

PICKENS COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2018

And Reports of Independent Auditor

Prepared by:

Ralph Guarino, Finance Director

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
<u>Part I – Introductory Section</u>		
Letter of Transmittal		1-4
Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting		5
Pickens County Organization Chart		6
Principal Officials		7
<u>Part II – Financial Section</u>		
Report of Independent Auditor		8-9
Management’s Discussion and Analysis (Required Supplementary Information)		10-18
Basic Financial Statements		
Government – wide Financial Statements:		
Statement of Net Position	A	19
Statement of Activities	B	20
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C-1	21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	D-1	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	D-3	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Fire Districts	D-4	26

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

Table of Contents – Continued

	<u>Exhibit</u>	<u>Page</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Grants Fund	D-5	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Fund	D-6	28
Statement of Net Position – Proprietary Funds	E	29
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	F	30
Statement of Cash Flows – Proprietary Funds	G	31
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	H	32
Notes to Financial Statements		33-62
Required Supplementary Information		
Schedule of Funding Progress – Other Postemployment Benefits	I	64
Schedule of the Proportionate Share of the Net Pension Liability	J	65
Schedule of Pension Contributions	K	66
	<u>Schedule</u>	<u>Page</u>
Other Supplementary Information:		
Budgetary Comparison Schedule – General Fund	1	67-69
Combining Balance Sheet – Major Fund – Fire Districts	2	70-71
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Major Fund – Fire Districts	3	72-73
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Easley Fire District Fund	4	74
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Liberty Fire District Fund	5	75
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Pumpkintown Fire District Fund	6	76

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

Table of Contents – Continued

	<u>Schedule</u>	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Crosswell Fire District Fund	7	77
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Six Mile Fire District Fund	8	78
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Pickens Fire District Fund	9	79
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Dacusville Fire District Fund	10	80
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Holly Springs Fire District Fund	11	81
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Central Fire District Fund	12	82
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Shady Grove Fire District Fund	13	83
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Rocky Bottom Fire District Fund	14	84
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Vineyards Fire District Fund	15	85
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Springs Fire District Fund	16	86
Combining Schedules – Nonmajor Governmental Funds		87
Combining Balance Sheet – Nonmajor Governmental Funds	17	88
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	18	89
Combining Balance Sheet – Nonmajor Special Revenue Funds	19	90-91
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	20	92-93
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tri-County Tech Fund	21	94
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Fixed Nuclear Fund	22	95

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

Table of Contents – Continued

	<u>Schedule</u>	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Library Fund	23	96
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Victim Rights Fund	24	97
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tourism Restricted Resources Fund	25	98
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Accommodation Tax Fund	26	99
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Road Fee Fund	27	100
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tourism Development Fee Fund	28	101
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Emergency Phone System Fund	29	102
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	30	103
Combining Schedules – Debt Service Fund		104
Combining Schedules – Agency Funds		105
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	31	106-107
Capital Assets Used in the Operation of Governmental Funds:		
Schedule of Capital Assets by Function	32	108
Schedule of Changes in Capital Assets by Function	33	109

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

Table of Contents – Continued

	<u>Page</u>
<u>Part III – Statistical Section</u>	
Statistical Section Narrative	112
Net Position by Component (Accrual Basis of Accounting)	113
Changes in Net Position (Accrual Basis of Accounting)	114-115
Fund Balances – Governmental Funds (Modified Accrual Basis of Accounting)	116
Changes in Fund Balances – Governmental Funds (Modified Accrual Basis of Accounting)	117
Assessed Value and Estimated Actual Value of Taxable Property	118
Property Tax Rates – Direct and Overlapping Rates	119
Principal Property Taxpayers	120
County Property Tax Levy and Collections	121
Ratios of Outstanding Debt by Type	122
Ratios of General Bonded Debt Outstanding	123
Computation of Legal Debt Margin	124
Pledged Revenue Coverage	125
Demographic and Economic Statistics	126
Principal Employers	127
Authorized County Employee Positions by Function	128
Operating Indicators by Function/Program	129
Capital Asset Statistics by Function/Program	130
<u>Part IV – Compliance Section</u>	
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>	131-132
Supplementary Information Required by State of South Carolina: Schedule of Assessments for Victim Services	133

INTRODUCTORY SECTION

COUNTY OF PICKENS

www.co.pickens.sc.us



COUNTY ADMINISTRATOR
Gerald Wilson
CLERK TO COUNCIL
Meagan Bradford

COUNCIL MEMBERS

ROY COSTNER, CHAIRMAN
CHRIS BOWERS, VICE CHAIRMAN
WES HENDRICKS, VICE CHAIRMAN PRO-TEM
TREY WHITEHURST
R. ENSLEY FEEMSTER
CARL HUDSON

DATE: November 27, 2018

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, 2018, 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, 2018. 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, 2017, are fairly presented in conformity with GAAP. The Independent Auditor's report is presented in the Financial Section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

BUDGETARY CONTROLS

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

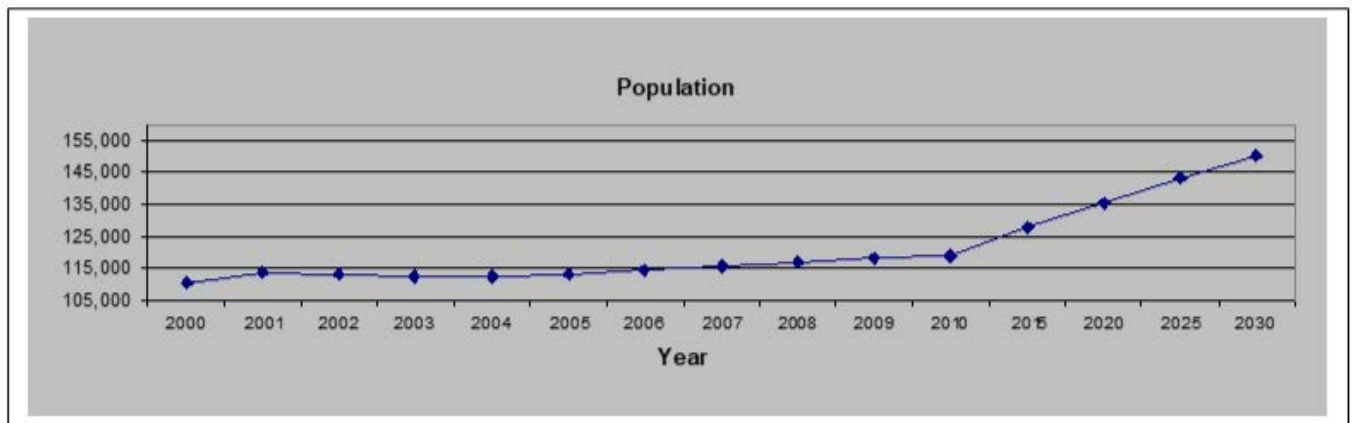
Local Economy

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

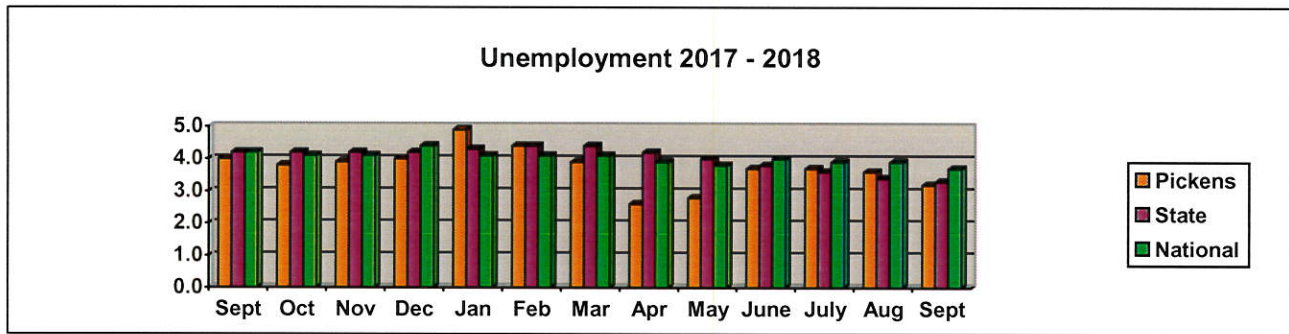
The County population grew 7.6% between the 2000 and 2010 censuses with average annual growth of .76% for the period. This has resulted in Pickens County lagging behind in the South Carolina Upstate region, which experienced an 11.2% population growth between censuses. The State of South Carolina experienced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

Expected Growth

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



According to the South Carolina Employment Security Commission, unemployment decreased in September (latest available numbers) from the previous year figure of 4.0% to 3.2%. This is below the State of South Carolina unemployment rate of 3.3% and lower than the national average for the United States of 3.7% for September 2018.



Long-Term Financial Planning

The County entered fiscal year 2018 with a strong financial position as noted with our credit rating with Moody's of Aa2 and Standard & Poor's of AA. Total fund balance and unassigned fund balance as of June 30, 2018, in the General Fund was \$27,817,200 and \$19,188,947 respectively. This represents 63.7% and 43.9% of expenditures, respectively.

Council also approved in the fall of 2017 10 new cabins at Mile Creek Park. Currently the Park only had capacity for recreational vehicles and primitive camping sites. With the successful opening of the cabins in the fall of 2018, Council looks to continue improvements at the Park with upgrades to the electrical system at each campsite and renovations and upgrades to the bathrooms at the park. There are plans to expand the number of cabins at the park as funding becomes available.

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, 2017. 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**

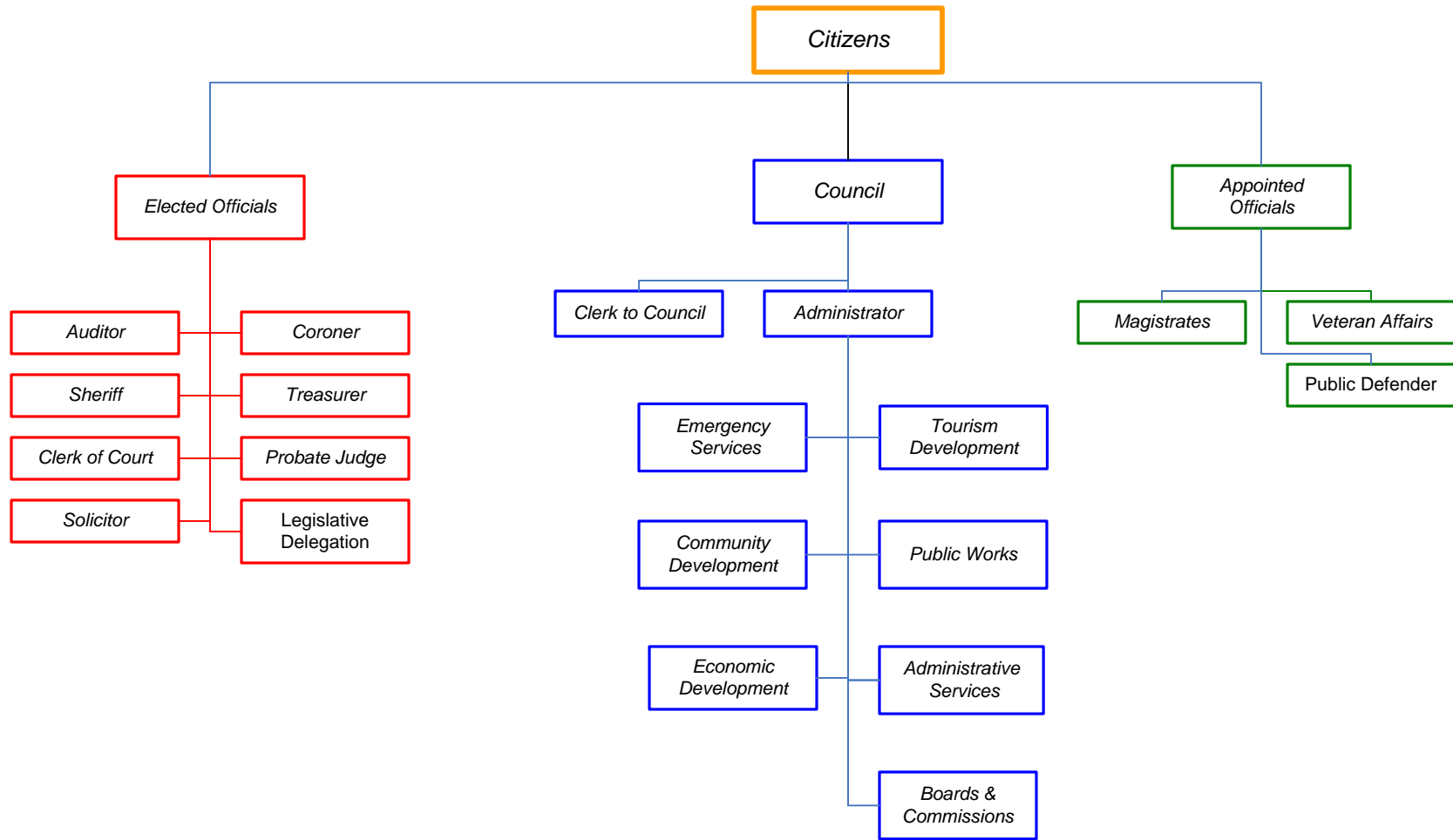
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

