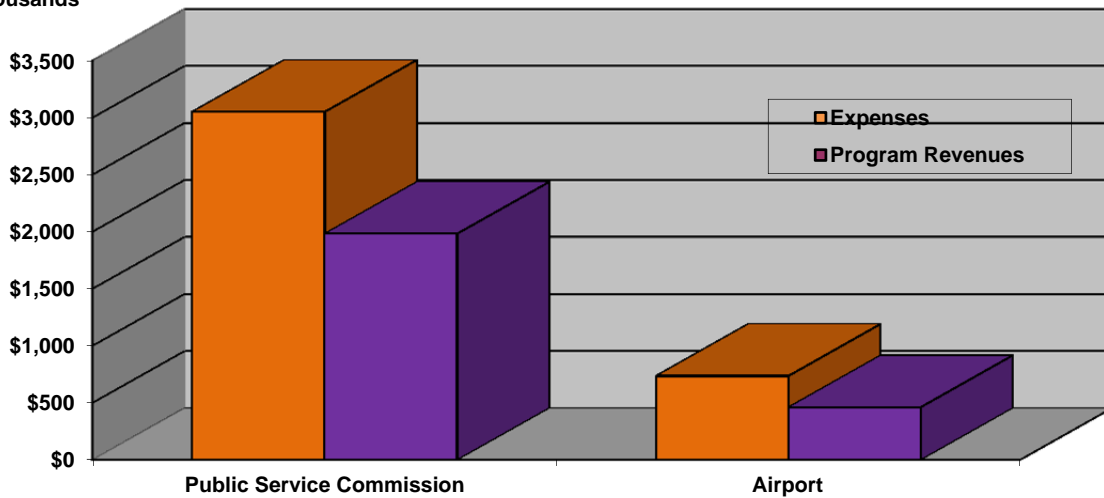
Thousands



Business-type Activities – Business-type activities decreased Pickens County's net position by \$1,036,370. Depreciation was the main 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 \$1,128,461 and \$295,306, respectively.

Expenses and Program Revenues - Business Activities

Thousands



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 \$23,924,817, while total fund balance reached \$34,445,468. The County held the line in regards to expenditures for the fiscal year; however, two items contributed to the increase in the fund balance from fiscal year 2016. Property taxes and Local Option Sales Tax (L.O.S.T.) came in higher than expected. L.O.S.T. was budgeted to come in at \$7,750,000 but actual collections were \$8,789,263 for a difference of \$1,039,263. This, along with a stronger collection of Register of Deeds fees of approximately \$275,000, contributed the County having excess of revenues over expenditures of \$2,559,570. Unassigned fund balance represents 62.6% of total General Fund expenditures, while total fund balance represents 90.2% of that same amount.

At June 30, 2016, the governmental funds of Pickens County reported a combined fund balance of \$51,538,344, an 8.8% increase over the prior 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 \$559,091 and those for the Airport equaled (\$141,282). The total change in net position for Public Service Commission and the Airport was (\$763,751) and (\$272,619), 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, 2016 totaled \$91,123,520 (net of accumulated depreciation). This is a net decrease of \$1,082,285 or 1.2%. 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 types of new equipment for the Sheriff's Office, Solid Waste, Roads & Bridges and Emergency Medical Service Departments
- Constructed a centralized office and courtroom offices for the four Magistrate Offices
- Constructed a new substation for the Dacusville Fire District
- Purchased fire equipment for several of the fire districts in Pickens County
- Built 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
	2016	2015	2016	2015	2016	2015
Land	\$ 4,284,937	\$ 4,284,937	\$ 2,060,937	\$ 2,060,937	\$ 6,345,874	\$ 6,345,874
Buildings	26,304,887	24,588,294	2,232,804	2,315,570	28,537,691	26,903,864
Improvements and infrastructure	17,756,545	18,079,238	27,302,438	28,584,530	45,058,983	46,663,768
Machinery and equipment	10,351,680	10,032,039	176,170	236,347	10,527,850	10,268,386
Construction in progress	249,779	1,950,068	403,343	73,845	653,122	2,023,913
Total	\$ 58,947,828	\$ 58,934,576	\$ 32,175,692	\$ 33,271,229	\$ 91,123,520	\$ 92,205,805

Additional information on the County’s capital assets can be found in Note 6 in the notes to the financial statements.

Long-term Debt – As of June 30, 2016, Pickens County had total bonded debt outstanding of \$7,300,924, 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	
	2016	2015
General obligation bonds	\$ 7,300,924	\$ 9,526,866

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 \$37,458,386. The County has \$2,534,276 in bonds and notes authorized at June 30, 2016, 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 in the notes to the 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 South Carolina. 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, 2017

The budget will remain relatively the same for fiscal year 2017. The total expenditures for fiscal year 2017 will be \$61,038,933, compared to \$55,930,544 for fiscal year 2016, which is an increase of 9.1%. The budget includes a 3% cost of living pay adjustment for employees, capital equipment replacement of \$3,216,429, and health insurance cost increases of 5%. The largest portion of the General Fund expenditures is personnel services which account for 68.7% of the budget. The largest portion on the revenue side is taxes, which accounts for 66.6% 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, 2016

	Governmental Activities	Business- Type Activities	Total Primary Government	Alliance Pickens	Total Reporting Unit
ASSETS					
Current assets:					
Cash and investments	\$ 50,284,544	\$ 1,877,919	\$ 52,162,463	\$ 215,938	\$ 52,378,401
Property taxes receivable	3,184,300	-	3,184,300	-	3,184,300
Accounts receivable	1,782,741	113,998	1,896,739	1,983	1,898,722
Due from other governments	4,516,729	240,592	4,757,321	-	4,757,321
Advances to other funds	1,953,327	-	1,953,327	-	1,953,327
Note receivable	8,036	-	8,036	-	8,036
Inventories	407,201	37,085	444,286	-	444,286
Prepaid items	39,144	-	39,144	-	39,144
Total current assets	62,176,022	2,269,594	64,445,616	217,921	64,663,537
Non-current assets:					
Land held for resale	1,104,628	-	1,104,628	-	1,104,628
Capital assets, not being depreciated	4,534,716	2,464,280	6,998,996	-	6,998,996
Capital assets, net of accumulated depreciation	54,413,112	29,711,412	84,124,524	-	84,124,524
Total non-current assets	60,052,456	32,175,692	92,228,148	-	92,228,148
Total assets	122,228,478	34,445,286	156,673,764	217,921	156,891,685
DEFERRED OUTFLOW OF RESOURCES					
Deferred outflow related to state pension	3,459,258	64,324	3,523,582	-	3,523,582
Total deferred outflow of resources	3,459,258	64,324	3,523,582	-	3,523,582
LIABILITIES					
Current liabilities:					
Accounts payable	4,417,482	234,014	4,651,496	5,940	4,657,436
Accrued payroll	887,038	17,204	904,242	6,617	910,859
Advances from other funds	1,928,521	24,806	1,953,327	-	1,953,327
Accrued interest payable	54,484	-	54,484	-	54,484
Current portion, long-term debt	1,672,693	142,763	1,815,456	-	1,815,456
Total current liabilities	8,960,218	418,787	9,379,005	12,557	9,391,562
Non-current liabilities:					
Landfill closure and postclosure	2,305,797	-	2,305,797	-	2,305,797
Capital leases	140,592	-	140,592	-	140,592
Notes payable	2,761,180	-	2,761,180	-	2,761,180
General obligation bonds	6,352,194	-	6,352,194	-	6,352,194
Revenue bonds	-	6,175,748	6,175,748	-	6,175,748
Accrued compensated absences	586,823	13,067	599,890	-	599,890
Net pension liability	39,030,882	768,665	39,799,547	-	39,799,547
Net OPEB obligation	5,586,939	-	5,586,939	-	5,586,939
Total non-current liabilities	56,764,407	6,957,480	63,721,887	-	63,721,887
Total liabilities	65,724,625	7,376,267	73,100,892	12,557	73,113,449
DEFERRED INFLOW OF RESOURCES					
Deferred revenue - taxes	358,513	20,211	378,724	150,713	529,437
Deferred inflow related to state pension	917,207	20,634	937,841	-	937,841
Total deferred inflow of resources	1,275,720	40,845	1,316,565	150,713	1,467,278
NET POSITION (DEFICIT)					
Net investment in capital assets	48,208,673	25,857,381	74,066,054	-	74,066,054
Restricted for:					
Debt service	884,824	-	884,824	-	884,824
Public works	7,988,028	-	7,988,028	-	7,988,028
Public safety	5,153,514	-	5,153,514	-	5,153,514
Cultural and recreation	2,180,200	-	2,180,200	-	2,180,200
Intergovernmental	1,366,747	-	1,366,747	-	1,366,747
USDA bonds	-	817,308	817,308	-	817,308
Net position (deficit), unrestricted	(7,094,595)	417,809	(6,676,786)	54,651	(6,622,135)
Total net position	\$ 58,687,391	\$ 27,092,498	\$ 85,779,889	\$ 54,651	\$ 85,834,540

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, 2016

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	\$ 12,604,182	\$ 1,515,091	\$ 247,998	\$ -	\$ (10,841,093)	\$ -	\$ (10,841,093)	\$ -	\$ (10,841,093)
Public safety	25,758,032	8,634,306	1,001,325	-	(16,122,401)	-	(16,122,401)	-	(16,122,401)
Public works	12,714,042	1,161,031	8,728,567	-	(2,824,444)	-	(2,824,444)	-	(2,824,444)
Health and welfare	933,146	84,679	6,485	-	(841,982)	-	(841,982)	-	(841,982)
Cultural and recreation	4,689,443	644,000	332,695	-	(3,712,748)	-	(3,712,748)	-	(3,712,748)
Economic development	547,444	-	-	-	(547,444)	-	(547,444)	-	(547,444)
Assistance to other agencies	883,737	-	-	-	(883,737)	-	(883,737)	-	(883,737)
Debt service - other	402,385	-	-	-	(402,385)	-	(402,385)	-	(402,385)
Total governmental activities	<u>58,532,411</u>	<u>12,039,107</u>	<u>10,317,070</u>	<u>-</u>	<u>(36,176,234)</u>	<u>-</u>	<u>(36,176,234)</u>	<u>-</u>	<u>(36,176,234)</u>
Business-type activities:									
Public Service Commission	3,050,970	1,415,105	-	568,363	-	(1,067,502)	(1,067,502)	-	(1,067,502)
Airport	736,118	444,548	-	17,709	-	(273,861)	(273,861)	-	(273,861)
Total business-type activities	<u>3,787,088</u>	<u>1,859,653</u>	<u>-</u>	<u>586,072</u>	<u>-</u>	<u>(1,341,363)</u>	<u>(1,341,363)</u>	<u>-</u>	<u>(1,341,363)</u>
Total primary government	<u>\$ 62,319,499</u>	<u>\$ 13,898,760</u>	<u>\$ 10,317,070</u>	<u>\$ 586,072</u>	<u>(36,176,234)</u>	<u>\$ (1,341,363)</u>	<u>\$ (37,517,597)</u>	<u>\$ -</u>	<u>\$ (37,517,597)</u>
Component unit:									
Alliance Pickens	\$ 390,778	\$ -	\$ 23,000	\$ -	\$ -	\$ -	\$ -	\$ (367,778)	\$ (367,778)
Total component units	<u>\$ 390,778</u>	<u>\$ -</u>	<u>\$ 23,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (367,778)</u>	<u>\$ (367,778)</u>
General revenues (expenses):									
Property taxes					\$ 27,744,660	\$ -	\$ 27,744,660	\$ -	\$ 27,744,660
Sales taxes					8,789,263	-	8,789,263	-	8,789,263
Franchise taxes					464,506	-	464,506	-	464,506
Grants and contributions not restricted to specific programs					4,959,229	-	4,959,229	-	4,959,229
Investment earnings					366,793	-	366,793	382	367,175
Gain on sale of capital assets					116,625	-	116,625	-	116,625
Other revenues					370,832	-	370,832	341,897	712,729
Transfers					(304,993)	304,993	-	-	-
Total general revenues and transfers, net					<u>42,506,915</u>	<u>304,993</u>	<u>42,811,908</u>	<u>342,279</u>	<u>43,154,187</u>
Change in net position					6,330,681	(1,036,370)	5,294,311	(25,499)	5,268,812
Net position - beginning					52,356,710	28,128,868	80,485,578	80,150	80,565,728
Net position - ending					<u>\$ 58,687,391</u>	<u>\$ 27,092,498</u>	<u>\$ 85,779,889</u>	<u>\$ 54,651</u>	<u>\$ 85,834,540</u>

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, 2016

	<u>General Fund</u>	<u>State Road C-Fund</u>	<u>Fire Districts</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 31,545,220	\$ 5,690,799	\$ 4,107,817	\$ 8,940,708	\$ 50,284,544
Property taxes receivable	1,885,166	-	685,380	613,754	3,184,300
Accounts receivable - EMS	1,257,868	-	-	-	1,257,868
Accounts receivable - other	454,060	21,199	163	49,451	524,873
Due from other governments	3,311,521	147,070	-	1,058,138	4,516,729
Note receivable	8,036	-	-	-	8,036
Advances to other funds	1,953,327	-	-	-	1,953,327
Inventories	407,201	-	-	-	407,201
Prepaid items	36,014	-	212	2,918	39,144
Land held for resale	1,104,628	-	-	-	1,104,628
Total assets	<u>\$ 41,963,041</u>	<u>\$ 5,859,068</u>	<u>\$ 4,793,572</u>	<u>\$ 10,664,969</u>	<u>\$ 63,280,650</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 3,736,205	\$ 448,328	\$ 138,034	\$ 94,915	\$ 4,417,482
Accrued payroll	742,052	-	54,765	90,221	887,038
Advances from general fund	-	-	1,599,351	329,170	1,928,521
Total liabilities	<u>4,478,257</u>	<u>448,328</u>	<u>1,792,150</u>	<u>514,306</u>	<u>7,233,041</u>
Deferred Inflows of Resources:					
Deferred revenue - delinquent taxes	<u>3,039,316</u>	<u>-</u>	<u>641,338</u>	<u>828,611</u>	<u>4,509,265</u>
Total deferred inflows of resources	<u>3,039,316</u>	<u>-</u>	<u>641,338</u>	<u>828,611</u>	<u>4,509,265</u>
Fund Balances:					
Nonspendable	1,547,843	-	212	2,918	1,550,973
Restricted	-	5,410,740	2,929,329	9,233,244	17,573,313
Committed	-	-	-	85,890	85,890
Assigned	8,972,808	-	-	-	8,972,808
Unassigned	23,924,817	-	(569,457)	-	23,355,360
Total fund balances	<u>34,445,468</u>	<u>5,410,740</u>	<u>2,360,084</u>	<u>9,322,052</u>	<u>51,538,344</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 41,963,041</u>	<u>\$ 5,859,068</u>	<u>\$ 4,793,572</u>	<u>\$ 10,664,969</u>	<u>\$ 63,280,650</u>

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

Exhibit C-2

JUNE 30, 2016

Total Governmental Fund Balances	\$ 51,538,344
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.	58,947,828
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.	4,150,747
Net deferred outflows 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	2,542,051
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Landfill closure and post-closure	(2,418,297)
Capital leases	(211,413)
Notes payable	(3,226,820)
General obligation bonds	(7,300,922)
Net pension liability	(39,030,882)
Accrued compensated absences	(661,822)
Net OPEB obligation	(5,586,939)
Accrued interest payable	(54,484)
Net Position of Governmental Activities	<u>\$ 58,687,391</u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2016

	General Fund	State Road C-Fund	Fire Districts	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 27,435,674	\$ -	\$ 1,457,755	\$ 7,248,545	\$ 36,141,974
Intergovernmental	5,050,838	6,621,178	4,902	1,320,832	12,997,750
Fees, licenses and permits	839,004	-	2,684,597	3,183,962	6,707,563
Charges for services	6,462,181	-	1,913	146,589	6,610,683
Fines and forfeitures	501,786	-	-	1,040,043	1,541,829
Investment income	416,250	4,012	163	-	420,425
Rental income	21,100	-	-	-	21,100
Contributions	2,092	-	1,843	23,237	27,172
Other revenues	449,204	-	3,825	16,608	469,637
Total revenues	41,178,129	6,625,190	4,154,998	12,979,816	64,938,133
Expenditures					
Current:					
General government	11,151,665	-	-	195,931	11,347,596
Public safety	17,071,321	-	3,560,575	3,073,299	23,705,195
Public works	5,301,829	5,458,882	-	777,053	11,537,764
Health and welfare	879,141	-	-	11,096	890,237
Culture and recreation	889,001	-	-	3,465,646	4,354,647
Economic development and assistance	439,659	-	-	-	439,659
Other	388,562	-	-	503,361	891,923
Intergovernmental	270,848	-	-	-	270,848
Capital outlay	1,814,744	93,966	759,865	1,173,142	3,841,717
Debt service:					
Principal retirement	-	-	172,629	2,599,176	2,771,805
Interest and fiscal charges	-	-	65,623	365,834	431,457
Total expenditures	38,206,770	5,552,848	4,558,692	12,164,538	60,482,848
Excess (deficiency) of revenues over (under) expenditures	2,971,359	1,072,342	(403,694)	815,278	4,455,285
Other financing sources (uses)					
Transfers in (out)	(411,789)	-	-	106,796	(304,993)
Total other financing sources (uses)	(411,789)	-	-	106,796	(304,993)
Net change in fund balances	2,559,570	1,072,342	(403,694)	922,074	4,150,292
Fund balance - beginning	31,885,898	4,338,398	2,763,778	8,399,978	47,388,052
Fund balance - ending	\$ 34,445,468	\$ 5,410,740	\$ 2,360,084	\$ 9,322,052	\$ 51,538,344