Pickens County



PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2018

MEMBERS OF COUNTY COUNCIL

Roy Costner, Chairman
Chris Bowers, Vice Chairman
Wes Hendricks
Trey Whitehurst
Robert Ensley Feemster
Carl Hudson

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Gerald Wilson, County Administrator
Ralph E. Guarino Jr., Finance Director
Megan Bradford, 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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Fire District Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 10 and 11 to the basic financial statements, The County implemented the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other than Pensions*, effective July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 19 and the required supplementary information on pages 63 through 65 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 27, 2018 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.

Cherry Bebaert LHP

Greenville, South Carolina
November 27, 2018

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, 2018. 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

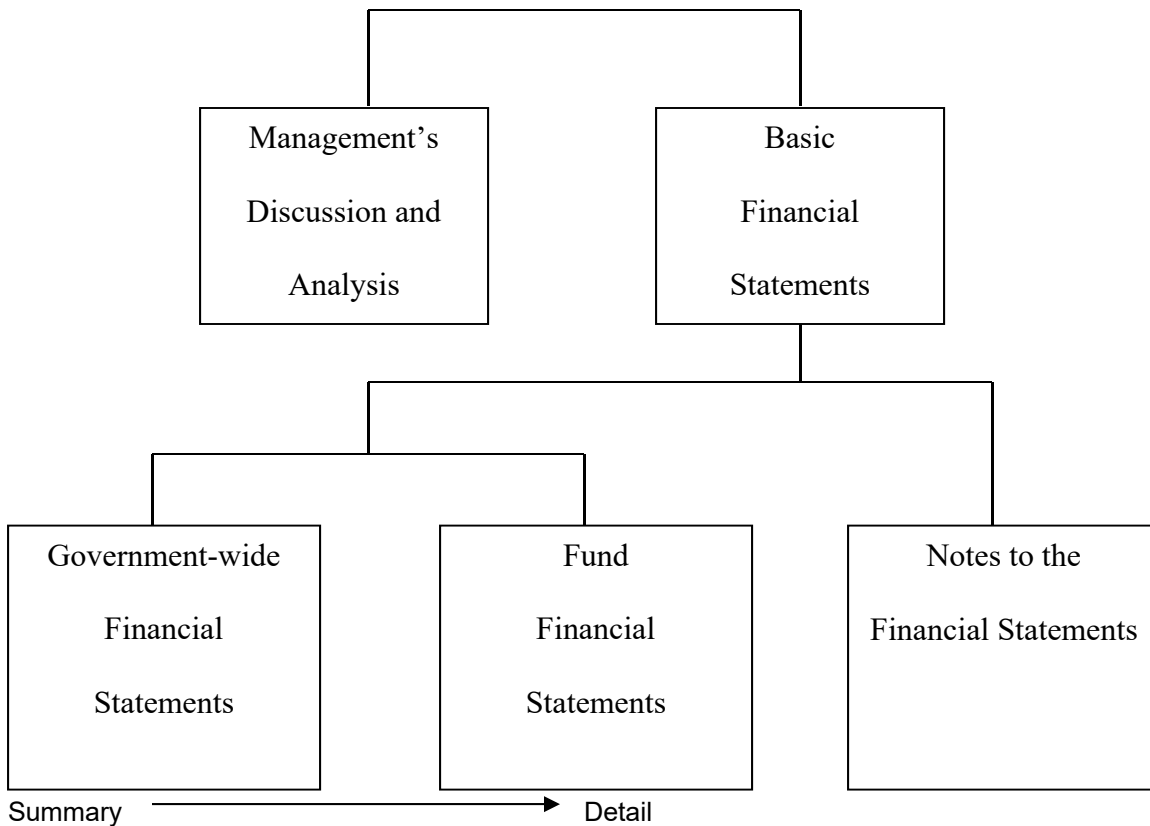
- The assets of Pickens County exceeded its liabilities at the close of the fiscal year by \$72,854,693. Of this amount \$8,458,058 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$7,774,756, one item contributed to this decrease in net position. A total of \$6,978,409 of the decrease was due to the County implementing GASB Statement No. 75 in 2018, which resulted in a prior period restatement of beginning net position for the revaluing of the County's OPEB liability. GASB 45 recognized the liability of Other Post-Employment Benefits (OPEB) within a footnote of the financial statements, with only a portion of the total liability going on the book through the Net OPEB Obligation. GASB 75 does away with the Net OPEB Obligation, requiring the full liability to be recognized immediately on the balance sheet. Governmental Activities change in accounting principles decreased the net position by \$6,767,658 and Business Type Activities decreased the net position by \$210,751.
- The County's unassigned General Fund balance decreased by \$2,397,848 during the 2018 fiscal year due to the contribution of \$1 million to the airport for construction of new hangars at the airport and \$3.2 million for additional funding needed for the construction of the new detention center.
- The County had \$63,983,391 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$21,091,351 of these expenses. General revenues (primarily taxes and unrestricted grants) and net position of \$37,975,131 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 \$60,025,413, an increase of \$13,445,999 in comparison with the prior year. Approximately 42.2% of this total amount, or \$25,354,424, 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 \$19,188,947 or 43.9% of total general fund expenditures for the fiscal year.
- During the 2018 fiscal year, the County's governmental fund type revenues were \$64,413,229 compared to \$61,425,272 in the prior year.
- The total long-term liabilities of the governmental-type activities increased by \$39,322,307. This is due to the implementation of GASB No. 75 which required the county to record beginning net pension liability and the effects on unrestricted net position of contributions made by the county. Another major reason for the increase in total long-term liabilities was for the issuance of \$25 million in general obligation bonds for the construction of the new detention center. Also the county refunded \$3.9 million in infrastructure debt for the Public Smdervice Commission.

Overview of the Financial Statements

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

Required Components of the Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits C through H) are **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 inflows of resources) and total liabilities (including deferred inflows of resources). Measuring net position is one way to assess the County's financial condition.

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

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Pickens County, like all other governmental entities in South Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Pickens County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements as listed in the table of contents follow the basic financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning Pickens County’s general obligation debt. Required supplementary information, as listed in the table of contents, can be found in Exhibits I-K. 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
	2018	2017	2018	2017	2018	2017
Current and other assets	\$69,920,747	\$ 57,793,306	\$ 3,570,856	\$ 2,419,129	\$ 73,491,603	\$ 60,212,435
Capital assets	73,339,257	62,101,567	30,298,507	31,590,638	103,637,764	93,692,205
Land held for resale	728,731	837,744	-	-	728,731	837,744
Total assets	<u>143,988,735</u>	<u>120,732,617</u>	<u>33,869,363</u>	<u>34,009,767</u>	<u>177,858,098</u>	<u>154,742,384</u>
Deferred outflow of resources	10,079,301	7,465,506	313,757	232,748	10,393,058	7,698,254
Long-term liabilities outstanding	102,023,489	62,701,182	3,259,751	6,956,927	105,283,240	69,658,109
Other liabilities	8,140,975	10,156,029	122,293	402,703	8,263,268	10,558,732
Total liabilities	<u>110,164,464</u>	<u>72,857,211</u>	<u>3,382,044</u>	<u>7,359,630</u>	<u>113,546,508</u>	<u>80,216,841</u>
Deferred inflows	1,799,133	1,551,906	50,822	42,442	1,849,955	1,594,348
Net position:						
Net investment in capital assets	36,106,153	50,700,319	28,290,482	25,414,892	64,396,635	76,115,211
Restricted	16,513,038	16,152,280	832,788	825,048	17,345,826	16,977,328
Unrestricted	(10,514,752)	(13,063,593)	1,626,984	600,503	(8,887,768)	(12,463,090)
Total net position	<u>\$ 42,104,439</u>	<u>\$ 53,789,006</u>	<u>\$ 30,750,254</u>	<u>\$ 26,840,443</u>	<u>\$ 72,854,693</u>	<u>\$ 80,629,449</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 \$72,854,693 as of June 30, 2018. The County’s net position decreased by \$7,774,756 for the fiscal year ended June 30, 2018. 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 \$64,396,635 (88.4% 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 \$17,345,826 (23.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance (deficit) of (\$8,887,768) is unrestricted.

Pickens County's Changes in Net Position

Figure 3

	Governmental		Business-type		Total	Total
	Activities		Activities			
	2018	2017	2018	2017		
Revenues:						
Program revenues:						
Charges for services	\$ 13,789,934	\$ 11,817,861	\$ 1,972,109	\$ 1,990,226	\$ 15,762,043	\$ 13,808,087
Operating grants and contributions	7,301,417	7,202,200	-	-	7,301,417	7,202,200
Capital grants and contributions	-	-	400,002	1,111,193	400,002	1,111,193
General revenues:						
Property taxes	27,527,741	27,096,468	-	-	27,527,741	27,096,468
Other taxes	9,844,549	9,851,321	-	-	9,844,549	9,851,321
Grants and contributions not restricted to specific programs	5,162,145	5,213,027	-	-	5,162,145	5,213,027
Other	930,220	(346,947)	90,742	-	1,020,962	(346,947)
Total revenues	<u>64,556,006</u>	<u>60,833,930</u>	<u>2,462,853</u>	<u>3,101,419</u>	<u>67,018,859</u>	<u>63,935,349</u>
Expenses:						
General government	15,338,224	14,753,128	-	-	15,338,224	14,753,128
Public safety	28,076,159	26,064,443	-	-	28,076,159	26,064,443
Public works	9,722,755	15,651,931	-	-	9,722,755	15,651,931
Health and welfare	717,643	920,068	-	-	717,643	920,068
Culture and recreation	5,345,076	4,820,156	-	-	5,345,076	4,820,156
Economic development	1,900,486	1,288,055	-	-	1,900,486	1,288,055
Assistance to other agencies	1,941,760	1,543,750	-	-	1,941,760	1,543,750
Unallocated interest expense and fees	941,288	362,033	-	-	941,288	362,033
Public service commission	-	-	2,910,549	2,844,825	2,910,549	2,844,825
Airport	-	-	921,266	837,400	921,266	837,400
Total expenses	<u>63,983,391</u>	<u>65,403,564</u>	<u>3,831,815</u>	<u>3,682,225</u>	<u>67,815,206</u>	<u>69,085,789</u>
Increase (decrease) in net position before transfers	572,615	(4,569,634)	(1,368,962)	(580,806)	(796,347)	(5,150,440)
Transfers	(5,489,524)	(328,751)	5,489,524	328,751	-	-
Increase (decrease) in net position	(4,916,909)	(4,898,385)	4,120,562	(252,055)	(796,347)	(5,150,440)
Net position, beginning	53,789,006	58,687,391	26,840,443	27,092,498	80,629,449	85,779,889
Change in accounting principle	(6,767,658)	-	(210,751)	-	(6,978,409)	-
Net assets - beginning, restated	<u>47,021,348</u>	<u>58,687,391</u>	<u>26,629,692</u>	<u>27,092,498</u>	<u>73,651,040</u>	<u>85,779,889</u>
Net position, ending	<u>\$ 42,104,439</u>	<u>\$ 53,789,006</u>	<u>\$ 30,750,254</u>	<u>\$ 26,840,443</u>	<u>\$ 72,854,693</u>	<u>\$ 80,629,449</u>

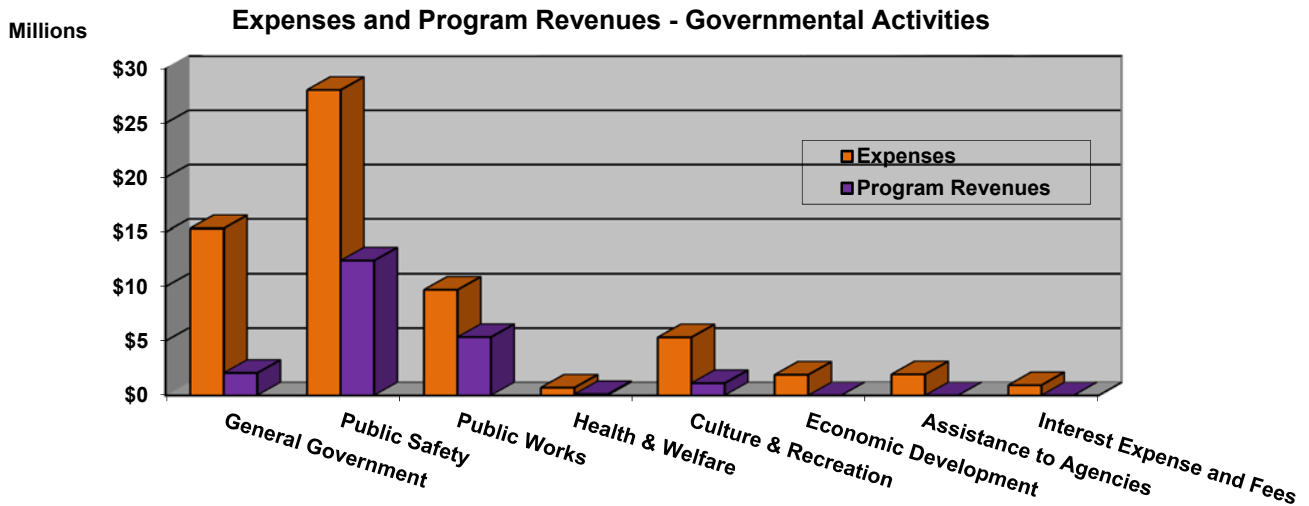
Changes in net position - The County's total revenues increased from the prior year by \$3.1 million or 4.8% (See figure 3 above). Property taxes accounts and program revenues (charges for services and restricted operating and capital grants) accounts for 41.1% and 35% of the County's revenues, respectively. Contributions and donation, other taxes, franchise fees and interest income account for the remainder of the revenue.

The total cost of all programs decreased \$1.3 million, or 1.8%, which includes depreciation for all capital assets as required under Governmental Accounting Standards Board Statement No. 34.

GASB No. 75 – As stated earlier a total of \$6,978,409 of the decrease was due to the County implementing GASB Statement No. 75 in 2018, which resulted in a prior period restatement of beginning net position for the revaluing of the County's OPEB liability. GASB 45 recognized the liability of Other Post-Employment Benefits (OPEB) based on the exact unfunded actuarial required contributions resulted in a Net OPEB Obligation. GASB 75 does away with the Net OPEB Obligation, requiring the full liability to be recognized immediately on the statement of net position. The change in accounting principle decreased the Government Activities net position by \$6,767,658 and the Business Type Activities decreased the net position by \$210,751. This change in accounting will better reflect on the financial statements the cost of Other Post-Employment Benefits such as rising health care costs.

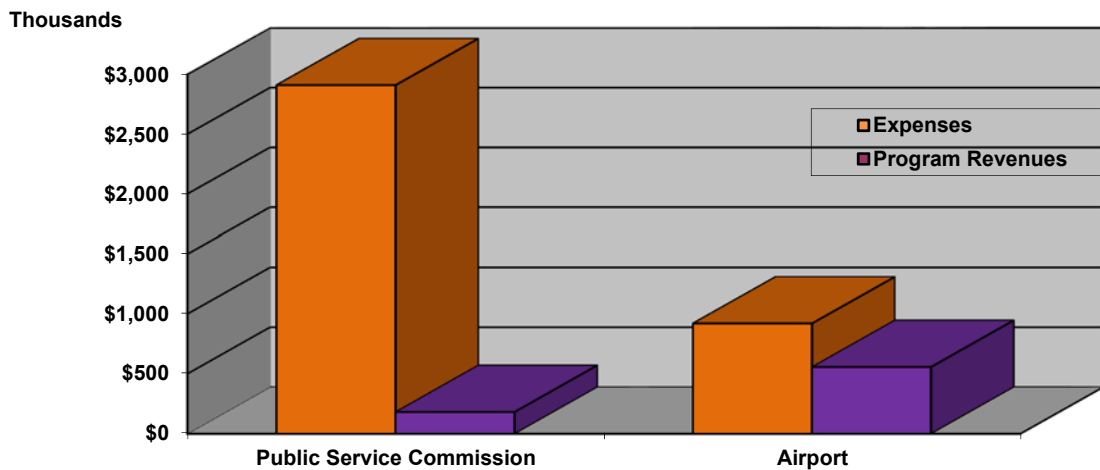
Governmental activities – Governmental activities decreased the County’s net position by \$4,916,909. Particular aspects of the County’s financial operations negatively influenced the total governmental activities:

- As noted earlier in the Management and Discussion Analysis, the County contributed \$1 million dollars for the construction of new T-hangars at the Airport. The Federal Aviation Administration is contributing an additional \$360,000 for this project. When construction is completed in the summer of 2019, the Airport will receive an additional \$56,000 in revenue. The second factor for the decrease in net position was the implementation of GASB No. 75 relating to other postemployment benefits other than pensions as stated in Note 11, which resulted in a \$6,767,658 decrease.



Business-type activities – Business-type activities increased Pickens County’s net position by \$4,120,562. Depreciation and refinancing of debt were the main factors that contributed to the increase in the net position of the business type activities. The Public Service Commission and Airport had depreciation expense of \$1,161,698 and \$241,274 respectively.

Expenses and Program Revenues - Business Activities



Financial Analysis of the County’s Funds

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

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

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 \$19,188,947, while total fund balance was \$27,817,200, a decline of \$3,625,203 from 2017. The County held the line in regards to expenditures for the fiscal year, however, two items contributed to the decrease in the fund balance from fiscal year 2017. The County contributed \$1 million dollars for the construction of new T-hangars at the Airport. The Federal Aviation Administration is contributing an additional \$360,000 for this project. When construction is completed in the summer of 2019, the Airport will receive an additional \$56,000 in revenue. The second factor in the decrease in the fund balance was additional funds were need to complete the new detention center for the Law Enforcement Center. The estimate for the construction of the detention center was \$23 million. Due to the strong economy, the County only received three bids and the lowest qualified bid was for approximately \$26 million. Since the General Obligation Bonds were secured for \$25 million, the County had to use fund balance for the remaining cost of the construction of the project along with other items such as Engineers land purchase and Architectural cost, which was approximately \$3.2 million. Unassigned fund balance represents 43.9% of total General Fund expenditures, while total fund balance represents 63.7% of that same amount.

At June 30, 2018, the governmental funds of Pickens County reported a combined fund balance of \$60,025,413, a 28.9% increase over the previous 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 \$2,498,786.

Other funds on the governmental balance sheet showed minor changes with the exception of the Capital Projects Fund and Road Maintenance Fund. As mentioned earlier the County issued \$25 million for the construction of a new Detention Center for Law Enforcement. The total cost of the project is estimated to be \$29 million, of which \$11.4 million has already been spent. The completion date is expected in the spring of 2019. The Road Maintenance Fund was established in the early 2000’s to address the needs for road resurfacing and bridge replacement. Each vehicle in the County is assessed a \$20 fee, which generates about \$2 million per year. This past year Council put a moratorium on expending funds for these projects. Council wants to revisit how the money is being used and could it be better utilized if part of the funds were turn over to the Cities for them to administer resurfacing of city owned roads. All other funds had minor changes to their fund balance.

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 Public Service Commission Fund at the end of the fiscal year amounted to \$920,768 and those for the Airport equaled \$698,191. The total current year change in net position for Public Service Commission and the Airport was \$3,354,883 and \$765,679, respectively. The major change for the Public Service Commission was the County refinanced \$3.9 million of outstanding revenue debt to G O Obligation debt. A transfer of \$3.9 was made to the Public Service Commission Fund from the Debt Service Fund to pay of this existing debt.

Capital Asset and Debt Administration

Capital assets – Pickens County’s capital assets for its governmental and business-type activities as of June 30, 2018 totaled \$103,637,764 (net of accumulated depreciation). This is a net increase of \$9,945,559 or 10.6%. 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 Sheriff's Office, Solid Waste, Roads & Bridges, Emergency Medical Service Department, and Information System.
- Purchased fire equipment and fire trucks for several of the fire districts in Pickens County
- Radio Control System for the 911 System
- Construction of new Detention Center for Law Enforcement

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

Figure 4

	Governmental Activities		Business-type Activities		Total	Total
	2018	2017	2018	2017	2018	2017
Land	\$ 4,659,941	\$ 4,641,337	\$ 2,060,937	\$ 2,060,937	\$ 6,720,878	\$ 6,702,274
Buildings	23,766,893	24,799,512	1,202,405	2,150,037	24,969,298	26,949,549
Improvements and infrastructure	16,263,869	17,061,267	26,624,227	27,020,112	42,888,096	44,081,379
Machinery and equipment	12,193,706	10,760,460	233,419	300,898	12,427,125	11,061,358
Construction in progress	16,454,848	4,838,991	177,519	58,654	16,632,367	4,897,645
Total	\$ 73,339,257	\$ 62,101,567	\$ 30,298,507	\$ 31,590,638	\$ 103,637,764	\$ 93,692,205

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

Long-term Debt – As of June 30, 2018, Pickens County had total bonded debt outstanding of \$34,885,394, 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	
	2018	2017
General obligation bonds	\$ 34,885,394	\$ 8,502,194

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 \$40,038,896. The County has \$27,008,202 in bonds and notes authorized at June 30, 2018, which are pledged against the full faith, credit and taxing power of Pickens County.