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, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 4,150,292
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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 \$3,860,816 exceeded capital outlay of \$3,841,717 in the current period.	19,856
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Net gain on disposal of assets not recorded in funds	116,625
Proceeds of sales not recorded in governmental activities	(123,229)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	198,801

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,771,805
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due.	29,072
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Compensated absences that have not matured, together with expenditures associated with changes in compensated absence accruals, are not reported at the fund level.	22,182
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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 post-closure costs	39,932
Change in net pension liability	(310,582)
Change in net OPEB obligation	(584,073)

Change in Net Position of Governmental Activities	\$ 6,330,681
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PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND

Exhibit D-3

YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 25,252,940	\$ 25,252,940	\$ 27,435,674	\$ 2,182,734
Intergovernmental	5,140,204	5,140,204	5,050,838	(89,366)
Fees, licenses and permits	785,912	785,912	839,004	53,092
Charges for services	6,017,354	6,017,354	6,462,181	444,827
Fines and forfeitures	587,000	587,000	501,786	(85,214)
Investment income	224,459	224,459	416,250	191,791
Rental income	20,760	20,760	21,100	340
Contributions	-	-	2,092	2,092
Other revenues	112,300	112,300	449,204	336,904
Total revenues	<u>38,140,929</u>	<u>38,140,929</u>	<u>41,178,129</u>	<u>3,037,200</u>
Expenditures				
Current:				
General government	10,787,744	11,761,482	11,151,665	609,817
Public safety	16,985,149	17,177,666	17,071,321	106,345
Public works	5,557,512	5,593,703	5,301,829	291,874
Health and welfare	955,098	954,069	879,141	74,928
Culture and recreation	839,645	1,496,096	889,001	607,095
Economic development and assistance	-	9,555	439,659	(430,104)
Other	397,948	401,031	388,562	12,469
Intergovernmental	433,960	421,390	270,848	150,542
Capital outlay	1,694,388	1,916,149	1,814,744	101,405
Total expenditures	<u>37,651,444</u>	<u>39,731,141</u>	<u>38,206,770</u>	<u>1,524,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>489,485</u>	<u>(1,590,212)</u>	<u>2,971,359</u>	<u>4,561,571</u>
Other financing uses				
Transfers out	(546,247)	(834,868)	(411,789)	423,079
Total other financing uses	<u>(546,247)</u>	<u>(834,868)</u>	<u>(411,789)</u>	<u>423,079</u>
Net change in fund balances	<u>\$ (56,762)</u>	<u>\$ (2,425,080)</u>	2,559,570	<u>\$ 4,984,650</u>
Fund balance - beginning			<u>31,885,898</u>	
Fund balance - ending			<u>\$ 34,445,468</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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,432,560	\$ 1,432,560	\$ 1,457,755	\$ 25,195
Intergovernmental	-	4,902	4,902	-
Fees, licenses and permits	3,171,381	3,171,381	2,684,597	(486,784)
Charges for services	-	-	1,913	1,913
Investment income	500	500	163	(337)
Contributions	-	-	1,843	1,843
Other revenues	2,300	2,300	3,825	1,525
Total revenues	<u>4,606,741</u>	<u>4,611,643</u>	<u>4,154,998</u>	<u>(456,645)</u>
Expenditures				
Current:				
Public safety	3,681,491	3,715,566	3,560,575	154,991
Capital outlay	36,971	1,104,486	759,865	344,621
Debt service:				
Principal retirement	213,704	213,704	172,629	41,075
Interest and fiscal charges	65,624	65,624	65,623	1
Total expenditures	<u>3,997,790</u>	<u>5,099,380</u>	<u>4,558,692</u>	<u>540,688</u>
Excess (deficiency) of revenues over (under) expenditures	<u>608,951</u>	<u>(487,737)</u>	<u>(403,694)</u>	<u>84,043</u>
Net change in fund balances	<u>\$ 608,951</u>	<u>\$ (487,737)</u>	<u>(403,694)</u>	<u>\$ 84,043</u>
Fund balance - beginning			<u>2,763,778</u>	
Fund balance - ending			<u>\$ 2,360,084</u>	

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

Exhibit E

JUNE 30, 2016

	Enterprise Funds		
	Public Service Commission	Airport	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,877,819	\$ 100	\$ 1,877,919
Accounts receivable - other	113,998	-	113,998
Due from other governments	240,592	-	240,592
Inventories	-	37,085	37,085
Total current assets	<u>2,232,409</u>	<u>37,185</u>	<u>2,269,594</u>
Capital assets:			
Land	336,166	1,724,771	2,060,937
Construction in process	348,889	54,454	403,343
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	485,921	390,688	876,609
Less accumulated depreciation	<u>(13,496,184)</u>	<u>(4,958,934)</u>	<u>(18,455,118)</u>
Total noncurrent assets	<u>27,342,304</u>	<u>4,833,388</u>	<u>32,175,692</u>
Total assets	<u>29,574,713</u>	<u>4,870,573</u>	<u>34,445,286</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow related to state pension	51,626	12,698	64,324
Total deferred outflow of resources	<u>51,626</u>	<u>12,698</u>	<u>64,324</u>
LIABILITIES			
Current liabilities:			
Accounts payable	227,719	6,295	234,014
Accrued payroll	13,728	3,476	17,204
Advances from general fund	-	24,806	24,806
Unearned revenue	20,211	-	20,211
Current portion of long-term debt	142,763	-	142,763
Total current liabilities	<u>404,421</u>	<u>34,577</u>	<u>438,998</u>
Long-term liabilities:			
Revenue bonds	6,175,748	-	6,175,748
Net pension liability	618,758	149,907	768,665
Accrued compensated absences	10,459	2,608	13,067
Total noncurrent liabilities	<u>6,804,965</u>	<u>152,515</u>	<u>6,957,480</u>
Total liabilities	<u>7,209,386</u>	<u>187,092</u>	<u>7,396,478</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflow related to state pension	16,561	4,073	20,634
Total deferred inflow of resources	<u>16,561</u>	<u>4,073</u>	<u>20,634</u>
NET POSITION			
Net investment in capital assets	21,023,993	4,833,388	25,857,381
Restricted for USDA	817,308	-	817,308
Unrestricted	559,091	(141,282)	417,809
Total net position	<u>\$ 22,400,392</u>	<u>\$ 4,692,106</u>	<u>\$ 27,092,498</u>

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, 2016

	Enterprise Funds		
	Public Service Commission	Airport	Total
Operating revenues			
Charges for services	\$ 1,415,105	\$ 444,548	\$ 1,859,653
Total operating revenues	1,415,105	444,548	1,859,653
Operating expenses			
Salaries and benefits	463,094	117,112	580,206
Depreciation	1,128,461	295,306	1,423,767
Other expenses	1,203,302	323,700	1,527,002
Total operating expenses	2,794,857	736,118	3,530,975
Operating loss	(1,379,752)	(291,570)	(1,671,322)
Nonoperating expense			
Interest and fiscal charges	(256,113)	-	(256,113)
Total nonoperating expense	(256,113)	-	(256,113)
Loss before transfers and contributions	(1,635,865)	(291,570)	(1,927,435)
Transfers in	303,751	1,242	304,993
Capital contributions	568,363	17,709	586,072
Change in net position	(763,751)	(272,619)	(1,036,370)
Total net position - beginning	23,164,143	4,964,725	28,128,868
Total net position - ending	\$ 22,400,392	\$ 4,692,106	\$ 27,092,498

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

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

Exhibit G

YEAR ENDED JUNE 30, 2016

	Enterprise Funds		
	Public		
	Service		
	Commission	Airport	Total
Operating activities			
Receipts from customers and users	\$ 1,142,291	\$ 475,848	\$ 1,618,139
Payments to suppliers	(1,170,385)	(367,755)	(1,538,140)
Payments to employees	(460,291)	(116,236)	(576,527)
Net cash used in operating activities	<u>(488,385)</u>	<u>(8,143)</u>	<u>(496,528)</u>
Noncapital financing activities			
Transfers from other funds	303,751	1,242	304,993
Net cash provided by noncapital financing activities	<u>303,751</u>	<u>1,242</u>	<u>304,993</u>
Capital and related financing activities			
Capital contributions	568,363	17,709	586,072
Capital transfers from other funds	-	12,347	12,347
Acquisition and construction of capital assets	(311,678)	(23,155)	(334,833)
Proceeds from sale of capital assets	14,556	-	14,556
Principal paid on capital debt	(136,696)	-	(136,696)
Interest paid on capital debt	(256,113)	-	(256,113)
Net cash provided by (used in) capital and related financing activities	<u>(121,568)</u>	<u>6,901</u>	<u>(114,667)</u>
Net decrease in cash and cash equivalents/investments	(306,202)	-	(306,202)
Cash and investments			
Beginning of year	2,184,021	100	2,184,121
End of year	<u>\$ 1,877,819</u>	<u>\$ 100</u>	<u>\$ 1,877,919</u>
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	\$ (1,379,752)	\$ (291,570)	\$ (1,671,322)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	1,128,461	295,306	1,423,767
Gain on sale of capital assets	(7,953)	-	(7,953)
Change in operating assets and liabilities:			
Accounts receivable - other and due from other governments	(259,094)	31,300	(227,794)
Inventories	-	21,002	21,002
Deferred outflow related to state pension	6,037	1,258	7,295
Accounts payable and accrued expenses	50,889	(60,532)	(9,643)
Unearned revenue	(5,767)	-	(5,767)
Net pension liability	40,592	9,984	50,576
Deferred inflow related to state pension	(61,798)	(14,891)	(76,689)
Total adjustments	<u>891,367</u>	<u>283,427</u>	<u>1,174,794</u>
Net cash provided by operating activities	<u>\$ (488,385)</u>	<u>\$ (8,143)</u>	<u>\$ (496,528)</u>

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

PICKENS COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS

Exhibit H

JUNE 30, 2016

	Total Agency Funds
ASSETS	
Cash and investments	\$ 35,192,526
Accounts receivable - other	2,325
Property taxes receivable	<u>7,680,728</u>
Total assets	<u><u>\$ 42,875,579</u></u>
LIABILITIES	
Accounts payable	\$ 85,895
Due to others	<u>42,789,684</u>
Total liabilities	<u><u>\$ 42,875,579</u></u>

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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, 2016

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.

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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.

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, 2016

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.

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.

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 1 – Summary of significant accounting policies – continued

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

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, 2016

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. Bond 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 it stops 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, 2016

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 83%. 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, 2016 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 qualify for reporting in this category. The first item, *deferred revenue – taxes*, is reported in the governmental funds balance sheet. 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, 2016

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, 2016, the County’s governmental fund balances were classified as follows:

	General Fund	State Road C-Fund	Fire Districts	Other Governmental Funds	Total Governmental Funds
Net position					
Nonspendable:					
Prepaid items	\$ 36,014	\$ -	\$ 212	\$ 2,918	\$ 39,144
Inventories	407,201	-	-	-	407,201
Land held for resale	1,104,628	-	-	-	1,104,628
Total nonspendable	<u>1,547,843</u>	<u>-</u>	<u>212</u>	<u>2,918</u>	<u>1,550,973</u>
Restricted:					
Tri-County Tech	-	-	-	1,366,747	1,366,747
Fixed nuclear	-	-	-	60,576	60,576
Law enforcement	-	-	-	498,250	498,250
Library	-	-	-	1,794,675	1,794,675
Culture and recreation	-	-	-	385,525	385,525
Transportation roads	-	5,410,740	-	2,577,288	7,988,028
Emergency phone system	-	-	-	1,665,359	1,665,359
Debt service	-	-	-	884,824	884,824
Fire rescue	-	-	2,929,329	-	2,929,329
Total restricted	<u>-</u>	<u>5,410,740</u>	<u>2,929,329</u>	<u>9,233,244</u>	<u>17,573,313</u>
Committed:					
Capital projects	-	-	-	85,890	85,890
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,890</u>	<u>85,890</u>
Assigned:					
Advances and encumbrances	3,505,388	-	-	-	3,505,388
Capital projects	5,467,420	-	-	-	5,467,420
Total assigned	<u>8,972,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,972,808</u>
Unassigned	23,924,817	-	(569,457)	-	23,355,360
Total fund balances	<u>\$ 34,445,468</u>	<u>\$ 5,410,740</u>	<u>\$ 2,360,084</u>	<u>\$ 9,322,052</u>	<u>\$ 51,538,344</u>

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 1 – Summary of significant accounting policies – continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance – 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. 72, *Fair Value Measurement and Application* (“Statement No. 72”). This Statement 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. The County adopted Statement No. 72 during the year, which had no impact on the basic financial statements and minimal impact on disclosures.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (“Statement No. 76”). This Statement 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. The County adopted Statement No. 76 during the year, which had no impact on the basic financial statements.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* (“Statement No. 79”). This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. The County adopted Statement No. 79 during the year, which had no impact on the basic financial statements.

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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. 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. 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.

GASB Statement No. 80, *Blending Requirements for Certain Component Units*, effective for periods beginning after June 15, 2016, clarifies the display requirements in GASB Statement No. 14, *The Financial Reporting Entity*, by requiring these component units to be blended into the primary state or local government’s financial statements in a manner similar to a department or activity of the primary government. The guidance addresses diversity in practice regarding the presentation of not-for-profit corporations in which the primary government is the sole corporate member.

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.

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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 1 – Summary of significant accounting policies – continued

Estimates – continued

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, 2016, the Six Mile Fire District Fund and the Dacusville Fire District Fund had an unassigned deficit of \$422,299 and \$147,158, respectively. These fund deficits will be replenished over the next 6 years as the fire districts pay the County for an advance of funds.

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. County 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, 2016, as follows:

General Fund	\$ 1,552,061
State Road C-Fund	172,838
Fire Districts	776
Other Governmental Funds	<u>2,370,041</u>
	<u>\$ 4,095,716</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 ("FDIC"); (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, 2016

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 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 \$87,354,989 and a total bank balance of \$89,306,132, of which \$25,750,000 was covered by FDIC insurance and \$63,556,132 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, 2016, the Alliance's deposits had a carrying value of \$215,938 and a bank balance of \$195,593. 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	\$ 52,162,463
Agency fund cash (not included in government-wide statement)	35,192,526
	<u>\$ 87,354,989</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. In accordance with its investment policy, the County manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature in time to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

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. In accordance with its investment policy, the County manages its exposure to credit risk by 1) limiting investments to types of securities allowed by law; 2) pre-qualifying the financial institutions, brokers, intermediaries, and advisers with which the County invests; and 3) diversifying the investment portfolio so that the impact of potential losses from one type of security or from any one individual issuer are minimized.

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. In accordance with its investment policy, the County minimizes custodial credit risk by limiting investments to the types of securities allowed by law and by pre-qualifying the financial institutions, brokers, intermediaries, and advisers with which the County invests.

Investments are reported at fair value and categorized within the fair value hierarchy established under accounting principles generally accepted in United States of America ("GAAP"). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Gains or losses that results from market fluctuation are reported in the current period. As of June 30, 2016, the County's investment in a US agency is valued using significant other observable inputs (Level 2).

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 3 – Deposits and investments – continued

Cash and investments at June 30, 2016 are summarized as follows:

Cash and investments:	
Checking and other cash	\$ 28,611,703
Certificates of deposit	23,300,418
Government sponsored enterprises	250,342
	<u>\$ 52,162,463</u>

Investment maturities are as follows as of June 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1 Year	1 - 5 Years	More than 5 Years
Certificates of deposit	\$ 23,300,418	\$ 7,354,003	\$ 15,946,414	\$ -
US agency bond:				
Federal Home Loan Bank	250,342	250,342	-	-
	<u>\$ 23,550,760</u>	<u>\$ 7,604,345</u>	<u>\$ 15,946,414</u>	<u>\$ -</u>

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% of the estimated market value. The assessed value as of June 30, 2016 was \$459,031,209. The estimated market value was \$8,398,142,534 making the assessed value approximately 5.5% 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, 2016 was \$68.20 per \$1,000 of assessed value.