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

Economic Factors and Next Year's Budgets and Rates

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

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

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, 2019

The budget has a slight decrease for fiscal year 2019. The total expenditures for fiscal year 2019 will be \$64,648,869 compared to \$65,161,517 for fiscal year 2018, which is a decrease of 1.0%. The budget includes no cost of living adjustment for employees since the County implemented a new wage study in FY 2018. The wage study was implemented in January of 2017 since only a half year of funding was allocated for the study. The remaining portion was funded in FY 2018 with the County going from a pay as you go system for capital replacement to a millage based system. The largest portion of the General Fund expenditures is personnel services which account for 73.63% of the budget. The largest portion on the revenue side is taxes and this accounts for 65.5% of the revenue. Taxes are made up of property taxes and sales and use taxes and account for 66.5% and 33.5% 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, 2018

	Governmental Activities	Business- Type Activities	Total Primary Government	Alliance Pickens	Total Reporting Unit
ASSETS					
Current assets:					
Cash and investments	\$ 58,773,152	\$ 3,380,240	\$ 62,153,392	\$ 301,083	\$ 62,454,475
Property taxes receivable	3,391,377	-	3,391,377	-	3,391,377
Accounts receivable	2,181,260	133,280	2,314,540	26,418	2,340,958
Due from other governments	4,431,448	1,706	4,433,154	-	4,433,154
Advances to other funds	2,034,160	-	2,034,160	-	2,034,160
Inventories	452,131	55,287	507,418	-	507,418
Prepaid items	691,379	343	691,722	53	691,775
Total current assets	<u>71,954,907</u>	<u>3,570,856</u>	<u>75,525,763</u>	<u>327,554</u>	<u>75,853,317</u>
Noncurrent assets:					
Land held for resale	728,731	-	728,731	-	728,731
Capital assets, not being depreciated	21,114,789	2,238,456	23,353,245	-	23,353,245
Capital assets, net of accumulated depreciation	52,224,468	28,060,051	80,284,519	-	80,284,519
Total noncurrent assets	<u>74,067,988</u>	<u>30,298,507</u>	<u>104,366,495</u>	<u>-</u>	<u>104,366,495</u>
Total assets	<u>146,022,895</u>	<u>33,869,363</u>	<u>179,892,258</u>	<u>327,554</u>	<u>180,219,812</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred outflow related to state pension	10,059,751	313,149	10,372,900	-	10,372,900
Deferred outflows related to OPEB	19,550	608	20,158	-	20,158
Total deferred outflow of resources	<u>10,079,301</u>	<u>313,757</u>	<u>10,393,058</u>	<u>-</u>	<u>10,393,058</u>
LIABILITIES					
Current liabilities:					
Accounts payable	4,139,456	64,480	4,203,936	3,269	4,207,205
Accrued payroll	1,252,958	21,009	1,273,967	11,695	1,285,662
Accrued interest payable	126,349	-	126,349	-	126,349
Due to other governments	2,034,160	-	2,034,160	-	2,034,160
Current portion, long-term debt	2,622,212	36,804	2,659,016	-	2,659,016
Total current liabilities	<u>10,175,135</u>	<u>122,293</u>	<u>10,297,428</u>	<u>14,964</u>	<u>10,312,392</u>
Noncurrent liabilities:					
Landfill closure and postclosure	3,284,757	-	3,284,757	-	3,284,757
Capital leases	34,234	-	34,234	-	34,234
Notes payable	1,784,433	-	1,784,433	-	1,784,433
Net general obligation bonds	34,482,052	-	34,482,052	-	34,482,052
Revenue bonds	-	1,779,949	1,779,949	-	1,779,949
Accrued compensated absences	587,174	384	587,558	-	587,558
Net pension liability	49,235,208	1,086,562	50,321,770	-	50,321,770
Net OPEB obligation	12,615,631	392,856	13,008,487	-	13,008,487
Total noncurrent liabilities	<u>102,023,489</u>	<u>3,259,751</u>	<u>105,283,240</u>	<u>-</u>	<u>105,283,240</u>
Total liabilities	<u>112,198,624</u>	<u>3,382,044</u>	<u>115,580,668</u>	<u>14,964</u>	<u>115,595,632</u>
DEFERRED INFLOW OF RESOURCES					
Deferred revenue - taxes	525,773	11,175	536,948	150,713	687,661
Deferred inflow related to state pension	511,366	15,918	527,284	-	527,284
Deferred inflows related to OPEB	761,994	23,729	785,723	-	785,723
Total deferred inflow of resources	<u>1,799,133</u>	<u>50,822</u>	<u>1,849,955</u>	<u>150,713</u>	<u>2,000,668</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	36,106,153	28,290,482	64,396,635	-	64,396,635
Restricted for:					
Debt service	2,184,301	-	2,184,301	-	2,184,301
Public works	6,017,889	-	6,017,889	-	6,017,889
Public safety	4,246,302	-	4,246,302	-	4,246,302
Cultural and recreation	2,748,581	-	2,748,581	-	2,748,581
Intergovernmental	1,315,965	-	1,315,965	-	1,315,965
USDA bonds	-	832,788	832,788	-	832,788
Net position (deficit), unrestricted	(10,514,752)	1,626,984	(8,887,768)	161,877	(8,725,891)
Total net position	<u>\$ 42,104,439</u>	<u>\$ 30,750,254</u>	<u>\$ 72,854,693</u>	<u>\$ 161,877</u>	<u>\$ 73,016,570</u>

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES

Exhibit B

YEAR ENDED JUNE 30, 2018

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	\$ 15,338,224	\$ 1,621,507	\$ 445,806	\$ -	\$ (13,270,911)	\$ -	\$ (13,270,911)	\$ -	\$ (13,270,911)
Public safety	28,076,159	9,790,419	2,622,450	-	(15,663,290)	-	(15,663,290)	-	(15,663,290)
Public works	9,722,755	1,486,775	3,880,618	-	(4,355,362)	-	(4,355,362)	-	(4,355,362)
Health and welfare	717,643	92,346	21,834	-	(603,463)	-	(603,463)	-	(603,463)
Cultural and recreation	5,345,076	798,887	330,709	-	(4,215,480)	-	(4,215,480)	-	(4,215,480)
Economic development	1,900,486	-	-	-	(1,900,486)	-	(1,900,486)	-	(1,900,486)
Assistance to other agencies	1,941,760	-	-	-	(1,941,760)	-	(1,941,760)	-	(1,941,760)
Debt service - other	941,288	-	-	-	(941,288)	-	(941,288)	-	(941,288)
Total governmental activities	63,983,391	13,789,934	7,301,417	-	(42,892,040)	-	(42,892,040)	-	(42,892,040)
Business-type activities:									
Public Service Commission	2,910,549	1,414,731	-	400,002	-	(1,095,816)	(1,095,816)	-	(1,095,816)
Airport	921,266	557,378	-	-	-	(363,888)	(363,888)	-	(363,888)
Total business-type activities	3,831,815	1,972,109	-	400,002	-	(1,459,704)	(1,459,704)	-	(1,459,704)
Total primary government	\$ 67,815,206	\$ 15,762,043	\$ 7,301,417	\$ 400,002	(42,892,040)	\$ (1,459,704)	\$ (44,351,744)	\$ -	\$ (44,351,744)
Component unit:									
Alliance Pickens	\$ 457,830	\$ -	\$ 20,538	\$ -	\$ -	\$ -	\$ -	\$ (437,292)	\$ (437,292)
Total component units	\$ 457,830	\$ -	\$ 20,538	\$ -	\$ -	\$ -	\$ -	\$ (437,292)	\$ (437,292)
General revenues (expenses):									
Property taxes					\$ 27,527,741	\$ -	\$ 27,527,741	\$ -	\$ 27,527,741
Sales taxes					9,411,362	-	9,411,362	-	9,411,362
Franchise taxes					433,187	-	433,187	-	433,187
Grants and contributions not restricted to specific programs					5,162,145	-	5,162,145	-	5,162,145
Investment earnings					506,816	-	506,816	397	507,213
Gain on sale of capital assets					24,029	-	24,029	-	24,029
Other revenues and expenses					399,375	90,742	490,117	532,087	1,022,204
Transfers					(5,489,524)	5,489,524	-	-	-
Total general revenues and transfers, net					37,975,131	5,580,266	43,555,397	532,484	44,087,881
Change in net position before cumulative effect of change in accounting principle					(4,916,909)	4,120,562	(796,347)	95,192	(701,155)
Net position - beginning					53,789,006	26,840,443	80,629,449	66,685	80,696,134
Cumulative effect of change in accounting principle					(6,767,658)	(210,751)	(6,978,409)	-	(6,978,409)
Net position - beginning, restated					47,021,348	26,629,692	73,651,040	66,685	73,717,725
Net position - ending					\$ 42,104,439	\$ 30,750,254	\$ 72,854,693	\$ 161,877	\$ 73,016,570

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, 2018

	General Fund	Grants Fund	Fire Districts	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 24,121,219	\$ -	\$ 3,860,748	\$ 16,858,350	\$ 13,932,835	\$ 58,773,152
Property taxes receivable	1,872,759	-	764,960	-	753,658	3,391,377
Accounts receivable - EMS	1,559,150	-	-	-	-	1,559,150
Accounts receivable - other	545,767	-	5,004	-	71,339	622,110
Due from other governments	2,413,325	1,577,969	138	-	440,016	4,431,448
Advances to other funds	2,034,160	-	-	-	-	2,034,160
Inventories	452,131	-	-	-	-	452,131
Prepaid items	684,990	-	2,725	-	3,664	691,379
Land held for resale	728,731	-	-	-	-	728,731
Total assets	<u>\$ 34,412,232</u>	<u>\$ 1,577,969</u>	<u>\$ 4,633,575</u>	<u>\$ 16,858,350</u>	<u>\$ 15,201,512</u>	<u>\$ 72,683,638</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,805,921	\$ 105,491	\$ 86,623	\$ 572,380	\$ 569,041	\$ 4,139,456
Accrued payroll	1,035,357	7,974	103,478	-	106,149	1,252,958
Advances from general fund	-	426,687	1,297,811	-	309,662	2,034,160
Total liabilities	<u>3,841,278</u>	<u>540,152</u>	<u>1,487,912</u>	<u>572,380</u>	<u>984,852</u>	<u>7,426,574</u>
Deferred Inflows of Resources:						
Deferred revenue - delinquent taxes	2,753,754	-	713,149	-	726,931	4,193,834
Deferred revenue - unearned	-	1,037,817	-	-	-	1,037,817
Total deferred inflows of resources	<u>2,753,754</u>	<u>1,037,817</u>	<u>713,149</u>	<u>-</u>	<u>726,931</u>	<u>5,231,651</u>
Fund Balances:						
Nonspendable	1,865,852	-	2,725	-	3,664	1,872,241
Restricted	-	-	3,026,713	-	13,486,065	16,512,778
Committed	-	-	-	16,285,970	-	16,285,970
Assigned	6,762,401	-	-	-	-	6,762,401
Unassigned	19,188,947	-	(596,924)	-	-	18,592,023
Total fund balances	<u>27,817,200</u>	<u>-</u>	<u>2,432,514</u>	<u>16,285,970</u>	<u>13,489,729</u>	<u>60,025,413</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,412,232</u>	<u>\$ 1,577,969</u>	<u>\$ 4,633,575</u>	<u>\$ 16,858,350</u>	<u>\$ 15,201,512</u>	<u>\$ 72,683,638</u>

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

PICKENS COUNTY, SOUTH CAROLINA

Exhibit C-2

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2018

Total Governmental Fund Balances	\$ 60,025,413
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.	73,339,257
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.	4,705,878
Net deferred outflows reported in governmental funds balance sheet includes balances related to the state pension and OPEB liabilities. The balances were deferred because funds were not available to pay current-period expenditures	8,805,941
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	(3,442,757)
Capital leases	(67,158)
Notes payable	(2,280,556)
General obligation bonds	(36,352,218)
Net pension liability	(49,235,208)
Accrued compensated absences	(652,173)
Net OPEB obligation	(12,615,631)
Accrued interest payable	(126,349)
Net Position of Governmental Activities	<u>\$ 42,104,439</u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-1