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 3% penalty is added on January 16. If taxes remain unpaid on February 2, a 7% penalty is added to the original tax. If taxes remain unpaid on the March 17 lien date, an additional 5% 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 4 – Property taxes – continued

Property taxes receivable and allowances for doubtful accounts at June 30, 2016, are summarized as follows:

	General Fund	State Road C-Fund	Fire Districts	Other Governmental Funds	Total Government Funds	Agency Funds
Gross receivables	\$ 1,984,385	\$ -	\$ 721,454	\$ 646,057	\$ 3,351,896	\$ 8,084,977
Allowance for doubtful accounts	(99,219)	-	(36,074)	(32,303)	(167,596)	(404,249)
	<u>\$ 1,885,166</u>	<u>\$ -</u>	<u>\$ 685,380</u>	<u>\$ 613,754</u>	<u>\$ 3,184,300</u>	<u>\$ 7,680,728</u>

Note 5 – Accounts receivable

Accounts receivable at June 30, 2016 are summarized as follows:

	Fund Wide Statements						
	General Fund	State Road C-Fund	Fire Districts	Other Governmental Funds	Total Government Funds	Business-Type Activities	Agency Funds
EMS fees	\$ 12,578,686	\$ -	\$ -	\$ -	\$ 12,578,686	\$ -	\$ -
Less allowance for doubtful accounts	(11,320,818)	-	-	-	(11,320,818)	-	-
	<u>1,257,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,257,868</u>	<u>-</u>	<u>-</u>
Interest	242,712	21,199	163	-	264,074	-	-
Landfill	53,975	-	-	-	53,975	-	-
Other	157,373	-	-	49,451	206,824	113,998	2,325
	<u>454,060</u>	<u>21,199</u>	<u>163</u>	<u>49,451</u>	<u>524,873</u>	<u>113,998</u>	<u>2,325</u>
	<u>\$ 1,711,928</u>	<u>\$ 21,199</u>	<u>\$ 163</u>	<u>\$ 49,451</u>	<u>\$ 1,782,741</u>	<u>\$ 113,998</u>	<u>\$ 2,325</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 6 – Capital assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 4,284,937	\$ -	\$ -	\$ 4,284,937
Construction in progress	1,950,068	1,347,558	(3,047,847)	249,779
Total capital assets not being depreciated	<u>6,235,005</u>	<u>1,347,558</u>	<u>(3,047,847)</u>	<u>4,534,716</u>
Capital assets being depreciated:				
Buildings	39,145,296	2,703,777	-	41,849,073
Improvements and infrastructure	30,886,954	501,282	-	31,388,236
Machinery and equipment	30,235,314	2,369,298	(657,580)	31,947,032
Total capital assets being depreciated	<u>100,267,564</u>	<u>5,574,357</u>	<u>(657,580)</u>	<u>105,184,341</u>
Less accumulated depreciation:				
Buildings	(14,557,002)	(987,184)	-	(15,544,186)
Improvements and infrastructure	(12,807,716)	(823,975)	-	(13,631,691)
Machinery and equipment	(20,203,275)	(2,049,657)	657,580	(21,595,352)
Total accumulated depreciation	<u>(47,567,993)</u>	<u>(3,860,816)</u>	<u>657,580</u>	<u>(50,771,229)</u>
Total capital assets being depreciated, net	<u>52,699,571</u>	<u>1,713,541</u>	<u>-</u>	<u>54,413,112</u>
Governmental activities capital assets, net	<u>\$ 58,934,576</u>	<u>\$ 3,061,099</u>	<u>\$ (3,047,847)</u>	<u>\$ 58,947,828</u>
	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 2,060,937	\$ -	\$ -	\$ 2,060,937
Construction in progress	73,845	329,498	-	403,343
Total capital assets not being depreciated	<u>2,134,782</u>	<u>329,498</u>	<u>-</u>	<u>2,464,280</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	893,463	5,335	(22,188)	876,610
Total capital assets being depreciated	<u>48,183,384</u>	<u>5,335</u>	<u>(22,188)</u>	<u>48,166,531</u>
Less accumulated depreciation:				
Capacity	(1,521,776)	(148,466)	-	(1,670,242)
Buildings	(854,008)	(82,766)	-	(936,774)
Improvements and infrastructure	(14,014,037)	(1,133,626)	-	(15,147,663)
Machinery and equipment	(657,116)	(58,909)	15,585	(700,440)
Total accumulated depreciation	<u>(17,046,937)</u>	<u>(1,423,767)</u>	<u>15,585</u>	<u>(18,455,119)</u>
Total capital assets being depreciated, net	<u>31,136,447</u>	<u>(1,418,432)</u>	<u>(6,603)</u>	<u>29,711,412</u>
Business-type activities capital assets, net	<u>\$ 33,271,229</u>	<u>\$ (1,088,934)</u>	<u>\$ (6,603)</u>	<u>\$ 32,175,692</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 6 – Capital assets – continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 409,720
Public Safety	1,708,004
Public Works	1,216,822
Health and Welfare	41,419
Cultural and Recreation	338,459
Economic Development	107,785
Intergovernmental	38,607
Total	<u><u>\$ 3,860,816</u></u>

Construction in progress in the Governmental Activities as of June 30, 2016 represents costs incurred to date on Twelve Mile Recreational Area, Shady Grove Fire Station, Pickens Alliance Building, Popular Mountain Road Area, Ortho Photography Building, and Glassy Mountain Upgrade. Construction in progress in the Business-type Activities as of June 30, 2016 represents costs of construction for the Septic System at Stockade, Pickens County Septage Receiving Center, Sewer Business Plan 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 Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 9,526,866	\$ -	\$ 2,225,942	\$ 7,300,924	\$ 948,730
Capital leases	306,119	-	94,705	211,414	70,822
Notes payable	3,677,978	-	451,157	3,226,821	465,641
Compensated absences	684,005	4,138	26,320	661,823	75,000
Net OPEB obligation	5,002,866	584,073	-	5,586,939	-
Net pension liability	36,150,223	2,880,659	-	39,030,882	-
Landfill closure & postclosure	2,458,229	-	39,932	2,418,297	112,500
Total	<u><u>\$57,806,286</u></u>	<u><u>\$ 3,468,870</u></u>	<u><u>\$ 2,838,056</u></u>	<u><u>\$ 58,437,100</u></u>	<u><u>\$ 1,672,693</u></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, 2016

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

General obligation (general purpose) bonds payable at June 30, 2016, are comprised of the following individual issues:

\$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%	\$ 293,000
\$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%	651,029
\$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%	2,170,837
\$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%	115,000
\$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%	962,739
\$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%.	290,000
\$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%.	580,162
\$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%.	1,633,745
\$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%.	604,412
	<u>7,300,924</u>
Less current portion	948,730
Long-term portion outstanding	<u><u>\$ 6,352,194</u></u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2016 are as follows:

Year Ending June 30	Principal	Interest	Totals
2017	\$ 948,730	\$ 180,495	\$ 1,129,225
2018	971,802	156,072	1,127,874
2019	843,166	132,727	975,893
2020	755,827	110,542	866,369
2021	619,721	92,214	711,935
2022 to 2026	2,371,400	239,435	2,610,835
2027 to 2031	790,278	22,847	813,125
	<u>\$ 7,300,924</u>	<u>\$ 934,332</u>	<u>\$ 8,235,256</u>

Capital leases payable at June 30, 2016, are comprised of the following individual leases:

\$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	\$ 82,144
\$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	129,270
	<u>211,414</u>
Less current portion	70,822
Long-term portion outstanding	<u>\$ 140,592</u>

Annual requirements to amortize all capital leases outstanding as of June 30, 2016 are as follows:

Year Ending June 30	Principal	Interest	Totals
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>\$ 211,414</u>	<u>\$ 17,413</u>	<u>\$ 228,827</u>

As of June 30, 2016, the County had assets under capital leases with a total cost of \$876,087.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

Notes payable at June 30, 2016 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%	\$ 692,544
\$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%	1,588,085
\$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%	946,192
	<u>3,226,821</u>
Less current portion	465,641
Long-term portion outstanding	<u><u>\$ 2,761,180</u></u>

Annual requirements to amortize all notes payable outstanding as of June 30, 2016 are as follows:

Year Ending June 30	Principal	Interest	Totals
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	301,500	50,819	352,319
2022 to 2026	1,137,895	80,641	1,218,536
	<u>\$ 3,226,821</u>	<u>\$ 473,431</u>	<u>\$ 3,700,252</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 7 – Long-term debt – continued

Business-Type Activities Debt

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

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
Revenue bonds	\$ 6,455,007	\$ -	\$ 136,696	\$ 6,318,311	\$ 142,563
Net pension liability	718,089	50,576	-	768,665	-
Compensated absences	13,267	16	16	13,267	200
Total	<u>\$ 7,186,363</u>	<u>\$ 50,592</u>	<u>\$ 136,712</u>	<u>\$ 7,100,243</u>	<u>\$ 142,763</u>

Revenue bonds payable recorded in the Public Service Commission Enterprise Fund at June 30, 2016 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, 2016, pledged revenue was \$112,140.	\$ 1,574,599
\$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, 2016, pledged revenue was \$203,364.	2,855,787
\$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, 2016, pledged revenue was zero for the Central-North Waste Water Treatment bond.	326,807
\$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, 2016, pledged revenue was \$33,540 for the Central-North Waste Water Treatment bond.	1,561,118
	6,318,311
Less current portion	142,563
Long-term portion outstanding	\$ 6,175,748

The County has pledged future revenues derived from the operation of the County’s waste water treatment facility, net of operating and maintenance expenses, to repay \$1,988,200 in sewer system revenue bonds. Proceeds from the bonds provided financing for improvements to the sanitary sewer system. The bonds are payable solely from the net earnings of the Public Service Commission Enterprise Fund and are payable through 2039. The total principal and interest remaining to be paid on the bonds is \$2,600,901, with annual payments expected to require 8% of net revenues. Principal and interest paid for the current year and net system revenues were \$112,140 and \$1,415,105, respectively.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 7 – Long-term debt – continued

Business-Type Activities Debt – continued

The County has pledged future revenues derived from the operation of the County's waste water treatment facility, net of operating and maintenance expenses, to repay \$3,605,700 in sewer system revenue bonds. Proceeds from the bonds provided financing for improvements to the sanitary sewer system. The bonds are payable solely from the net earnings of the Public Service Commission Enterprise Fund and are payable through 2039. The total principal and interest remaining to be paid on the bonds is \$4,717,533, with annual payments expected to require 14% of net revenues. Principal and interest paid for the current year and net system revenues were \$203,364 and \$1,415,105, respectively.

The County has pledged future revenues derived from the operation of the County's waste water treatment facility, net of operating and maintenance expenses, to repay \$1,680,000 in sewer system revenue bonds. Proceeds from the bonds provided financing for improvements to the sanitary sewer system. The bonds are payable solely from the net earnings of the Public Service Commission Enterprise Fund and are payable through 2052. The total principal and interest remaining to be paid on the bonds is \$2,274,202, with annual payments expected to require 5% of net revenues. Principal and interest paid for the current year and net system revenues were \$63,912 and \$1,415,105, respectively.

Annual requirements to amortize all revenue bonds outstanding as of June 30, 2016 are as follows:

Year Ending June 30	Principal	Interest	Totals
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	168,293	224,515	392,808
2022 to 2026	955,757	1,008,283	1,964,040
2027 to 2031	1,180,834	783,209	1,964,043
2032 to 2036	1,462,404	501,636	1,964,040
2037 to 2041	1,222,331	172,542	1,394,873
2042 to 2046	322,842	63,678	386,520
2047 to 2051	361,262	25,258	386,520
2052 to 2053	37,267	238	37,505
	<u>\$ 6,318,311</u>	<u>\$ 3,743,270</u>	<u>\$ 10,061,581</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 7 – Long-term debt – continued

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, 2016, management of the Public Service Commission believes it is in compliance with the following reserve requirements:

Reserved for debt services	\$ 349,044
Reserved for depreciation funding	310,512
Reserved for contingency fund	157,752
Total	<u>\$ 817,308</u>

Note 8 – Inter-fund receivables, payables and transfers

	<u>Advance Receivable</u>	<u>Advance Payable</u>
Major Governmental Fund:		
General Fund	\$ 1,953,327	\$ -
Fire Districts	-	1,599,351
Non-major Governmental Funds	-	329,170
Non-major Enterprise Funds:		
Airport Fund	-	24,806
	<u>\$ 1,953,327</u>	<u>\$ 1,953,327</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 assigned since the County has designated these funds for a specific purpose.

Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Fund:		
General Fund	\$ -	\$ 411,789
Non-major Governmental Funds	106,796	-
Major Enterprise Funds:		
Public Service Commission Fund	303,751	-
Non-major Enterprise Funds:		
Airport	1,242	-
	<u>\$ 411,789</u>	<u>\$ 411,789</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.

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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 SCRS and the PORS 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.

Funding and Benefit Policies

SCRS and PORS Class II plan members are required to contribute 8.16% and 8.74%, 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 10.91% and 13.34% 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, 2016, the County reported a liability of \$39,799,547 for its proportionate share of the net pension liability of SCRS and PORS. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. 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, 2015, the County's proportion was .147756% of the total SCRS pension liability and .54035% of the total PORS pension liability.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 9 – Employee pension plans – continued

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

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, 2016:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on SCRS investments	\$ -	\$ 937,841
Contributions subsequent to the measurement date	2,475,866	-
Difference in expected and actual experience in measurement of pension liability	1,047,716	-
	<u>\$ 3,523,582</u>	<u>\$ 937,841</u>

The County's contributions subsequent to the measurement date of \$2,475,866 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Total pension expense for the year ended June 30, 2016 was \$2,815,208.

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, 2015:

<u>Measurement Period Ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2016	\$ 90,465	\$ 21,834
2017	90,465	21,834
2018	261,475	32,143
2019	(411,909)	(216,182)
Thereafter	-	-
Net Balance of Deferred Inflows of Resources	<u>\$ 30,496</u>	<u>\$ (140,371)</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, morality, 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, performed on data through June 30, 2015, is currently underway.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 9 – Employee pension plans – continued

Actuarial Assumptions – continued

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, 2014. 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 normal
Investment rate of return	7.5%
Projected salary increases	3.5% to 12.5% (SCRS) 4.0% to 10.0% (PORS)
Inflation	2.75%
Benefit adjustment	Lesser of 1% or \$500, annually

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. Assumptions used in the July 1, 2014 valuations for SCRS and PORS are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	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 and Firefighters	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 fourth quarter of 2013. 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% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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%	0.10%
Domestic fixed income	13%	0.42%
Global fixed income	9%	0.39%
Global public equity	31%	2.20%
Global tactical asset allocation	10%	0.49%
Alternatives	32%	2.40%
Total expected rate of return	<u>100%</u>	<u>6.00%</u>
Inflation for actuarial purposes		<u>2.75%</u>
Total expected nominal return		<u>8.75%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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%, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) 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	\$35,328,539	\$28,022,638	\$21,899,364
PORS	\$16,042,899	\$11,776,909	\$7,963,344

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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.

As of year-end, there were 21 employees retired and under the age of 65 that were receiving insurance benefits. For the year ended June 30, 2016, the County incurred net expenditures for the plan of approximately \$149,714 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	\$25.00	\$54.63	\$3.45
Employee + Spouse	\$733.75	\$798.88	\$37.98
Employee + Child(ren)	\$427.25	\$476.88	\$45.78
Employee + Family	\$1,061.00	\$1,142.63	\$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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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

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	225,129
Adjustment to ARC	(300,424)
Annual OPEB cost, end of year	<u>839,308</u>
Net estimated employer contributions	<u>(255,235)</u>
Increase in net OPEB obligation	584,073
Net OPEB obligation as of beginning of the year	<u>5,002,866</u>
Net OPEB obligation as of end of year	<u><u>\$ 5,586,939</u></u>

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, 2016 and the preceding two fiscal years were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Employer</u> <u>Amount</u> <u>Contributed</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
June 30, 2014	\$ 850,121	\$ 218,773	25.7%	\$ 4,367,932
June 30, 2015	\$ 848,864	\$ 213,930	25.2%	\$ 5,002,866
June 30, 2016	\$ 839,308	\$ 255,235	30.4%	\$ 5,586,939

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, 2016, is as follows:

<u>Actuarial</u> <u>Valuation</u> <u>Date</u> <u>as of</u> <u>June 30</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b-a)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u> <u>(d)</u>	<u>Ratio of UAAL</u> <u>to Annual</u> <u>Covered Payroll</u> <u>(b-a)/d</u>
2014	\$ -	\$ 8,402,894	\$ 8,402,894	0.0%	\$21,755,144	38.6%

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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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

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.

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 rate	3.0% per annum
Payroll growth	NA
Medical 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 the 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. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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 \$2,418,297 liability reported as landfill closure and post closure represents total costs to date, as of June 30, 2016 based on 100% use of two landfills and 83% 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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

The following table shows the landfills, which Pickens County owns, and the remaining number of years out of 20 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	16	100%	2003	\$ 898,000
Central	6	100%	1994	204,000
C & D	20	83%	1998	1,316,297
				<u>2,418,297</u>
Less current portion				(112,500)
Long-term portion outstanding				<u><u>\$ 2,305,797</u></u>

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 these pending lawsuits are either covered by applicable insurance and that none of the claims, if any, would exceed such coverage, or that the pending lawsuits will not have a material adverse effect on the County's financial statements.

PICKENS COUNTY, SOUTH CAROLINA

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS

JUNE 30, 2016

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
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%
2016	2014	-	8,402,894	8,402,894	0%	21,563,586	39%

PICKENS COUNTY, SOUTH CAROLINA

Exhibit J

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

JUNE 30, 2016

(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					
2015	0.147756%	\$ 28,022,638	\$ 14,173,932	197.7%	57.0%
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					
2015	0.540350%	\$ 11,776,909	\$ 6,967,691	169.0%	64.6%
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, 2016
(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					
2016	\$ 1,546,376	\$ 1,546,376	\$ -	\$ 14,173,932	10.91%
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%
Police Officers' Retirement System					
2016	\$ 929,490	\$ 929,490	\$ -	\$ 6,967,691	13.34%
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%

*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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 25,252,940	\$ 25,252,940	\$ 27,435,674	\$ 2,182,734
Intergovernmental	5,140,204	5,140,204	5,050,838	(89,366)
Fees, licenses and permits	785,912	785,912	839,004	53,092
Charges for services	6,017,354	6,017,354	6,462,181	444,827
Fines and forfeitures	587,000	587,000	501,786	(85,214)
Investment income	224,459	224,459	416,250	191,791
Rental income	20,760	20,760	21,100	340
Contributions	-	-	2,092	2,092
Other revenues	112,300	112,300	449,204	336,904
Total revenues	<u>38,140,929</u>	<u>38,140,929</u>	<u>41,178,129</u>	<u>3,037,200</u>
Expenditures				
Current				
General government				
County council	206,266	216,436	236,292	(19,856)
County attorney	112,920	387,920	344,369	43,551
State solicitor	816,656	821,411	830,134	(8,723)
Public defender	102,286	102,761	100,351	2,410
Probate judge	299,178	307,738	308,164	(426)
Register of deeds	268,392	313,676	269,699	43,977
Clerk of court	660,644	671,226	670,487	739
Administrator	386,239	314,327	223,480	90,847
Purchasing	61,640	63,304	63,194	110
Finance	499,307	504,682	504,515	167
Building maintenance	1,846,689	2,291,807	2,173,854	117,953
Human resources	161,518	171,589	178,485	(6,896)
Delinquent tax	278,530	303,419	340,422	(37,003)
Risk manager	50,595	51,426	54,100	(2,674)
Circuit judge	6,825	6,825	582	6,243
Treasurer	472,640	485,162	485,432	(270)
Auditor	339,092	348,762	348,867	(105)
Tax assessor	753,576	817,072	760,392	56,680
Board of appeals	4,000	4,000	800	3,200
GIS mapping	323,601	333,638	314,964	18,674
Registration and elections	472,312	476,777	343,933	132,844
Planning commission	196,845	226,675	189,015	37,660
Information services	1,105,101	1,167,316	1,026,211	141,105
County magistrates	612,445	618,597	619,852	(1,255)
Vehicle maintenance	564,611	582,811	595,691	(12,880)
Public relations	28,000	32,956	29,874	3,082
Retiree health and dental	157,836	139,169	138,506	663
	<u>10,787,744</u>	<u>11,761,482</u>	<u>11,151,665</u>	<u>609,817</u>

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1 - continued

YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Public safety				
Sheriff's department	\$ 9,822,893	\$ 9,857,405	\$ 9,727,847	\$ 129,558
Emergency management	374,401	390,109	388,278	1,831
County coroner	260,017	261,565	247,607	13,958
Prison camp	1,175,907	1,218,119	1,215,077	3,042
Emergency medical services	4,984,270	5,074,677	5,127,601	(52,924)
Building codes	365,621	373,104	362,249	10,855
Fire district	2,040	2,687	2,662	25
	<u>16,985,149</u>	<u>17,177,666</u>	<u>17,071,321</u>	<u>106,345</u>
Public works				
Roads and bridges	2,317,509	2,324,417	2,025,933	298,484
Solid waste department	3,134,321	3,161,060	3,168,482	(7,422)
Engineering	105,682	108,226	107,414	812
	<u>5,557,512</u>	<u>5,593,703</u>	<u>5,301,829</u>	<u>291,874</u>
Health and welfare				
Health department	28,200	28,146	24,530	3,616
Animal control	443,679	449,084	404,432	44,652
Humane society	70,000	70,000	70,000	-
Veterans affairs	107,553	117,617	117,252	365
Storm water management	273,666	257,222	230,927	26,295
Pickens County health partners	20,000	20,000	20,000	-
Meals on Wheels	12,000	12,000	12,000	-
	<u>955,098</u>	<u>954,069</u>	<u>879,141</u>	<u>74,928</u>
Culture and recreation				
Cultural commission	585,808	1,239,707	648,459	591,248
Parks department	253,837	256,389	240,542	15,847
	<u>839,645</u>	<u>1,496,096</u>	<u>889,001</u>	<u>607,095</u>
Economic development and assistance				
Economic development	-	9,555	439,659	(430,104)
Intergovernmental				
Legislative delegation	21,057	21,193	19,186	2,007
Department of social services	48,812	51,759	51,554	205
Medically indigent fund	205,000	205,000	195,531	9,469
SC Appalachian Council of Governments	45,593	45,593	45,593	-
Clemson extension	74,486	74,486	73,698	788
Soil and water conservation	3,000	3,000	3,000	-
	<u>397,948</u>	<u>401,031</u>	<u>388,562</u>	<u>12,469</u>

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1 - continued

YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Other				
Contingency	\$ 379,935	\$ 367,365	\$ 225,135	\$ 142,230
SCAC	54,025	54,025	45,713	8,312
	<u>433,960</u>	<u>421,390</u>	<u>270,848</u>	<u>150,542</u>
Capital outlay	<u>1,694,388</u>	<u>1,916,149</u>	<u>1,814,744</u>	<u>101,405</u>
Total expenditures	<u>37,651,444</u>	<u>39,731,141</u>	<u>38,206,770</u>	<u>1,524,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>489,485</u>	<u>(1,590,212)</u>	<u>2,971,359</u>	<u>4,561,571</u>
Other financing uses				
Transfers out	<u>(546,247)</u>	<u>(834,868)</u>	<u>(411,789)</u>	<u>423,079</u>
Total other financing uses	<u>(546,247)</u>	<u>(834,868)</u>	<u>(411,789)</u>	<u>423,079</u>
Net change in fund balances	<u><u>\$ (56,762)</u></u>	<u><u>\$ (2,425,080)</u></u>	<u>2,559,570</u>	<u><u>\$ 4,984,650</u></u>
Fund balance - beginning			<u>31,885,898</u>	
Fund balance - ending			<u><u>\$ 34,445,468</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, 2016

	<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	\$ 202,463	\$ 558,434	\$ 78,280	\$ 688,476	\$ -	\$ 157,967	\$ 265,023
Property taxes receivable	119,300	115,074	25,552	119,637	38,961	109,924	53,908
Accounts receivable - other	-	-	-	163	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 321,763</u>	<u>\$ 673,508</u>	<u>\$ 103,832</u>	<u>\$ 808,276</u>	<u>\$ 38,961</u>	<u>\$ 267,891</u>	<u>\$ 318,931</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 3,319	\$ 51,522	\$ 931	\$ 949	\$ 10,410	\$ 12,308	\$ 14,924
Accrued payroll	-	-	1,369	10,259	2,090	6,240	2,791
Advances from general fund	-	393,608	-	393,608	412,135	-	400,000
Total liabilities	<u>3,319</u>	<u>445,130</u>	<u>2,300</u>	<u>404,816</u>	<u>424,635</u>	<u>18,548</u>	<u>417,715</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	107,181	110,518	23,435	114,117	36,625	101,436	48,374
Total deferred inflows of resources	<u>107,181</u>	<u>110,518</u>	<u>23,435</u>	<u>114,117</u>	<u>36,625</u>	<u>101,436</u>	<u>48,374</u>
Fund Balances:							
Nonspendable							
Prepaid items	-	-	-	-	-	-	-
Restricted	211,263	117,860	78,097	289,343	-	147,907	-
Unassigned	-	-	-	-	(422,299)	-	(147,158)
Total fund balances	<u>211,263</u>	<u>117,860</u>	<u>78,097</u>	<u>289,343</u>	<u>(422,299)</u>	<u>147,907</u>	<u>(147,158)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 321,763</u>	<u>\$ 673,508</u>	<u>\$ 103,832</u>	<u>\$ 808,276</u>	<u>\$ 38,961</u>	<u>\$ 267,891</u>	<u>\$ 318,931</u>

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

Schedule 2 - continued

JUNE 30, 2016

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
ASSETS							
Cash and investments	\$ 92,063	\$ 156,030	\$ 704,979	\$ 15,356	\$ 543,100	\$ 645,646	\$ 4,107,817
Property taxes receivable	14,377	20,038	5,546	44	44,823	18,196	685,380
Accounts receivable - other	-	-	-	-	-	-	163
Prepaid items	-	-	212	-	-	-	212
Total assets	<u>\$ 106,440</u>	<u>\$ 176,068</u>	<u>\$ 710,737</u>	<u>\$ 15,400</u>	<u>\$ 587,923</u>	<u>\$ 663,842</u>	<u>\$ 4,793,572</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 452	\$ 13,446	\$ 11,901	\$ -	\$ 13,057	\$ 4,815	\$ 138,034
Accrued payroll	-	-	7,013	-	25,003	-	54,765
Advances from general fund	-	-	-	-	-	-	1,599,351
Total liabilities	<u>452</u>	<u>13,446</u>	<u>18,914</u>	<u>-</u>	<u>38,060</u>	<u>4,815</u>	<u>1,792,150</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	12,928	18,902	3,827	44	42,587	21,364	641,338
Total deferred inflows of resources	<u>12,928</u>	<u>18,902</u>	<u>3,827</u>	<u>44</u>	<u>42,587</u>	<u>21,364</u>	<u>641,338</u>
Fund Balances:							
Nonspendable							
Prepaid items	-	-	212	-	-	-	212
Restricted	93,060	143,720	687,784	15,356	507,276	637,663	2,929,329
Unassigned	-	-	-	-	-	-	(569,457)
Total fund balances	<u>93,060</u>	<u>143,720</u>	<u>687,996</u>	<u>15,356</u>	<u>507,276</u>	<u>637,663</u>	<u>2,360,084</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 106,440</u>	<u>\$ 176,068</u>	<u>\$ 710,737</u>	<u>\$ 15,400</u>	<u>\$ 587,923</u>	<u>\$ 663,842</u>	<u>\$ 4,793,572</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, 2016

	<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	-	-	-	-	-	-	-
Fees, licenses and permits	527,381	420,792	157,919	602,390	189,815	332,577	207,794
Charges for services	-	-	-	1,913	-	-	-
Investment income	-	-	-	163	-	-	-
Contributions	-	202	202	227	202	202	202
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>527,381</u>	<u>420,994</u>	<u>158,121</u>	<u>604,693</u>	<u>190,017</u>	<u>332,779</u>	<u>207,996</u>
Expenditures							
Current:							
Personnel services	-	-	41,310	398,356	79,431	227,533	72,083
Supplies	-	1,279	15,397	10,239	16,460	18,684	10,689
Contractual services	468,837	221,537	2,505	2,284	863	4,786	4,199
Utilities	-	11,454	7,926	11,183	8,204	13,175	12,802
Repairs and maintenance	-	26,912	10,648	6,865	16,208	10,587	14,467
Fuel and oil	-	794	4,544	7,493	3,983	4,994	3,952
Furniture, machinery and equipment	-	11,624	23,767	808	9,828	14,373	113
Insurance, bonds and licenses	-	7,399	8,989	8,841	5,465	8,594	10,364
Rent	-	70	-	-	-	-	-
Other	-	6,218	7,157	10,569	38,391	16,758	15,923
Contingency	-	2,453	-	-	-	17,658	-
Capital outlay	-	-	-	-	-	105,651	443,758
Debt service:							
Principal retirement	-	-	35,459	81,482	-	-	-
Interest and fiscal charges	-	17,387	2,091	24,096	14,683	-	-
Total expenditures	<u>468,837</u>	<u>307,127</u>	<u>159,793</u>	<u>562,216</u>	<u>193,516</u>	<u>442,793</u>	<u>588,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>58,544</u>	<u>113,867</u>	<u>(1,672)</u>	<u>42,477</u>	<u>(3,499)</u>	<u>(110,014)</u>	<u>(380,354)</u>
Other financing sources (uses)							
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>58,544</u>	<u>113,867</u>	<u>(1,672)</u>	<u>42,477</u>	<u>(3,499)</u>	<u>(110,014)</u>	<u>(380,354)</u>
Fund balance - beginning	<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>
Fund balance - ending	<u>\$ 211,263</u>	<u>\$ 117,860</u>	<u>\$ 78,097</u>	<u>\$ 289,343</u>	<u>\$ (422,299)</u>	<u>\$ 147,907</u>	<u>\$ (147,158)</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, 2016

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
Revenues							
Taxes	\$ -	\$ -	\$ 283,390	\$ -	\$ 703,530	\$ 470,835	\$ 1,457,755
Intergovernmental	-	4,902	-	-	-	-	4,902
Fees, licenses and permits	61,085	181,654	-	3,190	-	-	2,684,597
Charges for services	-	-	-	-	-	-	1,913
Investment income	-	-	-	-	-	-	163
Contributions	-	-	202	-	202	202	1,843
Other revenues	2,281	-	1,544	-	-	-	3,825
Total revenues	<u>63,366</u>	<u>186,556</u>	<u>285,136</u>	<u>3,190</u>	<u>703,732</u>	<u>471,037</u>	<u>4,154,998</u>
Expenditures							
Current:							
Personnel services	-	-	236,107	-	880,450	348	1,935,618
Supplies	12,575	18,218	14,085	-	20,002	12,503	150,131
Contractual services	191	86,673	6,380	2,281	6,331	4,740	811,607
Utilities	7,675	4,780	12,500	-	18,188	14,135	122,022
Repairs and maintenance	5,549	9,065	17,950	-	25,340	16,425	160,016
Fuel and oil	1,282	1,912	3,600	-	6,933	3,748	43,235
Furniture, machinery and equipment	139	19,945	2,294	-	17,095	3,354	103,340
Insurance, bonds and licenses	4,085	4,293	6,046	396	15,360	5,652	85,484
Rent	-	-	-	-	64	177	311
Other	647	2,134	7,566	-	12,796	10,541	128,700
Contingency	-	-	-	-	-	-	20,111
Capital outlay	12,794	24,822	136,248	-	36,592	-	759,865
Debt service:							
Principal retirement	26,403	29,285	-	-	-	-	172,629
Interest and fiscal charges	1,056	6,310	-	-	-	-	65,623
Total expenditures	<u>72,396</u>	<u>207,437</u>	<u>442,776</u>	<u>2,677</u>	<u>1,039,151</u>	<u>71,623</u>	<u>4,558,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,030)</u>	<u>(20,881)</u>	<u>(157,640)</u>	<u>513</u>	<u>(335,419)</u>	<u>399,414</u>	<u>(403,694)</u>
Other financing sources (uses)							
Transfers (out) in	-	-	-	-	383,444	(383,444)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>383,444</u>	<u>(383,444)</u>	<u>-</u>
Net change in fund balances	<u>(9,030)</u>	<u>(20,881)</u>	<u>(157,640)</u>	<u>513</u>	<u>48,025</u>	<u>15,970</u>	<u>(403,694)</u>
Fund balance - beginning	<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>
Fund balance - ending	<u>\$ 93,060</u>	<u>\$ 143,720</u>	<u>\$ 687,996</u>	<u>\$ 15,356</u>	<u>\$ 507,276</u>	<u>\$ 637,663</u>	<u>\$ 2,360,084</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 4

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

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 579,871	\$ 579,871	\$ 527,381	\$ (52,490)
Total revenues	<u>579,871</u>	<u>579,871</u>	<u>527,381</u>	<u>(52,490)</u>
Expenditures				
Current:				
Contractual services	472,500	472,500	468,837	3,663
Total expenditures	<u>472,500</u>	<u>472,500</u>	<u>468,837</u>	<u>3,663</u>
Excess of revenues over expenditures	<u>107,371</u>	<u>107,371</u>	<u>58,544</u>	<u>(48,827)</u>
Net change in fund balances	<u>\$ 107,371</u>	<u>\$ 107,371</u>	58,544	<u>\$ (48,827)</u>
Fund balance - beginning			<u>152,719</u>	
Fund balance - ending			<u>\$ 211,263</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 5

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

YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 478,224	\$ 478,224	\$ 420,792	\$ (57,432)
Contributions	-	-	202	202
Total revenues	<u>478,224</u>	<u>478,224</u>	<u>420,994</u>	<u>(57,230)</u>
Expenditures				
Current:				
Supplies	4,100	4,100	1,279	2,821
Contractual services	257,600	257,600	221,537	36,063
Utilities	15,100	15,100	11,454	3,646
Repairs and maintenance	16,000	16,000	26,912	(10,912)
Fuel and oil	-	-	794	(794)
Furniture, machinery and equipment	17,000	17,000	11,624	5,376
Insurance, bonds and licenses	9,000	9,000	7,399	1,601
Rent	-	-	70	(70)
Other	5,000	5,000	6,218	(1,218)
Contingency	29,737	29,737	2,453	27,284
Debt service:				
Interest and fiscal charges	17,388	17,388	17,387	1
Total expenditures	<u>370,925</u>	<u>370,925</u>	<u>307,127</u>	<u>63,798</u>
Excess of revenues over expenditures	<u>107,299</u>	<u>107,299</u>	<u>113,867</u>	<u>6,568</u>
Net change in fund balances	<u>\$ 107,299</u>	<u>\$ 107,299</u>	113,867	<u>\$ 6,568</u>
Fund balance - beginning			<u>3,993</u>	
Fund balance - ending			<u>\$ 117,860</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 209,446	\$ 209,446	\$ 157,919	\$ (51,527)
Contributions	-	-	202	202
Total revenues	<u>209,446</u>	<u>209,446</u>	<u>158,121</u>	<u>(51,325)</u>
Expenditures				
Current:				
Personnel services	2,028	2,605	41,310	(38,705)
Supplies	22,042	18,642	15,397	3,245
Contractual services	3,050	1,332	2,505	(1,173)
Utilities	11,500	11,500	7,926	3,574
Repairs and maintenance	11,300	11,300	10,648	652
Fuel and oil	8,000	8,000	4,544	3,456
Furniture, machinery and equipment	18,000	24,618	23,767	851
Insurance, bonds and licenses	13,000	13,000	8,989	4,011
Other	7,380	9,380	7,157	2,223
Debt service:				
Principal retirement	35,459	35,459	35,459	-
Interest and fiscal charges	2,091	2,091	2,091	-
Total expenditures	<u>133,850</u>	<u>137,927</u>	<u>159,793</u>	<u>(21,866)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>75,596</u>	<u>71,519</u>	<u>(1,672)</u>	<u>(73,191)</u>
Net change in fund balances	<u>\$ 75,596</u>	<u>\$ 71,519</u>	<u>(1,672)</u>	<u>\$ (73,191)</u>
Fund balance - beginning			<u>79,769</u>	
Fund balance - ending			<u>\$ 78,097</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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 631,383	\$ 631,383	\$ 602,390	\$ (28,993)
Charges for services	-	-	1,913	1,913
Investment income	500	500	163	(337)
Contributions	-	-	227	227
Total revenues	<u>631,883</u>	<u>631,883</u>	<u>604,693</u>	<u>(27,190)</u>
Expenditures				
Current:				
Personnel services	396,254	395,974	398,356	(2,382)
Supplies	12,275	11,020	10,239	781
Contractual services	1,225	2,294	2,284	10
Utilities	11,025	11,352	11,183	169
Repairs and maintenance	6,200	7,250	6,865	385
Fuel and oil	9,000	7,675	7,493	182
Furniture, machinery and equipment	1,178	1,022	808	214
Insurance, bonds and licenses	8,290	8,841	8,841	-
Other	10,050	10,669	10,569	100
Debt service:				
Principal retirement	122,557	122,557	81,482	41,075
Interest and fiscal charges	24,096	24,096	24,096	-
Total expenditures	<u>602,150</u>	<u>602,750</u>	<u>562,216</u>	<u>40,534</u>
Excess of revenues over expenditures	<u>29,733</u>	<u>29,133</u>	<u>42,477</u>	<u>13,344</u>
Net change in fund balances	<u><u>\$ 29,733</u></u>	<u><u>\$ 29,133</u></u>	<u>42,477</u>	<u><u>\$ 13,344</u></u>
Fund balance - beginning			<u>246,866</u>	
Fund balance - ending			<u><u>\$ 289,343</u></u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 8