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

YEAR ENDED JUNE 30, 2018

	General Fund	Grants Fund	Fire Districts	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 27,016,829	\$ -	\$ 1,792,151	\$ -	\$ 7,733,988	\$ 36,542,968
Intergovernmental	5,513,036	1,676,235	-	-	2,972,635	10,161,906
Fees, licenses, and permits	956,572	-	3,606,453	-	3,276,557	7,839,582
Charges for services	8,094,707	-	-	-	119,981	8,214,688
Fines and forfeitures	442,219	-	-	-	100,185	542,404
Investment income	556,699	-	4,731	-	7,292	568,722
Rental income	19,600	-	-	-	-	19,600
Contributions	35,993	-	3,375	-	154	39,522
Other revenues	456,057	-	10,592	-	17,188	483,837
Total revenues	43,091,712	1,676,235	5,417,302	-	14,227,980	64,413,229
Expenditures						
Current:						
General government	12,145,177	227,434	-	-	519	12,373,130
Public safety	19,983,980	128,986	4,794,214	-	1,068,092	25,975,272
Public works	5,477,249	100,808	-	-	2,795,329	8,373,386
Health and welfare	676,769	584	-	-	-	677,353
Culture and recreation	1,035,055	420,000	-	-	3,810,673	5,265,728
Economic development and assistance	1,254,619	-	-	-	-	1,254,619
Intergovernmental	885,270	-	-	-	-	885,270
Other	122,319	-	-	-	1,507,600	1,629,919
Capital outlay	2,121,797	798,423	357,668	11,400,791	788,131	15,466,810
Debt service:						
Principal retirement	-	-	195,836	-	4,470,018	4,665,854
Interest and fiscal charges	-	-	68,789	-	803,402	872,191
Total expenditures	43,702,235	1,676,235	5,416,507	11,400,791	15,243,764	77,439,532
Excess (deficiency) of revenues over (under) expenditures	(610,523)	-	795	(11,400,791)	(1,015,784)	(13,026,303)
Other financing sources (uses)						
Issuance of debt	1,500,000	-	-	25,000,000	5,461,826	31,961,826
Transfers in (out)	(4,514,480)	-	-	3,049,444	(4,024,488)	(5,489,524)
Total other financing sources (uses)	(3,014,480)	-	-	28,049,444	1,437,338	26,472,302
Net change in fund balances	(3,625,003)	-	795	16,648,653	421,554	13,445,999
Fund balance - beginning	31,442,203	-	2,431,719	(362,683)	13,068,175	46,579,414
Fund balance - ending	\$ 27,817,200	\$ -	\$ 2,432,514	\$ 16,285,970	\$ 13,489,729	\$ 60,025,413

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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 13,445,999

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 capital outlay of \$15,488,243 exceeded depreciation expense of \$4,206,139 in the current period.	11,282,103
Net gain on disposal of assets not recorded in funds	24,029
Proceeds of sales not recorded in governmental activities	(68,442)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	377,109
Proceeds from debt issues are another financing source in the fund, but a debt issue increases long-term liabilities in the statement of net position.	(31,961,826)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	4,665,861
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due.	(69,104)
Compensated absences that have not matured, together with expenditures associated with changes in compensated absence accruals, are not reported at the fund level.	46,026
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	(53,834)
Change in net pension liability	(2,113,216)
Change in net OPEB obligation	(491,614)
Change in Net Position of Governmental Activities	<u><u>\$ (4,916,909)</u></u>

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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 27,341,132	\$ 27,341,132	\$ 27,016,829	\$ (324,303)
Intergovernmental	5,389,132	5,431,273	5,513,036	81,763
Fees, licenses, and permits	820,000	820,000	956,572	136,572
Charges for services	6,684,782	6,694,233	8,094,707	1,400,474
Fines and forfeitures	526,000	526,000	442,219	(83,781)
Investment income	397,880	397,880	556,699	158,819
Rental income	19,200	19,200	19,600	400
Contributions	-	33,873	35,993	2,120
Other revenues	114,400	114,400	456,057	341,657
Total revenues	<u>41,292,526</u>	<u>41,377,991</u>	<u>43,091,712</u>	<u>1,713,721</u>
Expenditures				
Current:				
General government	12,480,473	12,740,860	12,145,177	595,683
Public safety	20,730,564	20,949,955	19,983,980	965,975
Public works	5,588,482	5,666,391	5,477,249	189,142
Health and welfare	644,085	711,649	676,769	34,880
Culture and recreation	869,724	1,328,070	1,035,055	293,015
Economic development and assistance	-	1,264,271	1,254,619	9,652
Intergovernmental	832,457	965,213	885,270	79,943
Other	351,545	145,147	122,319	22,828
Capital outlay	2,221,858	2,446,418	2,121,797	324,621
Total expenditures	<u>43,719,188</u>	<u>46,217,974</u>	<u>43,702,235</u>	<u>2,515,739</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,426,662)</u>	<u>(4,839,983)</u>	<u>(610,523)</u>	<u>4,229,460</u>
Other financing uses				
Issuance of debt	1,463,702	1,463,702	1,500,000	36,298
Transfers out	(1,628,340)	(4,753,761)	(4,514,480)	239,281
Total other financing uses	<u>(164,638)</u>	<u>(3,290,059)</u>	<u>(3,014,480)</u>	<u>275,579</u>
Net change in fund balances	<u>\$ (2,591,300)</u>	<u>\$ (8,130,042)</u>	<u>(3,625,003)</u>	<u>\$ 4,505,039</u>
Fund balance - beginning			<u>31,442,203</u>	
Fund balance - ending			<u>\$ 27,817,200</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,786,974	\$ 1,786,974	\$ 1,792,151	\$ 5,177
Fees, licenses and permits	3,760,777	3,555,537	3,606,453	50,916
Investment income	500	500	4,731	4,231
Contributions	-	-	3,375	3,375
Other revenues	2,300	2,300	10,592	8,292
Total revenues	<u>5,550,551</u>	<u>5,345,311</u>	<u>5,417,302</u>	<u>71,991</u>
Expenditures				
Current:				
Public safety	4,860,662	5,016,481	4,794,214	222,267
Capital outlay	118,078	716,050	357,668	358,382
Debt service:				
Principal retirement	354,938	336,728	195,836	140,892
Interest and fiscal charges	57,915	70,526	68,789	1,737
Total expenditures	<u>5,391,593</u>	<u>6,139,785</u>	<u>5,416,507</u>	<u>723,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>158,958</u>	<u>(794,474)</u>	<u>795</u>	<u>795,269</u>
Net change in fund balances	<u>\$ 158,958</u>	<u>\$ (794,474)</u>	795	<u>\$ 795,269</u>
Fund balance - beginning			<u>2,431,719</u>	
Fund balance - ending			<u>\$ 2,432,514</u>	

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-5

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

YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ 4,106,831	\$ 4,105,011	\$ 1,676,235	\$ (2,428,776)
Total revenues	<u>4,106,830</u>	<u>4,105,010</u>	<u>1,676,235</u>	<u>(2,428,775)</u>
Expenditures				
Current:				
General government	9,221	369,871	227,434	142,437
Public safety	265,468	187,732	128,986	58,746
Public works	54,978	151,134	100,808	50,326
Health and welfare	(2,182)	598	584	14
Culture and recreation	420,000	420,000	420,000	-
Capital outlay	<u>2,065,361</u>	<u>2,065,361</u>	<u>798,423</u>	<u>1,266,938</u>
Total expenditures	<u>2,812,846</u>	<u>3,194,696</u>	<u>1,676,235</u>	<u>1,518,461</u>
Deficiency of revenues under expenditures	<u>1,293,984</u>	<u>910,314</u>	<u>-</u>	<u>(910,314)</u>
Net change in fund balances	<u>\$ 1,293,984</u>	<u>\$ 910,314</u>	<u>-</u>	<u>\$ (910,314)</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ -</u>	

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-6

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

YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Expenditures				
Current:				
Capital outlay	\$ 632,710	\$ 27,686,761	\$ 11,400,791	\$ 16,285,970
Total expenditures	<u>632,710</u>	<u>27,686,761</u>	<u>11,400,791</u>	<u>16,285,970</u>
Deficiency of revenues under expenditures	<u>(632,710)</u>	<u>(27,686,761)</u>	<u>(11,400,791)</u>	<u>16,285,970</u>
Other financing sources (uses):				
Proceeds from bond issuance	25,000,000	25,000,000	25,000,000	-
Transfers (out) in	-	3,054,151	3,049,444	(4,707)
Total other financing sources (uses)	<u>25,000,000</u>	<u>28,054,151</u>	<u>28,049,444</u>	<u>(4,707)</u>
Net change in fund balances	<u>\$ 24,367,290</u>	<u>\$ 367,390</u>	16,648,653	<u>\$ 16,281,263</u>
Fund balance - beginning			<u>(362,683)</u>	
Fund balance - ending			<u>\$ 16,285,970</u>	

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

Exhibit E

JUNE 30, 2018

	Enterprise Funds		
	Public Service Commission	Airport	Total
ASSETS			
Current assets:			
Cash and investments	\$ 2,439,023	\$ 941,217	\$ 3,380,240
Accounts receivable - other	133,280	-	133,280
Due from other governments	1,706	-	1,706
Inventories	-	55,287	55,287
Prepaid expenses	343	-	343
Total current assets	<u>2,574,352</u>	<u>996,504</u>	<u>3,570,856</u>
Capital assets:			
Land	336,166	1,724,771	2,060,937
Construction in process	4,200	173,319	177,519
Capacity	5,938,636	-	5,938,636
Buildings	372,442	2,797,136	3,169,578
Improvements other than buildings	34,307,150	4,825,273	39,132,423
Machinery and equipment	663,814	467,276	1,131,090
Less accumulated depreciation	<u>(15,806,685)</u>	<u>(5,504,991)</u>	<u>(21,311,676)</u>
Total noncurrent assets	<u>25,815,723</u>	<u>4,482,784</u>	<u>30,298,507</u>
Total assets	<u>28,390,075</u>	<u>5,479,288</u>	<u>33,869,363</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow related to state pension	222,827	90,322	313,149
Deferred outflow related to OPEB liability	433	175	608
Total deferred outflow of resources	<u>223,260</u>	<u>90,497</u>	<u>313,757</u>
LIABILITIES			
Current liabilities:			
Accounts payable	43,787	20,693	64,480
Accrued payroll	13,780	7,229	21,009
Unearned revenue	31,162	6,790	37,952
Current portion of long-term debt	36,804	-	36,804
Total current liabilities	<u>125,533</u>	<u>34,712</u>	<u>160,245</u>
Long-term liabilities:			
Revenue bonds	1,779,949	-	1,779,949
Net pension liability	850,558	236,004	1,086,562
Net OPEB obligation	279,682	113,174	392,856
Accrued compensated absences	101	283	384
Total noncurrent liabilities	<u>2,910,290</u>	<u>349,461</u>	<u>3,259,751</u>
Total liabilities	<u>3,035,823</u>	<u>384,173</u>	<u>3,419,996</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflow related to state pension	(8,660)	(2,199)	(10,859)
Deferred inflow related to OPEB liability	16,893	6,836	23,729
Total deferred inflow of resources	<u>8,233</u>	<u>4,637</u>	<u>12,870</u>
NET POSITION			
Net investment in capital assets	23,815,723	4,482,784	28,298,507
Restricted for USDA	832,788	-	832,788
Unrestricted	920,768	698,191	1,618,959
Total net position	<u>\$ 25,569,279</u>	<u>\$ 5,180,975</u>	<u>\$ 30,750,254</u>