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

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 255,942	\$ 255,942	\$ 189,815	\$ (66,127)
Contributions	-	-	202	202
Total revenues	<u>255,942</u>	<u>255,942</u>	<u>190,017</u>	<u>(65,925)</u>
Expenditures				
Current:				
Personnel services	79,324	79,324	79,431	(107)
Supplies	15,500	18,132	16,460	1,672
Contractual services	825	850	863	(13)
Utilities	14,320	9,420	8,204	1,216
Repairs and maintenance	17,500	20,605	16,208	4,397
Fuel and oil	6,500	6,500	3,983	2,517
Furniture, machinery and equipment	10,000	9,895	9,828	67
Insurance, bonds and licenses	5,861	5,929	5,465	464
Other	21,885	21,680	38,391	(16,711)
Debt service:				
Interest and fiscal charges	14,683	14,683	14,683	-
Total expenditures	<u>186,398</u>	<u>187,018</u>	<u>193,516</u>	<u>(6,498)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>69,544</u>	<u>68,924</u>	<u>(3,499)</u>	<u>(72,423)</u>
Net change in fund balances	<u>\$ 69,544</u>	<u>\$ 68,924</u>	<u>(3,499)</u>	<u>\$ (72,423)</u>
Fund balance - beginning			<u>(418,800)</u>	
Fund balance - ending			<u>\$ (422,299)</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 9

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

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 442,242	\$ 442,242	\$ 332,577	\$ (109,665)
Contributions	-	-	202	202
Total revenues	<u>442,242</u>	<u>442,242</u>	<u>332,779</u>	<u>(109,463)</u>
Expenditures				
Current:				
Personnel services	238,965	239,235	227,533	11,702
Supplies	11,200	24,686	18,684	6,002
Contractual services	4,350	6,236	4,786	1,450
Utilities	32,040	21,712	13,175	8,537
Repairs and maintenance	8,500	12,000	10,587	1,413
Fuel and oil	12,000	7,051	4,994	2,057
Furniture, machinery and equipment	2,000	15,950	14,373	1,577
Insurance, bonds and licenses	8,000	8,870	8,594	276
Other	22,845	18,266	16,758	1,508
Contingency	25,000	20,184	17,658	2,526
Capital outlay	-	134,515	105,651	28,864
Total expenditures	<u>364,900</u>	<u>508,705</u>	<u>442,793</u>	<u>65,912</u>
Excess (deficiency) of revenues over (under) expenditures	<u>77,342</u>	<u>(66,463)</u>	<u>(110,014)</u>	<u>(43,551)</u>
Net change in fund balances	<u>\$ 77,342</u>	<u>\$ (66,463)</u>	<u>(110,014)</u>	<u>\$ (43,551)</u>
Fund balance - beginning			<u>257,921</u>	
Fund balance - ending			<u>\$ 147,907</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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 267,887	\$ 267,887	\$ 207,794	\$ (60,093)
Contributions	-	-	202	202
Total revenues	<u>267,887</u>	<u>267,887</u>	<u>207,996</u>	<u>(59,891)</u>
Expenditures				
Current:				
Personnel services	71,294	71,294	72,083	(789)
Supplies	22,000	22,000	10,689	11,311
Contractual services	5,500	5,500	4,199	1,301
Utilities	10,600	10,600	12,802	(2,202)
Repairs and maintenance	9,000	9,000	14,467	(5,467)
Fuel and oil	6,000	6,000	3,952	2,048
Furniture, machinery and equipment	-	-	113	(113)
Insurance, bonds and licenses	11,000	11,000	10,364	636
Other	17,900	17,900	15,923	1,977
Capital outlay	-	400,000	443,758	(43,758)
Total expenditures	<u>153,294</u>	<u>553,294</u>	<u>588,350</u>	<u>(35,056)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>114,593</u>	<u>(285,407)</u>	<u>(380,354)</u>	<u>(94,947)</u>
Net change in fund balances	<u>\$ 114,593</u>	<u>\$ (285,407)</u>	<u>(380,354)</u>	<u>\$ (94,947)</u>
Fund balance - beginning			<u>233,196</u>	
Fund balance - ending			<u>\$ (147,158)</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 101,366	\$ 101,366	\$ 61,085	\$ (40,281)
Other revenues	2,300	2,300	2,281	(19)
Total revenues	<u>103,666</u>	<u>103,666</u>	<u>63,366</u>	<u>(40,300)</u>
Expenditures				
Current:				
Supplies	11,941	11,941	12,575	(634)
Contractual services	-	-	191	(191)
Utilities	6,500	6,500	7,675	(1,175)
Repairs and maintenance	2,500	2,500	5,549	(3,049)
Fuel and oil	2,000	2,000	1,282	718
Furniture, machinery and equipment	-	-	139	(139)
Insurance, bonds and licenses	3,000	3,000	4,085	(1,085)
Other	1,700	1,700	647	1,053
Capital outlay	-	11,957	12,794	(837)
Debt service:				
Principal retirement	26,403	26,403	26,403	-
Interest and fiscal charges	1,056	1,056	1,056	-
Total expenditures	<u>55,100</u>	<u>67,057</u>	<u>72,396</u>	<u>(5,339)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,566</u>	<u>36,609</u>	<u>(9,030)</u>	<u>(45,639)</u>
Net change in fund balances	<u>\$ 48,566</u>	<u>\$ 36,609</u>	<u>(9,030)</u>	<u>\$ (45,639)</u>
Fund balance - beginning			<u>102,090</u>	
Fund balance - ending			<u>\$ 93,060</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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 4,902	\$ 4,902	\$ -
Fees, licenses and permits	199,625	199,625	181,654	(17,971)
Total revenues	199,625	204,527	186,556	(17,971)
Expenditures				
Current:				
Supplies	8,700	18,504	18,218	286
Contractual services	75,652	75,652	86,673	(11,021)
Utilities	3,700	3,700	4,780	(1,080)
Repairs and maintenance	6,000	6,000	9,065	(3,065)
Fuel and oil	2,500	2,500	1,912	588
Furniture, machinery and equipment	22,701	22,701	19,945	2,756
Insurance, bonds and licenses	3,895	3,895	4,293	(398)
Other	3,825	3,825	2,134	1,691
Capital outlay	-	24,825	24,822	3
Debt service:				
Principal retirement	29,285	29,285	29,285	-
Interest and fiscal charges	6,310	6,310	6,310	-
Total expenditures	162,568	197,197	207,437	(10,240)
Excess (deficiency) of revenues over (under) expenditures	37,057	7,330	(20,881)	(28,211)
Net change in fund balances	\$ 37,057	\$ 7,330	(20,881)	\$ (28,211)
Fund balance - beginning			164,601	
Fund balance - ending			\$ 143,720	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 259,850	\$ 259,850	\$ 283,390	\$ 23,540
Contributions	-	-	202	202
Other revenues	-	-	1,544	1,544
Total revenues	<u>259,850</u>	<u>259,850</u>	<u>285,136</u>	<u>25,286</u>
Expenditures				
Current:				
Personnel services	237,324	237,414	236,107	1,307
Supplies	16,850	18,704	14,085	4,619
Contractual services	2,610	7,073	6,380	693
Utilities	17,640	14,340	12,500	1,840
Repairs and maintenance	8,800	20,305	17,950	2,355
Fuel and oil	6,000	4,000	3,600	400
Furniture, machinery and equipment	1,000	2,415	2,294	121
Insurance, bonds and licenses	6,100	6,113	6,046	67
Other	12,800	8,251	7,566	685
Contingency	5,000	593	-	593
Capital outlay	-	496,218	136,248	359,970
Total expenditures	<u>314,124</u>	<u>815,426</u>	<u>442,776</u>	<u>372,650</u>
Deficiency of revenues under expenditures	<u>(54,274)</u>	<u>(555,576)</u>	<u>(157,640)</u>	<u>397,936</u>
Net change in fund balances	<u>\$ (54,274)</u>	<u>\$ (555,576)</u>	<u>(157,640)</u>	<u>\$ 397,936</u>
Fund balance - beginning			<u>845,636</u>	
Fund balance - ending			<u>\$ 687,996</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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 5,395	\$ 5,395	\$ 3,190	\$ (2,205)
Total revenues	<u>5,395</u>	<u>5,395</u>	<u>3,190</u>	<u>(2,205)</u>
Expenditures				
Current:				
Contractual services	2,217	2,217	2,281	(64)
Insurance, bonds and licenses	<u>333</u>	<u>333</u>	<u>396</u>	<u>(63)</u>
Total expenditures	<u>2,550</u>	<u>2,550</u>	<u>2,677</u>	<u>(127)</u>
Excess of revenues over expenditures	<u>2,845</u>	<u>2,845</u>	<u>513</u>	<u>(2,332)</u>
Net change in fund balances	<u>\$ 2,845</u>	<u>\$ 2,845</u>	513	<u>\$ (2,332)</u>
Fund balance - beginning			<u>14,843</u>	
Fund balance - ending			<u>\$ 15,356</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 700,366	\$ 700,366	\$ 703,530	\$ 3,164
Contributions	-	-	202	202
Total revenues	<u>700,366</u>	<u>700,366</u>	<u>703,732</u>	<u>3,366</u>
Expenditures				
Current:				
Personnel services	913,610	913,610	880,450	33,160
Supplies	24,800	21,900	20,002	1,898
Contractual services	5,800	6,500	6,331	169
Utilities	24,000	24,000	18,188	5,812
Repairs and maintenance	31,000	30,600	25,340	5,260
Fuel and oil	13,000	11,800	6,933	4,867
Furniture, machinery and equipment	17,500	19,400	17,095	2,305
Insurance, bonds and licenses	17,000	17,000	15,360	1,640
Rent	100	100	64	36
Other	14,800	16,700	12,796	3,904
Capital outlay	36,971	36,971	36,592	379
Total expenditures	<u>1,098,581</u>	<u>1,098,581</u>	<u>1,039,151</u>	<u>59,430</u>
Deficiency of revenues under expenditures	<u>(398,215)</u>	<u>(398,215)</u>	<u>(335,419)</u>	<u>62,796</u>
Other financing sources				
Transfers in	383,444	383,444	383,444	-
Total other financing sources	<u>383,444</u>	<u>383,444</u>	<u>383,444</u>	<u>-</u>
Net change in fund balances	<u>\$ (14,771)</u>	<u>\$ (14,771)</u>	48,025	<u>\$ 62,796</u>
Fund balance - beginning			<u>459,251</u>	
Fund balance - ending			<u>\$ 507,276</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 472,344	\$ 472,344	\$ 470,835	\$ (1,509)
Contributions	-	-	202	202
Total revenues	<u>472,344</u>	<u>472,344</u>	<u>471,037</u>	<u>(1,307)</u>
Expenditures				
Current:				
Personnel services	-	-	348	(348)
Supplies	24,500	15,800	12,503	3,297
Contractual services	5,100	5,100	4,740	360
Utilities	14,400	17,200	14,135	3,065
Repairs and maintenance	11,000	18,300	16,425	1,875
Fuel and oil	7,000	6,500	3,748	2,752
Furniture, machinery and equipment	1,000	4,000	3,354	646
Insurance, bonds and licenses	5,000	5,700	5,652	48
Rent	250	250	177	73
Other	12,600	12,600	10,541	2,059
Total expenditures	<u>80,850</u>	<u>85,450</u>	<u>71,623</u>	<u>13,827</u>
Excess of revenues over expenditures over expenditures	<u>391,494</u>	<u>386,894</u>	<u>399,414</u>	<u>12,520</u>
Other financing uses				
Transfers out	(383,444)	(383,444)	(383,444)	-
Total other financing uses	<u>(383,444)</u>	<u>(383,444)</u>	<u>(383,444)</u>	<u>-</u>
Net change in fund balances	<u>\$ 8,050</u>	<u>\$ 3,450</u>	15,970	<u>\$ 12,520</u>
Fund balance - beginning			<u>621,693</u>	
Fund balance - ending			<u>\$ 637,663</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.

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, 2016

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 7,685,690	\$ 1,165,597	\$ 89,421	\$ 8,940,708
Property taxes receivable	381,801	231,953	-	613,754
Accounts receivable - other	49,451	-	-	49,451
Due from other governments	1,043,136	15,002	-	1,058,138
Prepaid items	2,918	-	-	2,918
Total assets	<u>\$ 9,162,996</u>	<u>\$ 1,412,552</u>	<u>\$ 89,421</u>	<u>\$ 10,664,969</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 91,384	\$ -	\$ 3,531	\$ 94,915
Accrued payroll	90,221	-	-	90,221
Advances from general fund	19,506	309,664	-	329,170
Total liabilities	<u>201,111</u>	<u>309,664</u>	<u>3,531</u>	<u>514,306</u>
Deferred Inflow of Resources:				
Unavailable revenue - delinquent taxes	610,547	218,064	-	828,611
Total deferred inflow of resources	<u>610,547</u>	<u>218,064</u>	<u>-</u>	<u>828,611</u>
Fund Balances:				
Prepaid items	2,918	-	-	2,918
Restricted	8,348,420	884,824	-	9,233,244
Committed	-	-	85,890	85,890
Unassigned	-	-	-	-
Total fund balances	<u>8,351,338</u>	<u>884,824</u>	<u>85,890</u>	<u>9,322,052</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 9,162,996</u>	<u>\$ 1,412,552</u>	<u>\$ 89,421</u>	<u>\$ 10,664,969</u>

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

Schedule 18

YEAR ENDED JUNE 30, 2016

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 4,289,096	\$ 2,959,449	\$ -	\$ 7,248,545
Intergovernmental	1,320,832	-	-	1,320,832
Fees, licenses and permits	2,874,294	309,668	-	3,183,962
Charges for services	146,589	-	-	146,589
Fines and forfeitures	1,038,436	-	-	1,038,436
Contributions	24,763	-	-	24,763
Other revenues	16,689	-	-	16,689
Total revenues	<u>9,710,699</u>	<u>3,269,117</u>	<u>-</u>	<u>12,979,816</u>
Expenditures				
Current:				
General government	195,931	-	-	195,931
Public safety	3,073,299	-	-	3,073,299
Public works	777,053	-	-	777,053
Health and welfare	11,096	-	-	11,096
Culture and recreation	3,465,646	-	-	3,465,646
Other	503,361	-	-	503,361
Capital outlay	634,757	-	538,385	1,173,142
Debt service:				
Principal retirement	-	2,599,176	-	2,599,176
Interest and fiscal charges	-	365,834	-	365,834
Total expenditures	<u>8,661,143</u>	<u>2,965,010</u>	<u>538,385</u>	<u>12,164,538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,049,556</u>	<u>304,107</u>	<u>(538,385)</u>	<u>815,278</u>
Other financing sources (uses)				
Transfers in (out)	<u>(104,133)</u>	<u>(127,692)</u>	<u>338,621</u>	<u>106,796</u>
Total other financing sources (uses)	<u>(104,133)</u>	<u>(127,692)</u>	<u>338,621</u>	<u>106,796</u>
Net change in fund balances	945,423	176,415	(199,764)	922,074
Fund balance - beginning	<u>7,405,915</u>	<u>708,409</u>	<u>285,654</u>	<u>8,399,978</u>
Fund balance - ending	<u>\$ 8,351,338</u>	<u>\$ 884,824</u>	<u>\$ 85,890</u>	<u>\$ 9,322,052</u>