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

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

YEAR ENDED JUNE 30, 2018

	Enterprise Funds		
	Public Service		
	Commission	Airport	Total
Operating revenues			
Charges for services	\$ 1,414,731	\$ 557,378	\$ 1,972,109
Total operating revenues	1,414,731	557,378	1,972,109
Operating expenses			
Salaries and benefits	697,361	257,513	954,874
Depreciation	1,161,698	241,274	1,402,972
Other expenses	912,042	422,479	1,334,521
Total operating expenses	2,771,101	921,266	3,692,367
Operating loss	(1,356,370)	(363,888)	(1,720,258)
Nonoperating expense			
Interest and fiscal charges	(139,448)	-	(139,448)
Total nonoperating expense	(139,448)	-	(139,448)
Loss before transfers and contributions	(1,495,818)	(363,888)	(1,859,706)
Transfers in	4,450,699	1,038,825	5,489,524
Capital contributions	400,002	90,742	490,744
Change in net position	3,354,883	765,679	4,120,562
Total net position - beginning	22,364,434	4,476,009	26,840,443
Cumulative effect of change in accounting principle	(150,038)	(60,713)	(210,751)
Beginning net position restated	22,214,396	4,415,296	26,629,692
Total net position - ending	<u>\$ 25,569,279</u>	<u>\$ 5,180,975</u>	<u>\$ 30,750,254</u>

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

Exhibit G

YEAR ENDED JUNE 30, 2018

	Enterprise Funds		
	Public		
	Commission	Airport	Total
Operating activities			
Receipts from customers and users	\$ 1,711,995	\$ 564,168	\$ 2,276,163
Payments to suppliers	(1,111,059)	(457,920)	(1,568,979)
Payments to employees	(459,266)	(160,124)	(619,390)
Net cash provided by (used in) operating activities	141,670	(53,876)	87,794
Noncapital financing activities			
Transfers from other funds	4,450,699	1,015,090	5,465,789
Net cash provided by noncapital financing activities	4,450,699	1,015,090	5,465,789
Capital and related financing activities			
Capital contributions	400,002	90,742	490,744
Capital transfers from other funds	(2)	9,000	8,998
Acquisition and construction of capital assets	-	(119,839)	(119,839)
Principal paid on capital debt	(4,371,965)	-	(4,371,965)
Interest paid on capital debt	(139,448)	-	(139,448)
Net cash provided by (used in) capital and related financing activities	(4,111,413)	(20,097)	(4,131,510)
Net decrease in cash and cash equivalents/investments	480,956	941,117	1,422,073
Cash and investments			
Beginning of year	1,958,067	100	1,958,167
End of year	\$ 2,439,023	\$ 941,217	\$ 3,380,240
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	\$ (1,356,370)	\$ (363,888)	\$ (1,720,258)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	1,161,698	241,274	1,402,972
Change in operating assets and liabilities:			
Accounts receivable - other and due from other governments:	281,767	-	281,767
Inventories	-	(11,078)	(11,078)
Deferred outflow related to state pension	(49,099)	(31,302)	(80,401)
Deferred outflow related to OPEB	(433)	(175)	(608)
(Increase) decrease in prepaid assets	(343)	-	(343)
Accounts payable and accrued expenses	(140,907)	8,808	(132,099)
Unearned revenue	15,497	6,790	22,287
Net pension liability	(38,068)	(15,326)	(53,394)
Net OPEB obligation	279,682	113,174	392,856
Deferred inflow related to state pension	(28,647)	(8,989)	(37,636)
Deferred inflow related to OPEB	16,893	6,836	23,729
Total adjustments	1,498,040	310,012	1,808,052
Net cash provided by operating activities	\$ 141,670	\$ (53,876)	\$ 87,794

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, 2018

	Total Agency Funds
ASSETS	
Cash and investments	\$ 41,896,136
Accounts receivable - other	11,953
Property taxes receivable	7,900,230
Total assets	<u>\$ 49,808,319</u>
LIABILITIES	
Accounts payable	\$ 63,518
Due to others	49,744,801
Total liabilities	<u>\$ 49,808,319</u>

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2018

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.

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1—Summary of significant accounting policies (continued)

Basis of Presentation – continued

Capital Projects Fund – This fund is used to account for the County’s resources to be used for the acquisition or construction of major capital facilities.

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1—Summary of significant accounting policies (continued)

Measurement Focus and Basis of Accounting – continued

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.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

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

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

Cash and Investments

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

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1—Summary of significant accounting policies (continued)

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

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

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the current fiscal year are referred to as "advances 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 at the time the purchase is made.

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, 2018

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 acquisition cost 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.

The landfill capacity used to date of the third County landfill equals 93%. 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1—Summary of significant accounting policies (continued)

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

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, 2018 related to contributions subsequent to the measurement date of the net pension liability and other post-employment benefit obligation (“OPEB”) as well as the difference in expected and actual experience in the measurement of the net pension liability and OPEB.

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 three such items which qualify for reporting in this category. The first item, *deferred revenue – taxes*, is reported in the governmental funds balance sheet and the government wide statement of net position. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item, *deferred inflow related to state pension*, relates to the net difference between projected and actual earnings on South Carolina Retirement System (“SCRS”) investments. The third item, *deferred inflows related to OPEB*, relates to the difference between expected and actual experiences or changes in assumptions.

Net Position and Fund Balances

Net position in the government-wide financial statements is 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, 2018

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.

Unassigned – All amounts not included in other spendable classifications.

At June 30, 2018, the County’s governmental fund balances were classified as follows:

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Fire Districts</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Net position						
Nonspendable:						
Prepaid items	\$ 684,990	\$ -	\$ 2,725	\$ -	\$ 3,664	\$ 691,379
Inventories	452,131	-	-	-	-	452,131
Land held for resale	728,731	-	-	-	-	728,731
Total nonspendable	<u>1,865,852</u>	<u>-</u>	<u>2,725</u>	<u>-</u>	<u>3,664</u>	<u>1,872,241</u>
Restricted:						
Tri-County Tech	-	-	-	-	1,315,935	1,315,935
Fixed nuclear	-	-	-	-	21,010	21,010
Law enforcement	-	-	-	-	359,606	359,606
Library	-	-	-	-	2,134,267	2,134,267
Culture and recreation	-	-	-	-	614,314	614,314
Transportation roads	-	-	-	-	2,862,595	2,862,595
Emergency phone system	-	-	-	-	838,973	838,973
Debt service	-	-	-	-	2,184,301	2,184,301
Fire rescue	-	-	3,026,713	-	-	3,026,713
State Road C-Fund	-	-	-	-	3,155,064	3,155,064
Total restricted	<u>-</u>	<u>-</u>	<u>3,026,713</u>	<u>-</u>	<u>13,486,065</u>	<u>16,512,778</u>
Committed:						
Capital projects	-	-	-	16,285,970	-	16,285,970
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,285,970</u>	<u>-</u>	<u>16,285,970</u>
Assigned:						
Advances and encumbrances	2,357,166	-	-	-	-	2,357,166
Capital projects	4,405,235	-	-	-	-	4,405,235
Total assigned	<u>6,762,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,762,401</u>
Unassigned	19,188,947	-	(596,924)	-	-	18,592,023
Total fund balances	<u>\$ 27,817,200</u>	<u>\$ -</u>	<u>\$ 2,432,514</u>	<u>\$ 16,285,970</u>	<u>\$ 13,489,729</u>	<u>\$ 60,025,413</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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 general fund is the only fund that reports a positive unassigned fund balance. All other funds have fund balances that are either nonspendable, restricted, committed or unassigned. In the event an expenditure occurs for a specified purpose that exceeds the available fund balance, a negative unassigned fund balance is reported.

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. 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. The cumulative effect of adoption of the standard is presented as an adjustment to beginning fiscal year 2018 net position.

As of July 1, 2017 the deferred outflows of resources, net OPEB liability and net position have been adjusted as follows due to the implementation of these standards:

	Net OPEB Liability	Deferred Outflows from OPEB	Net Position
Beginning balance, July 1, 2017	\$ 6,288,722	\$ -	\$ 6,288,722
Change in accounting principle	6,978,409	-	6,978,409
Adjusted balance, July 1, 2017	<u>\$ 13,267,131</u>	<u>\$ -</u>	<u>\$ 13,267,131</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1—Summary of significant accounting policies (continued)

GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for periods beginning after June 15, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption of this standard did not significantly impart the County's financial statements.

Upcoming Pronouncements - The following GASB pronouncements are effective in future years

GASB Statement No. 87, *Leases*, effective for periods beginning after December 15, 2019, requires lessees to recognize certain lease assets and lease liabilities for leases that previously were classified as operating leases. The Statement requires the recognition of amortization expense for using the leased asset over the shorter of the term of the lease or the useful life of the underlying asset, interest expense on the lease liability, and note disclosures about the lease. The County is currently assessing the impact this statement will have on the County's financial statements.

GASB Statement No. 85, *Omnibus 2017*, effective for periods beginning after June 15, 2017, addresses issues with the implementation of certain GASB statements, including pensions, other postemployment benefits and blended component units. The adoption of this standard did not significantly impact the County's financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, effective for periods beginning after June 15, 2017, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt and improves accounting and reporting for prepaid insurance of debt that is extinguished. The County is currently assessing the impact this statement will have on the County's financial statements.

GASB Statement No. 84, *Fiduciary Activities*, effective for period beginning after December 15, 2018, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The County is currently assessing the impact this statement will have on the County's financial statements.

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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1—Summary of significant accounting policies (continued)

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.

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, 2018, the Six Mile Fire District Fund, Liberty Fire District Fund, and the Dacusville Fire District Fund had an unassigned deficit of \$267,541, \$206,615, and \$122,768, 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, 2018, as follows:

General Fund	\$ 323,005
State Road C-Fund	624,158
Fire Districts	46,939
Other Governmental Funds	16,340,830
	<u>\$ 17,334,932</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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 fair 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.

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 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 \$104,049,528 and a total bank balance of \$105,597,646, of which \$29,500,000 was covered by FDIC insurance and \$76,097,646 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, 2018, the Alliance’s deposits had a carrying value of \$301,083 and a bank balance of \$194,098. 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 and investments, including time deposits	\$ 62,153,392
Agency fund cash (not included in government-wide statement)	41,896,136
	<u>\$ 104,049,528</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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 3—Deposits and investments (continued)

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, 2018, the County had certificates of deposit that are classified as level 2 investments.