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

Schedule 19

JUNE 30, 2016

	Tri-County Tech	Fixed Nuclear	Sheriff Special	Library	Victim Rights	Grants
ASSETS						
Cash and investments	\$ 764,468	\$ 64,475	\$ 422,048	\$ 1,854,240	\$ 77,842	\$ 43,393
Property taxes receivable	112,208	-	-	269,593	-	-
Accounts receivable - other	-	-	-	-	-	-
Due from other governments	595,030	-	-	25,343	-	236,676
Prepaid items	-	-	-	2,818	-	-
Total assets	<u>\$ 1,471,706</u>	<u>\$ 64,475</u>	<u>\$ 422,048</u>	<u>\$ 2,151,994</u>	<u>\$ 77,842</u>	<u>\$ 280,069</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 1,912	\$ -	\$ 35,133	\$ 1	\$ 20,285
Accrued payroll	-	1,987	-	67,334	1,639	6,230
Advances from general fund	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>3,899</u>	<u>-</u>	<u>102,467</u>	<u>1,640</u>	<u>26,515</u>
Deferred Inflows of Resources:						
Unavailable revenue - delinquent taxes	104,959	-	-	252,034	-	253,554
Total deferred inflows of resources	<u>104,959</u>	<u>-</u>	<u>-</u>	<u>252,034</u>	<u>-</u>	<u>253,554</u>
Fund Balances:						
Nonspendable:						
Prepaid items	-	-	-	2,818	-	-
Restricted	1,366,747	60,576	422,048	1,794,675	76,202	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,366,747</u>	<u>60,576</u>	<u>422,048</u>	<u>1,797,493</u>	<u>76,202</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,471,706</u>	<u>\$ 64,475</u>	<u>\$ 422,048</u>	<u>\$ 2,151,994</u>	<u>\$ 77,842</u>	<u>\$ 280,069</u>

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

Schedule 19 - continued

JUNE 30, 2016

	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	\$ -	\$ 133,985	\$ 50,993	\$ 2,589,535	\$ 150,125	\$ 1,534,586	\$ 7,685,690
Property taxes receivable	-	-	-	-	-	-	381,801
Accounts receivable - other	-	-	-	-	34,863	14,588	49,451
Due from other governments	19,506	-	26,281	-	-	140,300	1,043,136
Prepaid items	-	-	-	-	100	-	2,918
Total assets	<u>\$ 19,506</u>	<u>\$ 133,985</u>	<u>\$ 77,274</u>	<u>\$ 2,589,535</u>	<u>\$ 185,088</u>	<u>\$ 1,689,474</u>	<u>\$ 9,162,996</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 3,976	\$ 3,000	\$ 9,427	\$ 627	\$ 17,023	\$ 91,384
Accrued payroll	-	897	-	2,820	2,222	7,092	90,221
Advances from general fund	19,506	-	-	-	-	-	19,506
Total liabilities	<u>19,506</u>	<u>4,873</u>	<u>3,000</u>	<u>12,247</u>	<u>2,849</u>	<u>24,115</u>	<u>201,111</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	-	-	-	-	-	-	610,547
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>610,547</u>
Fund Balances:							
Nonspendable:							
Prepaid items	-	-	-	-	100	-	2,918
Restricted	-	129,112	74,274	2,577,288	182,139	1,665,359	8,348,420
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>129,112</u>	<u>74,274</u>	<u>2,577,288</u>	<u>182,239</u>	<u>1,665,359</u>	<u>8,351,338</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,506</u>	<u>\$ 133,985</u>	<u>\$ 77,274</u>	<u>\$ 2,589,535</u>	<u>\$ 185,088</u>	<u>\$ 1,689,474</u>	<u>\$ 9,162,996</u>

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

	Tri-County Tech	Fixed Nuclear	Sheriff Special	Library	Victim Rights	Grants
Revenues						
Taxes	\$ 1,258,138	\$ -	\$ -	\$ 3,030,958	\$ -	\$ -
Intergovernmental	-	100,425	-	206,529	-	570,976
Fees, licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	102,283	6,102	-
Fines and forfeitures	-	-	937,094	-	101,342	-
Contributions	-	-	-	(81)	6,143	-
Other revenues	-	994	-	-	-	-
Total revenues	<u>1,258,138</u>	<u>101,419</u>	<u>937,094</u>	<u>3,339,689</u>	<u>113,587</u>	<u>570,976</u>
Expenditures						
Current:						
General government	-	-	-	-	-	195,931
Public safety	-	96,625	2,126,116	-	73,073	115,037
Public works	-	-	-	-	-	63,767
Health and welfare	-	-	-	-	-	11,096
Culture and recreation	-	-	-	3,233,562	-	4,701
Other	502,161	-	-	-	-	-
Capital outlay	-	-	273,181	6,853	23,996	180,442
Total expenditures	<u>502,161</u>	<u>96,625</u>	<u>2,399,297</u>	<u>3,240,415</u>	<u>97,069</u>	<u>570,974</u>
Excess (deficiency) of revenues over (under) expenditures	<u>755,977</u>	<u>4,794</u>	<u>(1,462,203)</u>	<u>99,274</u>	<u>16,518</u>	<u>2</u>
Other financing sources (uses)						
Transfers in (out)	-	12,679	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>12,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>755,977</u>	<u>17,473</u>	<u>(1,462,203)</u>	<u>99,274</u>	<u>16,518</u>	<u>2</u>
Fund balance - beginning	<u>610,770</u>	<u>43,103</u>	<u>1,884,251</u>	<u>1,698,219</u>	<u>59,684</u>	<u>(2)</u>
Fund balance - ending	<u>\$ 1,366,747</u>	<u>\$ 60,576</u>	<u>\$ 422,048</u>	<u>\$ 1,797,493</u>	<u>\$ 76,202</u>	<u>\$ -</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 20 - continued

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

YEAR ENDED JUNE 30, 2016

	Law Enforcement Block Grants	Tourism Restricted Resources	Accommodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Total Nonmajor Special Revenue Funds
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,289,096
Intergovernmental	19,551	6,267	97,403	-	-	319,681	1,320,832
Fees, licenses and permits	-	-	-	2,103,377	355,023	415,894	2,874,294
Charges for services	-	38,204	-	-	-	-	146,589
Fines and forfeitures	-	-	-	-	-	-	1,038,436
Contributions	-	18,701	-	-	-	-	24,763
Other revenues	-	15,695	-	-	-	-	16,689
Total revenues	<u>19,551</u>	<u>78,867</u>	<u>97,403</u>	<u>2,103,377</u>	<u>355,023</u>	<u>735,575</u>	<u>9,710,699</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	195,931
Public safety	-	-	-	-	-	662,448	3,073,299
Public works	-	-	-	713,286	-	-	777,053
Health and welfare	-	-	-	-	-	-	11,096
Culture and recreation	-	77,966	34,014	-	115,403	-	3,465,646
Other	-	1,200	-	-	-	-	503,361
Capital outlay	19,551	-	-	130,734	-	-	634,757
Total expenditures	<u>19,551</u>	<u>79,166</u>	<u>34,014</u>	<u>844,020</u>	<u>115,403</u>	<u>662,448</u>	<u>8,661,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(299)</u>	<u>63,389</u>	<u>1,259,357</u>	<u>239,620</u>	<u>73,127</u>	<u>1,049,556</u>
Other financing sources (uses)							
Transfers in (out)	-	(38,192)	(28,620)	-	(50,000)	-	(104,133)
Total other financing sources (uses)	<u>-</u>	<u>(38,192)</u>	<u>(28,620)</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>(104,133)</u>
Net change in fund balances	<u>-</u>	<u>(38,491)</u>	<u>34,769</u>	<u>1,259,357</u>	<u>189,620</u>	<u>73,127</u>	<u>945,423</u>
Fund balance - beginning	<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>7,405,915</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 129,112</u>	<u>\$ 74,274</u>	<u>\$ 2,577,288</u>	<u>\$ 182,239</u>	<u>\$ 1,665,359</u>	<u>\$ 8,351,338</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 21

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

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,200,365	\$ 1,200,365	\$ 1,258,138	\$ (57,773)
Total revenues	<u>1,200,365</u>	<u>1,200,365</u>	<u>1,258,138</u>	<u>(57,773)</u>
Expenditures				
Current:				
Other	1,200,365	1,200,365	502,161	698,204
Total expenditures	<u>1,200,365</u>	<u>1,200,365</u>	<u>502,161</u>	<u>698,204</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>755,977</u>	<u>640,431</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>755,977</u>	<u>\$ 640,431</u>
Fund balance - beginning			<u>610,770</u>	
Fund balance - ending			<u>\$ 1,366,747</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 90,698	\$ 101,933	\$ 100,425	\$ (1,508)
Other revenues	-	-	994	994
Total revenues	<u>90,698</u>	<u>101,933</u>	<u>101,419</u>	<u>(514)</u>
Expenditures				
Current:				
Public safety	102,541	104,041	96,625	7,416
Total expenditures	<u>102,541</u>	<u>104,041</u>	<u>96,625</u>	<u>7,416</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,843)</u>	<u>(2,108)</u>	<u>4,794</u>	<u>6,902</u>
Other financing sources				
Transfers in	14,043	14,043	12,679	(1,364)
Total other financing sources	<u>14,043</u>	<u>14,043</u>	<u>12,679</u>	<u>(1,364)</u>
Net change in fund balances	<u>\$ 2,200</u>	<u>\$ 11,935</u>	<u>17,473</u>	<u>\$ 5,538</u>
Fund balance - beginning			<u>43,103</u>	
Fund balance - ending			<u>\$ 60,576</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, 2016

	Original Budget	Final Budget	Operations	State Aid	Totals	Variance With Final Positive (Negative)
Revenues						
Taxes	\$ 2,891,800	\$ 2,891,800	\$ 3,030,958	\$ -	\$ 3,030,958	\$ 139,158
Intergovernmental	132,000	205,577	57,499	149,030	206,529	952
Charges for services	114,000	114,000	102,283	-	102,283	(11,717)
Contributions	-	-	(81)	-	(81)	(81)
Total revenues	<u>3,137,800</u>	<u>3,211,377</u>	<u>3,190,659</u>	<u>149,030</u>	<u>3,339,689</u>	<u>128,312</u>
Expenditures						
Current:						
Personnel services	2,346,928	2,331,820	2,302,195	-	2,302,195	29,625
Library collections	306,664	383,418	213,012	148,847	361,859	21,559
Supplies	58,600	75,300	67,562	-	67,562	7,738
Contractual services	233,423	211,223	124,070	-	124,070	87,153
Utilities	169,125	176,625	164,718	-	164,718	11,907
Repairs and maintenance	27,738	108,620	103,505	-	103,505	5,115
Fuel and oil	2,500	2,500	1,201	-	1,201	1,299
Furniture, machinery and equipment	37,927	22,995	16,274	-	16,274	6,721
Insurance, bonds and licenses	43,587	43,167	42,021	-	42,021	1,146
Rent	44,450	30,450	30,202	-	30,202	248
Retiree health and dental	-	6,708	5,564	-	5,564	1,144
Other	9,275	18,895	14,391	-	14,391	4,504
Capital outlay	<u>7,000</u>	<u>7,000</u>	<u>6,853</u>	<u>-</u>	<u>6,853</u>	<u>147</u>
Total expenditures	<u>3,287,217</u>	<u>3,418,721</u>	<u>3,091,568</u>	<u>148,847</u>	<u>3,240,415</u>	<u>178,306</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,417)</u>	<u>(207,344)</u>	<u>99,091</u>	<u>183</u>	<u>99,274</u>	<u>306,618</u>
Net change in fund balances	<u>\$ (149,417)</u>	<u>\$ (207,344)</u>	<u>99,091</u>	<u>183</u>	<u>99,274</u>	<u>\$ 306,618</u>
Fund balance - beginning			<u>1,735,442</u>	<u>(37,223)</u>	<u>1,698,219</u>	
Fund balance - ending			<u>\$ 1,834,533</u>	<u>\$ (37,040)</u>	<u>\$ 1,797,493</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	5,000	5,000	6,102	1,102
Fines and forfeitures	99,800	99,800	101,342	1,542
Total revenues	<u>104,800</u>	<u>104,800</u>	<u>113,587</u>	<u>8,787</u>
Expenditures				
Current:				
Personnel services	78,877	78,877	67,103	11,774
Supplies	2,200	2,200	2,187	13
Contractual services	600	600	528	72
Utilities	795	795	753	42
Repairs and maintenance	1,200	1,200	358	842
Fuel and oil	2,784	2,784	716	2,068
Insurance, bonds and licenses	1,743	1,743	1,428	315
Capital outlay	20,505	20,505	23,996	(3,491)
Total expenditures	<u>108,704</u>	<u>108,704</u>	<u>97,069</u>	<u>11,635</u>
Excess of revenues over expenditures	<u>(3,904)</u>	<u>(3,904)</u>	<u>16,518</u>	<u>20,422</u>
Net change in fund balances	<u>\$ (3,904)</u>	<u>\$ (3,904)</u>	<u>16,518</u>	<u>\$ 20,422</u>
Fund balance - beginning			<u>59,684</u>	
Fund balance - ending			<u>\$ 76,202</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 25

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

YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ 280,328	\$ 616,437	\$ 570,976	\$ (45,461)
Total revenues	<u>280,328</u>	<u>616,437</u>	<u>570,976</u>	<u>(45,461)</u>
Expenditures				
Current:				
General government	232,105	532,710	195,931	336,779
Public safety	123,487	142,469	115,037	27,432
Public works	29,956	68,833	63,767	5,066
Health and welfare	798	798	11,096	(10,298)
Culture and recreation	4,855	4,855	4,701	154
Capital outlay	<u>1,978,170</u>	<u>1,635,484</u>	<u>180,442</u>	<u>1,455,042</u>
Total expenditures	<u>2,369,371</u>	<u>2,385,149</u>	<u>570,974</u>	<u>1,814,175</u>
Deficiency of revenues under expenditures	<u>(2,089,043)</u>	<u>(1,768,712)</u>	<u>2</u>	<u>1,768,714</u>
Net change in fund balances	<u>\$ (2,089,043)</u>	<u>\$ (1,768,712)</u>	<u>2</u>	<u>\$ 1,768,714</u>
Fund balance - beginning			<u>(2)</u>	
Fund balance - ending			<u>\$ -</u>	

PICKENS COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCES - BUDGET AND ACTUAL - TOURISM RESTRICTED RESOURCES FUND

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 6,267	\$ 6,267
Charges for services	40,000	43,000	38,204	(4,796)
Contributions	20,000	20,000	18,701	(1,299)
Other revenues	-	-	15,695	15,695
Total revenues	<u>60,000</u>	<u>63,000</u>	<u>78,867</u>	<u>15,867</u>
Expenditures				
Current:				
Culture and recreation	81,817	91,626	77,966	13,660
Other	<u>84,743</u>	<u>74,518</u>	<u>1,200</u>	<u>73,318</u>
Total expenditures	<u>166,560</u>	<u>166,144</u>	<u>79,166</u>	<u>86,978</u>
Deficiency of revenues under expenditures	<u>(106,560)</u>	<u>(103,144)</u>	<u>(299)</u>	<u>102,845</u>
Other financing uses				
Transfers out	<u>(38,192)</u>	<u>(38,192)</u>	<u>(38,192)</u>	-
Total other financing uses	<u>(38,192)</u>	<u>(38,192)</u>	<u>(38,192)</u>	-
Net change in fund balances	<u>\$ (144,752)</u>	<u>\$ (141,336)</u>	(38,491)	<u>\$ 102,845</u>
Fund balance - beginning			<u>167,603</u>	
Fund balance - ending			<u>\$ 129,112</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 105,000	\$ 105,000	\$ 97,403	\$ (7,597)
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>97,403</u>	<u>(7,597)</u>
Expenditures				
Current:				
Culture and recreation	52,000	71,316	34,014	37,302
Total expenditures	<u>52,000</u>	<u>71,316</u>	<u>34,014</u>	<u>37,302</u>
Excess of revenues over expenditures	<u>53,000</u>	<u>33,684</u>	<u>63,389</u>	<u>29,705</u>
Other financing uses				
Transfers out	(29,000)	(29,000)	(28,620)	380
Total other financing uses	<u>(29,000)</u>	<u>(29,000)</u>	<u>(28,620)</u>	<u>380</u>
Net change in fund balances	<u>\$ 24,000</u>	<u>\$ 4,684</u>	34,769	<u>\$ 30,085</u>
Fund balance - beginning			<u>39,505</u>	
Fund balance - ending			<u>\$ 74,274</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ (45,145)	\$ 1,894,709	\$ 2,103,377	\$ 208,668
Total revenues	<u>(45,145)</u>	<u>1,894,709</u>	<u>2,103,377</u>	<u>208,668</u>
Expenditures				
Current:				
Public works	904,479	2,887,544	713,286	2,174,258
Capital outlay	225,699	225,699	130,734	94,965
Total expenditures	<u>1,130,178</u>	<u>3,113,243</u>	<u>844,020</u>	<u>2,269,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,175,323)</u>	<u>(1,218,534)</u>	<u>1,259,357</u>	<u>2,477,891</u>
Net change in fund balances	<u>\$ (1,175,323)</u>	<u>\$ (1,218,534)</u>	<u>1,259,357</u>	<u>\$ 2,477,891</u>
Fund balance - beginning			<u>1,317,931</u>	
Fund balance - ending			<u>\$ 2,577,288</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 300,000	\$ 300,000	\$ 355,023	\$ 55,023
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>355,023</u>	<u>55,023</u>
Expenditures				
Current:				
Personnel services	63,944	63,944	64,710	(766)
Supplies	30,300	29,760	24,196	5,564
Contractual services	19,160	29,160	22,290	6,870
Utilities	420	420	420	-
Fuel and oil	-	-	29	(29)
Insurance, bonds and licenses	511	511	541	(30)
Direct assistance	-	-	837	(837)
Other	4,644	5,184	2,380	2,804
Total expenditures	<u>118,979</u>	<u>128,979</u>	<u>115,403</u>	<u>13,576</u>
Excess of revenues over expenditures	<u>181,021</u>	<u>171,021</u>	<u>239,620</u>	<u>68,599</u>
Other financing uses				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 131,021</u>	<u>\$ 121,021</u>	189,620	<u>\$ 68,599</u>
Fund balance - beginning			<u>(7,381)</u>	
Fund balance - ending			<u>\$ 182,239</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 260,000	\$ 260,000	\$ 319,681	\$ 59,681
Fees, licenses and permits	452,000	452,000	415,894	(36,106)
Total revenues	<u>712,000</u>	<u>712,000</u>	<u>735,575</u>	<u>23,575</u>
Expenditures				
Current:				
Personnel services	238,413	238,413	237,252	1,161
Supplies	5,400	7,600	6,905	695
Contractual services	134,300	136,800	134,499	2,301
Utilities	188,460	188,460	160,237	28,223
Repairs and maintenance	3,900	1,200	245	955
Fuel and oil	1,500	1,500	426	1,074
Furniture, machinery and equipment	104,000	106,510	106,389	121
Insurance, bonds and licenses	2,420	2,456	2,447	9
Other	19,887	15,541	14,048	1,493
Total expenditures	<u>698,280</u>	<u>698,480</u>	<u>662,448</u>	<u>36,032</u>
Excess of revenues over expenditures	<u>13,720</u>	<u>13,520</u>	<u>73,127</u>	<u>59,607</u>
Net change in fund balances	<u>\$ 13,720</u>	<u>\$ 13,520</u>	<u>73,127</u>	<u>\$ 59,607</u>
Fund balance - beginning			<u>1,592,232</u>	
Fund balance - ending			<u>\$ 1,665,359</u>	

PICKENS COUNTY, SOUTH CAROLINA
COMBINING SCHEDULES

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

YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 2,781,971	\$ 2,781,971	\$ 2,959,449	\$ 177,478
Fees, licenses and permits	309,669	309,669	309,668	(1)
Total revenues	<u>3,091,640</u>	<u>3,091,640</u>	<u>3,269,117</u>	<u>177,477</u>
Expenditures				
Debt service:				
Principal retirement	2,599,179	2,599,179	2,599,176	3
Interest and fiscal charges	364,769	364,769	365,834	(1,065)
Total expenditures	<u>2,963,948</u>	<u>2,963,948</u>	<u>2,965,010</u>	<u>(1,062)</u>
Excess of revenues over expenditures	<u>127,692</u>	<u>127,692</u>	<u>304,107</u>	<u>176,415</u>
Other financing uses:				
Transfers out	(127,692)	(127,692)	(127,692)	-
Total other financing uses	<u>(127,692)</u>	<u>(127,692)</u>	<u>(127,692)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	176,415	<u>\$ 176,415</u>
Fund balance - beginning			<u>708,409</u>	
Fund balance - ending			<u>\$ 884,824</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, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
School District Fund				
Assets				
Cash	\$ 30,783,622	\$ 166,505,188	\$ 163,379,482	\$ 33,909,328
Accounts receivable - other	(1,364)	3,689	-	2,325
Property taxes receivable, net	6,322,511	360,770	18,039	6,665,242
	<u>\$ 37,104,769</u>	<u>\$ 166,869,647</u>	<u>\$ 163,397,521</u>	<u>\$ 40,576,895</u>
Liabilities				
Due to others	\$ 37,104,769	\$ 166,869,647	\$ 163,397,521	\$ 40,576,895
	<u>\$ 37,104,769</u>	<u>\$ 166,869,647</u>	<u>\$ 163,397,521</u>	<u>\$ 40,576,895</u>
Municipal Fund				
Assets				
Cash	\$ (17,465)	\$ 10,652,209	\$ 10,548,870	\$ 85,874
Property taxes receivable, net	979,776	37,589	1,879	1,015,486
	<u>\$ 962,311</u>	<u>\$ 10,689,798</u>	<u>\$ 10,550,749</u>	<u>\$ 1,101,360</u>
Liabilities				
Accounts payable	\$ 93,099	\$ 10,323,020	\$ 10,330,224	\$ 85,895
Due to others	869,212	366,778	220,525	1,015,465
	<u>\$ 962,311</u>	<u>\$ 10,689,798</u>	<u>\$ 10,550,749</u>	<u>\$ 1,101,360</u>
Mini-bottle Fund				
Assets				
Cash	\$ -	\$ 201,333	\$ 201,333	\$ -
Liabilities				
Due to others	\$ -	\$ 201,333	\$ 201,333	\$ -
Fire District Fund				
Assets				
Cash	\$ -	\$ 232,857	\$ 232,857	\$ -
Liabilities				
Due to others	\$ -	\$ 232,857	\$ 232,857	\$ -
Magistrates' Fund				
Assets				
Cash	\$ 67,939	\$ 818,295	\$ 843,490	\$ 42,744
Liabilities				
Due to others	\$ 67,939	\$ 818,295	\$ 843,490	\$ 42,744

PICKENS COUNTY, SOUTH CAROLINA

Schedule 32 - continued

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

YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Family Court Fund				
Assets				
Cash and investments	\$ 29,245	\$ 7,284,883	\$ 7,290,554	\$ 23,574
Liabilities				
Due to others	\$ 29,245	\$ 7,284,883	\$ 7,290,554	\$ 23,574
Clerk of Court Fund				
Assets				
Cash and investments	\$ 1,102,600	\$ 3,698,187	\$ 3,741,540	\$ 1,059,247
Liabilities				
Due to others	\$ 1,102,600	\$ 3,698,187	\$ 3,741,540	\$ 1,059,247
Prison				
Assets				
Cash and investments	\$ 7,241	\$ 90,269	\$ 87,321	\$ 10,189
Liabilities				
Due to others	\$ 7,241	\$ 90,269	\$ 87,321	\$ 10,189
Library Foundation				
Assets				
Cash and investments	\$ 61,229	\$ 2,440	\$ 2,099	\$ 61,570
Liabilities				
Due to others	\$ 61,229	\$ 2,440	\$ 2,099	\$ 61,570
Total of all Agency Funds				
Assets				
Cash and investments	\$ 32,034,411	\$ 189,485,661	\$ 186,327,546	\$ 35,192,526
Accounts receivable - other	(1,364)	3,689	-	2,325
Property taxes receivable	7,302,287	398,359	19,918	7,680,728
Total assets	<u>\$ 39,335,334</u>	<u>\$ 189,887,709</u>	<u>\$ 186,347,464</u>	<u>\$ 42,875,579</u>
Liabilities				
Accounts payable	\$ 93,099	\$ 10,323,020	\$ 10,330,224	\$ 85,895
Due to others	39,242,235	179,564,689	176,017,240	42,789,684
Total liabilities	<u>\$ 39,335,334</u>	<u>\$ 189,887,709</u>	<u>\$ 186,347,464</u>	<u>\$ 42,875,579</u>

PICKENS COUNTY, SOUTH CAROLINA

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

JUNE 30, 2016

Function	Land	Construction in Progress	Buildings and Improvements	Improvements and Infrastructure	Machinery and Equipment	Total
General government	\$ 1,778,247	\$ 17,000	\$ 13,015,694	\$ 114,720	\$ 2,156,257	\$ 17,081,918
Public safety	503,027	41,552	12,282,560	169,727	17,802,245	30,799,111
Public works	1,088,914	64,532	1,308,565	28,877,620	10,803,846	42,143,477
Public health and welfare	26,902	-	998,301	-	333,711	1,358,914
Culture and recreation	778,549	95,320	11,133,879	308,135	850,973	13,166,856
Economic development	109,298	31,375	1,926,324	1,918,034	-	3,985,031
Intergovernmental	-	-	1,183,750	-	-	1,183,750
Total governmental funds capital assets	\$ 4,284,937	\$ 249,779	\$ 41,849,073	\$ 31,388,236	\$ 31,947,032	\$ 109,719,057

PICKENS COUNTY, SOUTH CAROLINA

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

JUNE 30, 2016

Function	Beginning of Year	Additions	Deletions	Transfers		End of Year
				In	Out	
General government administration	\$ 16,484,729	\$ 700,132	\$ 105,926	\$ 84,582	\$ 81,599	\$ 17,081,918
Public safety	29,068,671	2,174,015	385,068	76,851	135,358	30,799,111
Public works	41,500,514	724,954	114,529	150,228	117,690	42,143,477
Public health and welfare	1,351,098	8,195	20,208	19,829	-	1,358,914
Culture and recreation	12,962,616	215,269	11,029	27,382	27,382	13,166,856
Economic development	3,965,879	19,152	-	-	-	3,985,031
Intergovernmental	1,204,570	-	20,820	-	-	1,183,750
Total governmental funds capital assets	\$ 106,538,077	\$ 3,841,717	\$ 657,580	\$ 358,872	\$ 362,029	\$ 109,719,057

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STATISTICAL SECTION

PICKENS COUNTY, SOUTH CAROLINA

STATISTICAL SECTION NARRATIVE

FOR THE FISCAL YEAR JUNE 30, 2016

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>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>	<u>2016</u>
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 48,208,673
Restricted	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	17,573,313
Unrestricted	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)	(7,094,595)
Total governmental activities net position	<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>	<u>58,687,391</u>
Business-type Activities										
Net investment in capital assets	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	25,857,381
Restricted	477,589	540,697	603,805	631,008	631,008	682,544	700,992	756,000	809,568	817,308
Unrestricted (Deficit)	(249,782)	324,284	2,155,050	2,012,819	1,149,004	929,489	1,122,850	1,091,496	503,074	417,809
Total business-type activities net position	<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>	<u>27,092,498</u>
Component Unit										
Unrestricted (Deficit)	-	-	337,586	373,588	320,221	288,705	169,334	100,109	80,150	54,651
Total component unit net position	<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>	<u>54,651</u>
Total Reporting Unit										
Net investment in capital assets	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	74,066,054
Restricted	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	18,390,621
Unrestricted	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)	(6,622,135)
Total reporting unit net position	<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>	<u>\$ 85,834,540</u>

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
<u>Governmental activities:</u>										
General government	\$ 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	\$ 12,604,182
Public safety	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	25,758,032
Public works	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	12,714,042
Health and welfare	734,956	329,074	1,217,282	1,229,437	1,078,351	1,188,284	864,265	877,186	860,695	933,146
Cultural and recreation	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	4,689,443
Economic development	568,792	589,302	419,161	427,052	381,571	762,985	665,236	1,081,084	474,033	547,444
Intergovernmental	1,769,773	1,696,013	-	-	-	38,607	1,350,409	1,422,329	1,428,094	883,737
Interest on long-term debt	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	402,385
Total governmental activities expenses	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	58,532,411
<u>Business-type activities:</u>										
Public Service Commission	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	3,050,970
Airport	641,239	860,893	880,955	817,008	903,663	983,591	947,016	916,192	837,465	736,118
Total business-type activities expense	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	3,787,088
Total primary government expenses	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	62,319,499
<u>Component unit activities:</u>										
Alliance Pickens	-	-	578,695	357,901	414,629	556,630	794,974	472,450	356,336	390,778
Total component unit expenses	-	-	578,695	357,901	414,629	556,630	794,974	472,450	356,336	390,778
Total expenses	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	62,710,277
Program Revenues										
<u>Governmental activities:</u>										
<u>Charges for services</u>										
General government	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	1,515,091
Public safety	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	8,654,967
Public works	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	1,161,031
Health and welfare	28,988	22,741	330	13,965	12,495	11,572	4,426	16,387	29,217	84,679
Cultural and recreation	551,901	592,737	416,725	440,966	519,084	521,452	560,701	553,744	532,321	644,000
Economic development	21,732	26,612	-	-	-	-	-	-	-	-
Operating grants and contributions	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	10,315,555
Capital grants and contributions	609,054	1,923,909	631,301	717,022	497,965	113,796	147,275	423,643	125,000	-
Total governmental activities program revenues	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	22,375,323

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services										
Public Service Commission	\$ 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	\$ 1,415,105
Airport	287,119	413,056	474,368	433,935	507,926	570,777	550,821	494,435	478,820	444,548
Operating grants and contributions	-	69,971	884	-	-	-	-	-	-	-
Capital grants and contributions	710,863	1,170,716	2,088,611	1,179,087	1,023,482	1,940,208	1,200,981	583,785	437,925	586,072
Total business-type activities program revenues	2,109,049	2,848,870	3,513,545	2,836,988	2,759,991	3,697,445	3,007,187	2,346,492	2,206,701	2,445,725
Total primary government program revenues	20,202,764	21,194,283	18,657,403	18,470,598	19,300,718	18,861,641	18,480,939	20,438,115	19,190,338	24,821,048
Component unit activities:										
Alliance Pickens	-	-	192,613	393,903	19,104	172,887	232,887	11,324	22,324	23,000
Total component unit revenues	-	-	192,613	393,903	19,104	172,887	232,887	11,324	22,324	23,000
Total revenues	20,202,764	21,194,283	18,850,016	18,864,501	19,319,822	19,034,528	18,713,826	20,449,439	19,212,662	24,844,048
Net (Expense) Revenue										
Governmental activities	(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)	(36,157,088)
Business-type activities	(573,983)	(37,685)	358,943	(473,097)	(595,669)	150,792	(639,806)	(1,386,622)	(1,313,810)	(1,341,363)
Component unit activities	-	-	(386,082)	36,002	(395,525)	(383,743)	(562,087)	(461,126)	(334,012)	(367,778)
Total reporting unit	(27,242,071)	(29,363,602)	(37,321,506)	(34,864,399)	(32,828,796)	(35,086,241)	(37,663,123)	(36,588,170)	(36,288,280)	(37,866,229)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes	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	36,998,429
Grants and contributions	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	4,940,083
Investment earnings	966,546	682,166	299,313	111,949	117,105	120,662	108,448	135,870	200,655	366,793
Fees, licenses, and permits	-	-	-	-	-	-	-	-	-	-
Miscellaneous	391,397	269,712	330,760	84,577	1,425,212	212,954	334,963	(15,127)	(2,499,667)	370,832
Gain on sale of capital assets	(509)	53,454	(323,162)	-	92,409	152,653	19,351	123,308	(50,577)	116,625
Transfer of Capital Asset	-	-	-	-	-	-	-	-	-	-
Transfers	(872,089)	(4,798,421)	(2,463,024)	(674,635)	(737,861)	(166,735)	(158,405)	(278,521)	(303,751)	(304,993)
Total governmental activities	34,768,808	32,942,264	36,011,894	37,403,230	38,515,241	36,098,742	37,799,043	39,275,210	37,436,934	42,487,769

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Gain on sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ (9,285)	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	872,089	4,798,421	2,088,024	674,635	737,861	166,735	158,405	278,521	303,751	304,993
Total business-type activities	872,089	4,798,421	2,088,024	674,635	728,576	166,735	158,405	278,521	303,751	304,993
Total primary government	35,640,897	37,740,685	38,099,918	38,077,865	39,243,817	36,265,477	37,957,448	39,553,731	37,740,685	42,792,762
Component Unit Activities:										
Investment Earnings	-	-	-	-	2,158	1,590	666	514	320	382
Transfers	-	-	375,000	-	340,000	350,637	442,050	391,387	313,733	341,897
Total component unit activities	-	-	375,000	-	342,158	352,227	442,716	391,901	314,053	342,279
Cumulative Effect of Change in Accounting Principle										
Governmental activities	-	-	-	-	-	-	-	-	(35,788,506)	-
Business-type activities	-	-	-	-	-	-	-	-	(732,450)	-
Total primary government	-	-	-	-	-	-	-	-	(36,520,956)	-
Change in Net Position										
Governmental activities	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)	6,330,681
Business-type activities	298,106	4,760,736	2,446,967	201,538	132,907	317,527	(481,401)	(1,108,101)	(1,742,509)	(1,036,370)
Total Primary Government	8,398,826	8,377,083	1,164,494	3,177,464	6,810,546	1,562,979	856,412	3,426,687	(34,734,539)	5,294,311
Component unit activities	-	-	(11,082)	36,002	(53,367)	(31,516)	(119,371)	(69,225)	(19,959)	(25,499)
Total reporting unit	\$ 8,398,826	\$ 8,377,083	\$ 1,153,412	\$ 3,213,466	\$ 6,757,179	\$ 1,531,463	\$ 737,041	\$ 3,357,462	\$ (34,754,498)	\$ 5,268,812

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUED BASIS OF ACCOUNTING)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,597,235	\$ 2,455,301	\$ 3,713,840	\$ 3,045,149						
Unreserved	21,527,579	23,882,694	20,870,743	23,176,899						
Total General Fund	<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	535,141	541,633	541,633	314,693						
Other reserves	620,352	2,000,027	558,733	1,417,705						
Unreserved, reported in:										
Special revenue funds	12,938,696	11,793,525	10,705,047	9,184,588						
Debt service funds	-	-	(102,627)	-						
Capital project funds	671,084	887,462	444,405	441,815						
Total All Other Governmental Funds	<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>\$ 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	\$ 1,547,843
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	8,972,808
Unassigned					20,039,896	20,406,845	19,209,791	20,915,924	22,515,434	23,924,817
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>	<u>34,445,468</u>
All Other Governmental Funds										
Nonspendable					1,240	349	1,703	649,129	9,835	3,130
Restricted					11,791,094	11,562,227	7,833,127	15,397,427	15,634,043	17,573,313
Committed					426,766	207,703	3,604,377	892,235	285,654	85,890
Assigned					71,813	91,243	-	-	-	-
Unassigned					(235,865)	(122,200)	(126,849)	(498,409)	(427,378)	(569,457)
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>	<u>17,092,876</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>	<u>\$ 51,538,344</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)