Cash and investments at June 30, 2018 are summarized as follows:

Cash and investments:

Checking and other cash	\$ 37,445,844
Certificates of deposit	24,707,548
	<u>\$ 62,153,392</u>

Investment maturities are as follows as of June 30, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1 Year	1 - 5 Years	More than 5 Years
Certificates of deposit	\$ 24,707,548	\$ 8,711,273	\$ 15,996,275	\$ -
	<u>\$ 24,707,548</u>	<u>\$ 8,711,273</u>	<u>\$ 15,996,275</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, 2018 was \$489,226,867. The estimated market value was \$8,829,032,653 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, 2018 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, 2018

Note 4—Property taxes (continued)

Property taxes receivable and allowances for doubtful accounts at June 30, 2018 are summarized as follows:

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Fire Districts</u>	<u>Other Governmental Funds</u>	<u>Total Government Funds</u>	<u>Agency Funds</u>
Gross receivables	\$ 1,971,325	\$ -	\$ 805,220	\$ 793,325	\$ 3,569,870	\$ 8,316,031
Allowance for doubtful accounts	(98,566)	-	(40,260)	(39,667)	(178,493)	(415,801)
	<u>\$ 1,872,759</u>	<u>\$ -</u>	<u>\$ 764,960</u>	<u>\$ 753,658</u>	<u>\$ 3,391,377</u>	<u>\$ 7,900,230</u>

Note 5—Accounts receivable

Accounts receivable at June 30, 2018 are summarized as follows:

	<u>Fund Wide Statements</u>						
	<u>General Fund</u>	<u>Grant Fund</u>	<u>Fire Districts</u>	<u>Other Governmental Funds</u>	<u>Total Government Funds</u>	<u>Business-Type Activities</u>	<u>Agency Funds</u>
EMS fees	\$ 15,591,499	\$ -	\$ -	\$ -	\$15,591,499	\$ -	\$ -
Less allowance for doubtful accounts	(14,032,349)	-	-	-	(14,032,349)	-	-
	<u>1,559,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,559,150</u>	<u>-</u>	<u>-</u>
Interest	331,726	-	3,479	6,363	341,568	-	11,953
Landfill	60,986	-	-	-	60,986	-	-
Other	153,055	-	1,525	64,976	219,556	133,280	-
	<u>545,767</u>	<u>-</u>	<u>5,004</u>	<u>71,339</u>	<u>622,110</u>	<u>133,280</u>	<u>11,953</u>
	<u>\$ 2,104,917</u>	<u>\$ -</u>	<u>\$ 5,004</u>	<u>\$ 71,339</u>	<u>\$ 2,181,260</u>	<u>\$ 133,280</u>	<u>\$ 11,953</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 6—Capital assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 4,641,337	\$ 18,604	\$ -	\$ -	\$ 4,659,941
Land held for resale	728,731	-	-	-	728,731
Construction in progress	4,838,991	13,079,374	(1,463,517)	-	16,454,848
Total capital assets not being depreciated	10,209,059	13,097,978	(1,463,517)	-	21,843,520
Capital assets being depreciated:					
Buildings	41,278,077	-	-	-	41,278,077
Improvements and infrastructure	31,515,571	27,077	-	-	31,542,648
Machinery and equipment	33,536,905	3,826,705	(2,878,992)	(19,046)	34,465,572
Total capital assets being depreciated	106,330,553	3,853,782	(2,878,992)	(19,046)	107,286,297
Less accumulated depreciation:					
Buildings	(16,478,565)	(1,032,619)	-	-	(17,511,184)
Improvements and infrastructure	(14,454,304)	(824,475)	-	-	(15,278,779)
Machinery and equipment	(22,776,445)	(2,349,045)	2,826,555	27,069	(22,271,866)
Total accumulated depreciation	(53,709,314)	(4,206,139)	2,826,555	27,069	(55,061,829)
Total capital assets being depreciated, net	52,621,239	(352,357)	(52,437)	8,023	52,224,468
Governmental activities capital assets, net	\$ 62,830,298	\$ 12,745,621	\$ (1,515,954)	\$ 8,023	\$ 74,067,988
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 2,060,937	\$ -	\$ -	\$ -	\$ 2,060,937
Construction in progress	58,654	118,865	-	-	177,519
Total capital assets not being depreciated	2,119,591	118,865	-	-	2,238,456
Capital assets being depreciated:					
Capacity	5,938,636	-	-	-	5,938,636
Buildings	3,169,578	-	-	-	3,169,578
Improvements and infrastructure	39,132,423	-	-	-	39,132,423
Machinery and equipment	1,112,044	-	-	19,046	1,131,090
Total capital assets being depreciated	49,352,681	-	-	19,046	49,371,727
Less accumulated depreciation:					
Capacity	(1,019,541)	(82,767)	-	-	(1,102,308)
Buildings	(1,818,708)	(148,465)	-	-	(1,967,173)
Improvements and infrastructure	(16,232,238)	(1,112,286)	-	-	(17,344,524)
Machinery and equipment	(811,147)	(59,455)	-	(27,069)	(897,671)
Total accumulated depreciation	(19,881,634)	(1,402,973)	-	(27,069)	(21,311,676)
Total capital assets being depreciated, net	29,471,047	(1,402,973)	-	(8,023)	28,060,051
Business-type activities capital assets, net	\$ 31,590,638	\$ (1,284,108)	\$ -	\$ (8,023)	\$ 30,298,507

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 6—Capital assets (continued)

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 493,152
Public Safety	1,976,521
Public Works	1,218,490
Health and Welfare	40,229
Cultural and Recreation	345,360
Economic Development	93,780
Intergovernmental	38,607
Total	<u>\$4,206,139</u>

Construction in progress in the Governmental Activities as of June 30, 2018 represents costs incurred to date on Twelve Mile Recreational Area, Shady Grove Fire Station, Animal Adoption Facility, LEC Jail Expansion, Appalachian Cultural Center, Pumpkintown Fire Station, Commerce Park Grading, and Mile Creek Park Cabins. Construction in progress in the Business-type Activities as of June 30, 2018 represents costs of construction for the Septic System at Stockade, Hangar Development, 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	\$ 8,502,194	\$ 30,495,000	\$ 4,111,800	\$ 34,885,394	\$ 1,870,166
Premium on general obligation bonds	-	1,466,826	-	1,466,824	-
Capital leases	140,592	-	73,435	67,157	32,923
Notes payable	2,761,180	-	480,624	2,280,556	496,123
Compensated absences	698,200	26,261	72,287	652,174	65,000
Net OPEB obligation	6,288,722	6,326,909	-	12,615,631	-
Net pension liability	44,180,232	5,054,976	-	49,235,208	-
Landfill closure and postclosure	3,388,923	53,834	-	3,442,757	158,000
Total	<u>\$65,960,043</u>	<u>\$ 43,423,806</u>	<u>\$ 4,738,146</u>	<u>\$ 104,645,701</u>	<u>\$ 2,622,212</u>

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 7—Long-term debt (continued)

Governmental Activities Debt – continued

General obligation (general purpose) bonds payable at June 30, 2018, 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%.	\$ 102,000
\$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%.	546,967
\$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%.	1,848,374
\$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%.	85,000
\$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%.	701,248
\$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%.	294,828
\$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%.	1,393,067
\$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%.	408,910
\$650,000 2017 general obligation bond used to fund Pumkintown Fire District; due in annual installments of principal and interest in the amount of \$39,000 to \$54,000 through March 1, 2032; interest of 2.65%.	610,000
\$25,000,000 2018 general obligation bond used to fund the jail expansion; due in annual installments of principal and interest in the amount of \$1,743,513 through June 30, 2038; interest of 4.00%.	25,000,000
\$3,995,000 general obligation bond used for the payment of USDA Upper/Middle revenue bonds; due in annual installments in the amount of \$302,475 through June 30, 2036; interest of 5.00%.	3,895,000
	<u>34,885,394</u>
Plus bond premium	1,466,824
	<u>36,352,218</u>
Less current portion	1,870,166
Long-term portion outstanding	<u><u>\$ 34,482,052</u></u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 7—Long-term debt (continued)

Governmental Activities Debt – continued

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2018 are as follows:

Years Ending June 30	Principal	Interest	Totals
2019	\$ 1,870,166	\$ 1,204,880	\$ 3,075,046
2020	1,828,828	1,140,714	2,969,542
2021	1,732,721	1,078,479	2,811,200
2022	1,796,505	1,016,721	2,813,226
2023	1,750,476	952,505	2,702,981
2024 to 2028	8,799,698	3,809,733	12,609,431
2029 to 2033	8,262,000	2,192,111	10,454,111
2034 to 2038	8,845,000	797,031	9,642,031
	<u>\$ 34,885,394</u>	<u>\$ 12,192,174</u>	<u>\$ 47,077,568</u>

Capital leases payable at June 30, 2018, are comprised of the following lease:

\$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

	67,157
	<u>\$ 67,157</u>
Less current portion	32,923
Long-term portion outstanding	<u>\$ 34,234</u>

Annual requirements to amortize all capital leases outstanding as of June 30, 2018 are as follows:

Years Ending June 30	Principal	Interest	Totals
2019	\$ 32,923	\$ 2,673	\$ 35,596
2020	34,234	1,363	35,597
	<u>\$ 67,157</u>	<u>\$ 4,036</u>	<u>\$ 71,193</u>

As of June 30, 2018, the County had assets under capital leases with a total cost of \$639,000.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 7—Long-term debt (continued)

Governmental Activities Debt – continued

Notes payable at June 30, 2018 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%	\$ 272,354
\$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%	1,249,704
\$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%	758,498
	<u>2,280,556</u>
Less current portion	496,123
Long-term portion outstanding	<u>\$ 1,784,433</u>

Annual requirements to amortize all notes payable outstanding as of June 30, 2018 are as follows:

Years Ending June 30	Principal	Interest	Totals
2019	\$ 496,123	\$ 77,772	\$ 573,895
2020	345,038	62,675	407,713
2021	301,500	50,819	352,319
2022	313,506	38,812	352,318
2023	325,991	26,327	352,318
2024 to 2028	498,398	15,502	513,900
	<u>\$ 2,280,556</u>	<u>\$ 271,907</u>	<u>\$ 2,552,463</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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, 2017	Additions	Retirements	Balance June 30, 2018	Due Within One Year
Revenue bonds	\$ 6,175,744	\$ -	\$ 4,358,993	\$ 1,816,751	\$ 36,804
Net pension liability	929,205	157,357	-	1,086,562	-
Net OPEB obligation	-	392,856		392,856	-
Compensated absences	13,525	25	13,166	384	-
Total	<u>\$ 7,118,474</u>	<u>\$ 550,238</u>	<u>\$ 4,372,159</u>	<u>\$ 3,296,553</u>	<u>\$ 36,804</u>

Revenue bonds payable recorded in the Public Service Commission Enterprise Fund at June 30, 2018 are comprised of the following individual issues:

\$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, 2017, pledged revenue was zero for the Central-North Waste Water Treatment bond.	\$ 314,463
\$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, 2017, pledged revenue was \$41,280 for the Central-North Waste Water Treatment bond.	1,502,288
	<u>1,816,751</u>
Less current portion	36,804
Long-term portion outstanding	<u>\$ 1,779,947</u>

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 \$2,146,378 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 \$1,414,731, respectively.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 7—Long-term debt (continued)

Business-Type Activities Debt – continued

Annual requirements to amortize all revenue bonds outstanding as of June 30, 2018 are as follows:

Years Ending June 30	Principal	Interest	Totals
2019	\$ 36,804	\$ 40,500	\$ 77,304
2020	37,531	39,773	77,304
2021	38,494	38,810	77,304
2022	39,369	37,935	77,304
2023	40,264	37,040	77,304
2024 to 2028	215,276	171,244	386,520
2029 to 2033	241,005	145,518	386,523
2034 to 2038	269,680	116,840	386,520
2039 to 2043	301,774	84,746	386,520
2044 to 2048	337,670	48,850	386,520
2049 to 2053	258,884	10,530	269,414
	<u>\$ 1,816,751</u>	<u>\$ 771,786</u>	<u>\$ 2,588,537</u>

Under the revenue bonds with the USDA Rural Development, the Public Service Commission is required to maintain certain reservations of retained earnings. At June 30, 2018, management of the Public Service Commission believes it is in compliance with the following reserve requirements:

Reserved for debt services	\$ 364,524
Reserved for depreciation funding	310,512
Reserved for contingency fund	157,752
Total	<u>\$ 832,788</u>

Note 8—Inter-fund receivables, payables and transfers

	Advance Receivable	Advance Payable
Major Governmental Fund:		
General Fund	\$ 2,034,160	\$ -
Fire Districts	-	1,297,811
Grants Fund	-	426,687
Non-major Governmental Funds	-	309,662
	<u>\$ 2,034,160</u>	<u>\$ 2,034,160</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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 8—Inter-fund receivables, payables and transfers

Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Fund:		
General Fund	\$ -	\$ 4,514,480
Capital Projects Fund	3,049,444	-
Non-major Governmental Funds	-	4,024,488
Major Enterprise Funds:		
Public Service Commission Fund	4,450,699	-
Airport	1,038,825	-
	<u>\$ 8,538,968</u>	<u>\$ 8,538,968</u>

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

Note 9—Employee pension plans

Plan Description

Eligible employees of the County are participants in the South Carolina Retirement System (“SCRS”) and the South Carolina Police Officers Retirement System (“PORS”), both of which are cost-sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. SCRS and PORS provide retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits to plan members and beneficiaries. The plans' provisions are established under Title 9 of the South Carolina Code of Laws. A comprehensive annual financial report containing financial statements and required supplementary information for the 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 9.00% and 9.75%, 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 13.41% and 15.84% 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 9—Employee pension plans (continued)

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

At June 30, 2018, the County reported a liability of \$50,321,770 for its proportionate share of the net pension liability of SCRS and PORS. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. 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, 2017, the County's proportion was .153611% of the total SCRS pension liability and .574600% of the total PORS pension liability.