	<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>	<u>2016</u>
Revenues										
Taxes	\$ 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	\$ 36,141,974
Fees, licenses and permits	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	6,707,563
Intergovernmental	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	12,989,373
Charges for services	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	6,610,683
Fines and forfeitures	942,141	975,288	832,055	899,557	789,030	815,979	757,288	2,293,571	695,656	1,541,829
Investment income	1,520,297	1,176,242	451,499	179,095	173,499	174,974	178,351	203,026	263,906	420,425
Rental income	-	-	22,103	20,052	27,210	20,930	66,518	24,204	20,933	21,100
Contributions	74,446	148,642	21,720	15,136	290,243	48,630	12,891	81,197	47,705	35,549
Miscellaneous	159,906	190,062	1,522,903	114,601	1,545,885	429,327	410,081	334,719	391,693	469,637
Total Revenues	<u>53,297,723</u>	<u>54,842,853</u>	<u>54,061,713</u>	<u>53,496,326</u>	<u>55,258,586</u>	<u>52,463,320</u>	<u>53,729,942</u>	<u>57,617,702</u>	<u>57,368,797</u>	<u>64,938,133</u>
Expenditures										
General government	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	11,347,596
Public safety	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	23,705,195
Public works	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	11,537,764
Health and welfare	690,162	778,940	823,673	758,168	744,985	809,118	824,990	832,512	817,536	890,237
Culture and recreation	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	4,354,647
Economic development	548,535	570,531	397,421	397,622	2,173	365,817	586,003	986,244	366,248	439,659
Other	169,233	73,067	452,016	1,587,236	1,522,448	1,412,603	1,357,395	1,429,315	1,440,115	891,923
Intergovernmental	1,577,665	1,673,392	1,325,975	94,907	92,815	(306)	103,512	89,475	169,961	270,848
Capital outlay	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	3,841,717
Debt service										
Principal	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	2,771,805
Interest	845,923	790,629	902,872	896,901	832,393	724,331	624,183	565,407	513,028	431,457
Total Expenditures	<u>47,737,728</u>	<u>50,896,368</u>	<u>58,369,398</u>	<u>52,381,010</u>	<u>53,501,672</u>	<u>50,474,454</u>	<u>54,305,316</u>	<u>54,741,803</u>	<u>55,921,978</u>	<u>60,482,848</u>
Excess of Revenues Over (Under) Expenditures	<u>5,559,995</u>	<u>3,946,485</u>	<u>(4,307,685)</u>	<u>1,115,316</u>	<u>1,756,914</u>	<u>1,988,866</u>	<u>(575,374)</u>	<u>2,875,899</u>	<u>1,446,819</u>	<u>4,455,285</u>
Other Financing Sources (Uses)										
Proceeds from capital lease	-	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)	(872,089)	(4,798,421)	(2,463,024)	(674,635)	(1,077,861)	(166,735)	(158,405)	(278,521)	(303,751)	(304,993)
Transfers to Pickens Alliance	-	-	-	-	-	(350,649)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(872,089)</u>	<u>(564,077)</u>	<u>(172,514)</u>	<u>(266,241)</u>	<u>(127,861)</u>	<u>(517,384)</u>	<u>(158,405)</u>	<u>2,721,479</u>	<u>396,249</u>	<u>(304,993)</u>
Net Change in Fund Balance	<u>\$ 4,687,906</u>	<u>\$ 3,382,408</u>	<u>\$ (4,480,199)</u>	<u>\$ 849,075</u>	<u>\$ 1,629,053</u>	<u>\$ 1,471,482</u>	<u>\$ (733,779)</u>	<u>\$ 5,597,378</u>	<u>\$ 1,843,068</u>	<u>\$ 4,150,292</u>
Debt Service as a percentage of noncapital expenditures	5.97%	5.47%	5.92%	5.99%	6.39%	6.40%	6.04%	6.29%	6.46%	5.66%

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
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%
2016	2015	346,996,026	121,233,803	-	468,229,829	68.20	8,427,261,409	5.56%

(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>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>	<u>2016</u>
County Wide Tax Rates										
General County	60.0	60.0	60.0	60.0	57.1	57.1	57.1	57.1	59.3	59.3
Tri-County Technical	2.7	2.7	2.7	2.7	2.5	2.5	2.5	2.5	2.6	2.6
Library	6.4	6.4	6.4	6.4	6.0	6.0	6.0	6.0	6.3	6.3
Total Direct Rate	<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>	<u>68.2</u>
City Rates										
Easley	61.0	61.0	61.0	61.0	58.0	58.0	58.0	58.0	60.0	60.0
Liberty	77.5	77.5	77.5	77.5	74.0	80.0	80.0	80.0	79.7	79.7
Norris	77.2	77.2	77.2	77.2	72.2	72.2	72.2	72.2	73.8	73.8
Central	61.0	63.0	64.8	67.3	67.0	70.0	72.0	72.0	74.0	75.0
Clemson	77.9	79.5	81.0	81.0	78.6	83.4	83.4	83.4	82.2	84.2
Six Mile	36.0	36.0	36.0	36.0	35.8	35.8	31.8	31.8	33.5	33.5
Pickens	46.7	48.5	50.0	52.0	47.6	51.9	58.3	60.3	64.9	66.4
School District Rate	128.0	167.0	165.0	159.0	160.0	162.0	160.5	160.5	165.2	164.5
Special District Rates										
Keowee Vineyards	32.7	36.2	37.3	38.9	38.4	38.4	38.4	38.4	46.7	48.2
Keowee Springs	-	-	42.8	51.1	48.2	56.7	56.7	56.7	70.7	58.5
Shady Grove	14.5	12.9	12.0	11.5	11.3	11.6	11.6	11.6	14.3	12.2
County Sewer	0.5	1.5	1.5	1.5	1.9	1.9	1.9	1.9	2.0	2.0
Georges Creek	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6
Oolenoy	-	-	-	-	-	-	-	-	-	2.1
Sedgewood	7.0	5.0	4.3	4.3	4.0	5.0	6.0	6.5	6.5	6.7
Saluda Lake	10.6	10.6	10.6	10.6	9.5	-	-	-	-	-

Note: Property was reassessed as of 2014

Source: Pickens County Auditor's Office

PICKENS COUNTY, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS

CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

<u>Taxpayer</u>	<u>2016</u>		<u>Taxpayer</u>	<u>2007</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total Taxable Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Percent of Total Taxable Assessed Value</u>
	Duke Energy Corporation	\$ 20,086,580		4.29%	Duke Energy Corporation
Blue Ridge Electric Coop., Inc	6,426,280	1.37%	Blue Ridge Electric Coop., Inc	4,830,050	1.22%
Bellsouth Telecommunications	3,412,390	0.73%	Bellsouth Telecommunications	4,640,420	1.17%
Keowee River Club LLC	1,983,877	0.42%	Keowee River Club LLC	2,447,204	0.62%
Reliable Automatic Sprinkler	1,734,960	0.37%	Keowee Investment Group LLC	1,818,270	0.46%
Breckenridge Group Clemson	1,630,650	0.35%	Alice Manufacturing Company	1,616,840	0.41%
Cellco Partnership DBA Verizon	1,573,720	0.34%	Shaw Industries	1,566,577	0.40%
Shaw Industries Group Inc	1,566,188	0.33%	Cliffs at Keowee Springs	1,446,630	0.36%
Ibrahim Family Trust LLC	1,548,440	0.33%	Milliken & Company Inc	1,375,802	0.35%
Pacesetter Inc	1,509,350	0.32%	Reliable Automatic Sprinkler	1,342,425	0.34%
Total	\$ 41,472,435	8.86%		\$ 37,549,378	9.47%

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, 2016	Estimated Tax Collections to Date (3)	
		Amount	Percentage of Adjusted Levy		Estimated Amount	Percentage of Adjusted Levy
2007	\$ 17,398,589	\$ 15,977,443	91.83%	\$ 99,676	\$ 17,298,913	99.43%
2008	17,475,608	16,600,160	94.99%	107,573	17,368,035	99.38%
2009	18,379,527	17,426,581	94.82%	121,045	18,258,482	99.34%
2010	19,009,045	17,968,836	94.53%	155,352	18,853,693	99.18%
2011	18,945,172	18,015,888	95.09%	169,090	18,776,082	99.11%
2012	19,789,534	18,858,885	95.30%	194,601	19,594,933	99.02%
2013	19,270,020	18,528,689	96.15%	239,789	19,030,231	98.76%
2014	18,619,253	18,033,263	96.85%	213,814	18,405,439	98.85%
2015	19,304,671	18,672,716	96.73%	261,875	19,042,796	98.64%
2016	19,471,605	18,657,108	95.82%	601,517	18,870,088	96.91%

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			
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	0.67%	204
2013	10,112,744	-	550,518	4,538,744	6,712,349	-	21,914,355	0.59%	184
2014	10,977,125	-	430,555	4,115,130	6,586,311	-	22,109,121	0.57%	184
2015	9,526,866	-	306,119	3,677,978	6,455,007	-	19,965,970	0.49%	166
2016	7,300,924	-	211,414	3,226,821	6,318,311	-	17,057,470	0.41%	141

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)
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%	80
2014	10,977,125	751,499	10,225,626	0.12%	85
2015	9,526,866	866,055	8,660,811	0.11%	72
2016	7,300,924	884,824	6,416,100	0.08%	53

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 2016

Assessed valuation	\$ 468,229,829
Less: exemptions	-
Net assessed value	<u>\$ 468,229,829</u>
Debt limit - 8 percent of total assessed value	\$ 37,458,386
Amount of debt applicable to debt limit	<u>2,534,276</u>
Legal debt margin	<u>\$ 34,924,110</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>	<u>2016</u>
Debt limit	\$ 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	\$ 37,458,386
Total net debt applicable to limit	<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>	<u>2,534,276</u>
Legal debt margin	<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>	<u>\$ 34,924,110</u>
Total net debt applicable to the limit as a percentage of debt limit	45.31%	41.19%	36.14%	32.52%	27.54%	23.67%	19.43%	15.07%	11.12%	6.77%

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
PLEGDED 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	
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
2016	n/a	n/a	n/a	n/a

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.

Sewer System Revenue Bonds (2)

Funding Source: Capital charges and transfers

Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
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
2016	392,808	136,696	256,112	1.00

(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
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	119,656	3,669,790,000	30,670	8.7%
2013	119,222	3,725,400,000	31,248	7.4%
2014	120,368	3,902,194,000	32,419	5.6%
2015	120,602	4,047,578,803	33,561	6.0%
2016	120,836	4,198,380,236	34,744	5.4%

Notes:

(1) Personal Income and Per Capita Personal Income for 2015 and 2016 were estimated based on the average yearly change over the previous five years.

Last updated: November 20, 2015

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, 2016	
	Number of Employees	Percent of Total County Employment
Clemson University	3,837	7.61%
School District of Pickens County	1,893	3.75%
Aramark Services	800	1.59%
Palmetto Baptist Medical Center	656	1.30%
Pickens County	619	1.23%
YH America, South Carolina, LLC	622	1.23%
Reliable Automatic Sprinkler Company, Inc.	450	0.89%
Milliken & Co - Pendleton Finishing Plant	400	0.79%
Comatrol (formerly Sauer-Danfoss)	335	0.66%
Shaw Industries, Inc	330	0.65%
	9,942	19.71%

Company or Organization	June 30, 2007	
	Number of Employees	Percent of Total County Employment
Clemson University	3,529	6.86%
School District of Pickens County	2,308	4.49%
Palmetto Baptist Medical Center	700	1.36%
Reliable Automatic Sprinkler Company, Inc.	650	1.26%
Confluence Watersports	650	1.26%
Pickens County	585	1.14%
Alice Manufacturing Company	554	1.08%
Wal-Mart	544	1.06%
Aramark Services	500	0.97%
Easley Custom Plastics	415	0.81%
	10,435	20.30%

Source: Appalachian Council of Governments and InfoMentum

PICKENS COUNTY, SOUTH CAROLINA
AUTHORIZED COUNTY EMPLOYEE POSITIONS BY FUNCTION

LAST TEN FISCAL YEARS

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	147	148	150	146	135	135	132	133	143	145
Public safety	268	267	275	278	284	291	297	300	326	338
Public works	105	104	102	97	96	96	94	91	92	91
Health and welfare	9	9	10	11	11	12	12	12	12	13
Culture and recreation	70	70	69	70	70	71	72	73	72	72
Transportation	4	4	4	3	3	3	3	3	3	3
Economic Development	3	0	0	0	2	3	3	3	3	3
Intergovernmental	1	1	1	1	1	1	1	1	1	1
Total authorized positions	607	603	611	606	602	612	614	616	652	666

Source: County's Adopted Budget

PICKENS COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM

FISCAL YEARS 2007-2016

Function/Program	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	Fiscal Year 2016
General government										
Probate Court estate cases	716	785	737	716	770	845	851	895	944	966
Marriage license applications	796	718	762	739	807	798	781	746	832	778
Register of Deeds documents filed	27,188	19,605	21,543	20,292	19,061	20,280	21,481	19,907	19,220	19,620
Clerk of Court civil cases filed	1,921	2,233	3,092	3,652	2,735	2,835	1,656	1,562	2,772	2,748
Clerk of Court warrants received	3,384	3,615	3,009	3,545	3,244	3,367	3,808	3,986	3,651	4,290
Vehicle bills and renewals processed	109,141	111,797	117,633	115,593	115,636	116,570	117,159	118,097	119,208	122,699
Magistrate case filings	16,791	20,685	17,384	18,162	17,951	16,419	14,896	15,372	11,656	12,663
Public Safety										
Sheriff 911 calls received	35,295	38,167	39,364	44,835	45,756	47,779	49,271	47,354	46,161	49,238
Coroner's Office investigations	200	n/a	426	568	566	653	756	796	798	805
Prison inmates received	621	742	678	709	643	588	608	473	727	594
EMS ambulance calls	14,498	15,158	14,810	14,494	14,289	14,704	15,012	14,979	14,553	15,417
Victim Rights services and assistance	7,792	8,026	8,191	6,965	7,288	6,600	7,674	6,822	6,891	2,672
Building Code commercial permits					110	100	70	100	57	45
Building Code residential permits					580	723	597	639	742	687
Public Works										
Solid Waste transfer station tonnage	44,356	42,042	40,785	39,974	36,784	36,409	36,482	36,545	39,943	41,483
Recyclables tonnage	3,558	7,742	6,618	5,078	6,365	6,407	4,842	4,670	7,761	6,689
Roads paved	65	n/a	113	89	55	64	58	111	34	26
Signs installed/repaired	1,649	n/a	114	270	728	494	1,400	928	874	972
Health and Welfare										
Animal Control calls received	9,713	9,808	10,292	11,143	11,666	13,834	14,183	13,243	13,660	11,213
Veteran's Affairs claims/actions	21,517	24,662	24,706	24,792	25,675	25,963	21,884	20,112	22,300	17,002
Culture and Recreation										
County Park										
Park camping and day use passes	5,787	7,360	7,993	7,229	6,929	7,403	6,619	6,901	6,799	7,280
Museum & Mill visitors (1)	32,527	33,789	34,171	33,665	32,226	33,885	33,487	24,119	22,256	34,982
Library visitors	426,829	480,822	546,557	575,410	543,194	542,872	544,840	489,578	468,073	409,798
Public Service Commission										
Wastewater Treated /Gallons	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	327,173,957

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Sheriff Patrol units	101	101	102	102	102	100	101	105	101	101
EMS Stations	7	7	8	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)	182.0	183.6	184.8	185.3	657.0	662.3	669.4	669.4	670.8	651.0
Bridges	68	73	74	74	74	74	74	74	74	75
Public Service Commission										
Sanitary sewers (miles)	28.29	28.61	28.81	28.81	35.97	36.2	36.2	36.2	36.4	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

COMPLIANCE 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, 2016, 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 21, 2016.

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.

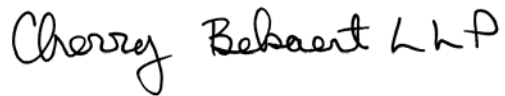
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

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

Greenville, South Carolina
November 21, 2016

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF ASSESSMENTS FOR VICTIM SERVICES

JUNE 30, 2016

Clerk of Court Collections

Fines and fees	\$ 314,891
Assessments	42,998
Surcharges	73,829
Total Clerk of Court Collections	<u>431,718</u>

Magistrate Court Collections

Fines and fees	389,097
Assessments	299,728
Surcharges	128,187
Total Collections for Magistrate Court	<u>817,012</u>

Total Collections for Clerk of Court and Magistrate Court \$ 1,248,730

Clerk of Court Retainage

Fines and fees	134,478
Assessments	13,115
Surcharges	42,240
Total Clerk of Court Retainage	<u>189,833</u>

Magistrate Court Retainage

Fines and fees	366,485
Assessments	27,640
Surcharges	18,347
Total Magistrate Court Retainage	<u>412,472</u>

Total Retainage for Clerk of Court and Magistrate Court \$ 602,305

Amount Remitted to State Treasurer

Fines and Assessments \$ 646,425

Amount of Funds Allocated to Victim Services by Fund Source

From Assessments and Surcharges \$ 101,342

\$ 101,342

Funds Carried Forward to Fiscal Year 2016 Designated as Victim Services Funds \$ 76,202