The County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS retirement plans from the following sources at June 30, 2018:

	Deferred Outflows of Resources SCRS	Deferred Inflows of Resources SCRS	Deferred Outflows of Resources PORS	Deferred Inflows of Resources PORS
Net difference between projected and actual earnings on SCRS investments	\$ -	\$ 422,293	\$ -	\$ 104,991
Contributions subsequent to the measurement date	2,020,182	-	1,370,592	-
Difference in expected and actual experience in measurement of pension liability	4,236,961	-	2,745,167	-
	<u>\$ 6,257,143</u>	<u>\$ 422,293</u>	<u>\$ 4,115,759</u>	<u>\$ 104,991</u>

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

The County's contributions subsequent to the measurement date of \$3,390,773 will be recognized as a reduction of the net pension liability in the subsequent fiscal year ended June 30, 2019. Total pension expense for the year ended June 30, 2018 was \$5,212,333.

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, 2016:

Measurement Period Ending June 30,	SCRS	PORS
2018	\$ (1,366,283)	\$ (848,112)
2019	(1,366,283)	(848,114)
2020	(1,348,521)	(842,615)
2021	266,419	(101,335)
Thereafter	-	-
Net Balance of Deferred Inflows of Resources	<u>\$ (3,814,668)</u>	<u>\$ (2,640,176)</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 9—Employee pension plans (continued)

Actuarial Assumptions

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through July 1, 2015, and the next experience study, performed on data through June 30, 2020, is currently underway.

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 June 30, 2016. 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	7.25%
Projected salary increases	3.0% to 12.5% (SCRS) 3.5% to 9.5% (PORS)
Inflation	2.25%
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, 2016 valuations for SCRS and PORS are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter of 2016. 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 9—Employee pension plans (continued)

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 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00% real rate of return and a 2.25% inflation component.

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
Global Equity	45%	3.24%
Real Assets	8%	0.41%
Opportunistic	17%	0.69%
Diversified Credit	18%	0.80%
Conservative Fixed Income	12%	0.18%
Total expected rate of return	100%	5.32%
Inflation for actuarial purposes		2.25%
Total expected nominal return		7.57%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 7.25%, 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 (6.25%) or 1.00% higher (8.25%) than the current rate.

	Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$44,569,265	\$34,580,308	\$28,519,356
PORS	\$21,254,042	\$15,741,462	\$11,399,374

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

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 30 employees retired and under the age of 65 that were receiving insurance benefits. For the year ended June 30, 2018, the County incurred net expenditures for the plan of approximately \$221,199 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	\$25.75	\$56.28	\$3.62
Employee + Spouse	\$755.00	\$823.03	\$39.88
Employee + Child(ren)	\$440.00	\$491.53	\$48.07
Employee + Family	\$1,092.75	\$1,177.03	\$86.10

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.

The changes in the OPEB liability are as follows for the year ended June 30:

Service cost	\$ 518,383
Interest on OPEB obligation	390,495
Difference between expected and actual experience of total OPEB liability	22,672
Changes of assumptions	(883,650)
Benefit payments	(306,644)
Increase in net OPEB obligation	(258,744)
Net OPEB obligation as of beginning of the year	13,267,231
Net OPEB obligation as of end of year	<u>\$ 13,008,487</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 10—Post-retirement health care and life insurance benefits (continued)

The *Sensitivity of Total OPEB Liability to Change in Discount Rate and Healthcare Trend Rate* – OPEB Plan’s liability was prepared using a discount rate of 3.56%. which was a change from 2.92% applied in the prior year. If the discount rate were 1% lower than what was used in this valuation, the OPEB Plan liability would increase by \$1,406,826 or by 10.81%. If the discount rate were 1% higher than was used in this valuation, the OPEB Plan liability would decrease by \$1,274,781 or by 10.86%.

Discount Rate		
1.00% Decrease (2.56%)	Current Discount Rate (3.56%)	1.00% Increase (4.56%)
\$14,415,313	\$13,008,487	\$11,733,706

The June 30, 2017 OPEB Plan liability was prepared using an initial trend rate of 7.50%. If the trend rate were 1% higher than what was used in this valuation, the OPEB Plan liability would increase by \$2,145,234 or by 16.49%. If the trend rate were 1% lower than was used in this valuation, the OPEB Plan liability would decrease by \$1,795,443 or by 16.01%.

Healthcare Cost Trent Rate		
1.00% Decrease	Current Discount Rate	1.00% Increase
\$11,213,044	\$13,008,487	\$15,153,721

For the year ended June 30, 2018, the County recognized a decrease in OPEB Plan liability of \$61,551. At June 30, 2017, the County reported deferred outflows and inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 20,158	\$ -
Changes in assumptions	-	785,723
Contributions subsequent to the measurement date	-	-
	<u>\$ 20,158</u>	<u>\$ 785,723</u>

The \$20,159 reported as deferred outflows of resources related to OPEB resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2019.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 10—Post-retirement health care and life insurance benefits (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB Plan will be recognized in OPEB expense for the year ended June 30, as follows:

2019	\$ (95,414)
2020	(95,414)
2021	(95,414)
2022	(95,414)
2023	(95,414)
Thereafter	(288,494)
	<u>\$ (765,564)</u>

Note 11 – Restatement for implementation of an accounting pronouncement

The County implemented GASB Statement No. 75, Accounting and Financial Reporting for Other Postemployment Benefits Other than Pensions, in the fiscal year ended June 30, 2018. The implementation of the statement required the County to record beginning net pension liability and the effects on unrestricted net position of contributions made by the County during the measurement period (fiscal year ended June 30, 2017). As a result of the implementation of the accounting pronouncement, the beginning unrestricted net position for the County as of July 1, 2017 decreased by \$6,978,409. This decrease resulted in the restatement of unrestricted net position to a deficit balance of \$19,441,499 as of July 1, 2017 and the restatement of total net position to a balance of \$73,651,040 as of July 1, 2017.

Note 12—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 \$3,442,757 liability reported as landfill closure and post closure represents total costs to date, as of June 30, 2018 based on 100% use of two landfills and 93% of one landfill. Actual cost for closure and post closure care may vary due to inflation, developments in technology or changes in laws and regulations. The following table shows the landfills, which Pickens County owns, and the remaining number of years out of 30 years; each has to be maintained in accordance with the 1991 ruling.

<u>Landfill</u>	<u>Post Closure Years Remaining</u>	<u>Percent Used</u>	<u>Open/Close Years</u>	<u>Closure/ Post Closure Costs</u>
Easley	14	100%	2003	\$ 1,047,200
Central	4	100%	1994	148,500
C & D	20	93%	1998	2,247,057
				<u>3,442,757</u>
Less current portion				(158,000)
Long-term portion outstanding				<u>\$ 3,284,757</u>

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 13 – Tax abatement

The County has two tax abatement programs pursuant to which the County reduces certain taxpayers' property tax liability.

Fee-in-Lieu of Ad Valorem Property Tax Program – One of the County's tax abatement programs is the "Fee-in-Lieu of Ad Valorem Property Tax" ("FILOT") program. The FILOT program is authorized by South Carolina State law, specifically, Chapter 44, Title 12 of the Code of Laws of South Carolina, 1976, as amended. The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding business from locating in South Carolina.

A taxpayer is eligible to receive a property tax reduction under the FILOT program if the taxpayer agrees to make a minimum investment of \$2,500,000 in a project located in the County within a 5-year period. Additionally, the County Council, the governing body of the County, must find that (i) the project is anticipated to benefit the general public welfare by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally; (ii) the project gives rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the purposes to be accomplished by the project are proper governmental and public purposes; and (iv) the benefits of the project are greater than the costs.

Property taxes are abated under the FILOT program through an agreement, executed by the County and the taxpayer, pursuant to which a fee-in-lieu of *ad valorem* property tax payment for the economic development property associated with the project is calculated using (i) a reduced assessment ratio, which may be reduced from 10.5% to a floor of 6% (or 4% in the case of certain enhanced investments), and (ii) a locked millage rate (or a millage rate that is allowed to increase or decrease every fifth year), for a term of not more than 30 years (or 40 years in the case of certain enhanced investments).

If the taxpayer does not make the minimum investment of \$2,500,000 in a project within the 5-year period as described above, then the agreement is automatically terminated. On termination, the taxpayer is obligated to pay to the County the difference between (i) the total amount of *ad valorem* property taxes that would have been paid by the taxpayer had the economic development property not been subject to the agreement, taking into account exemptions from property taxes that would have been available to the taxpayer, and (ii) the total amount of fee-in-lieu of *ad valorem* property tax payment made by the taxpayer with respect to the economic development property. In addition to the minimum eligibility requirements to receive a property tax reduction under the FILOT program as described above, the taxpayer may also make certain commitments to (i) invest certain amounts in taxable real and personal property at a project in an amount greater than \$2,500,000, and (ii) create a certain number of new, full-time jobs at a project.

For tax year 2018, County property taxes abated resulting from active FILOT agreements to which it is a party, totaled \$218,655.

Special Source Revenue Credit Program – The County also abates property taxes through the "Special Source Revenue Credit" ("SSRC") program. The SSRC program is authorized by South Carolina state law, specifically, Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended. The purpose of the SSRC program is to enhance the economic development of the County.

A taxpayer is eligible to receive an SSRC, thereby reducing its property taxes, if (i) the taxpayer's property is located in a multicounty industrial or business park, and (ii) the taxpayer uses the SSRC to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the County or the taxpayer's property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 13—Tax abatement (continued)

Property taxes are abated under the SSRC program through the County providing an SSRC (in the form of a percentage or fixed dollar amount) against a taxpayer's property tax liability. Although not required by state law, often, the County and the taxpayer enter into an agreement pursuant to which the County agrees to provide an SSRC against a taxpayer's property tax liability for a period of years, and the taxpayer commits to (i) invest certain amounts in taxable real and personal property at a project, or (ii) create a certain number of new, full-time jobs at a project. In the instances where the County has entered into an agreement to effect the SSRC program, if the taxpayer does not meet the commitments as set forth in the agreement, the County frequently reserves the right to require the taxpayer to repay to the County, either all or some other portion, as determined by formula, the SSRC received by the taxpayer.

The County may use the SSRC program in connection with the FILOT program. Following the calculation of a taxpayer's fee-in-lieu of *ad valorem* payment under the FILOT program, the County may also apply an SSRC to further abate the taxpayer's property tax liability. To receive property tax abatements under the SSRC program and the FILOT program, the taxpayer must meet the eligibility criteria for both programs.

For tax year 2018, County property taxes abated resulting from SSRC agreements to which it is a party, totaled \$13,856, including taxes abated via stand-alone SSRC agreements and those in connection with active FILOT agreements.

Multicounty Industrial or Business Park – As noted above, to receive a property tax abatement under the SSRC program, a taxpayer's property must be located in a multicounty industrial or business park. To locate a taxpayer's property in a multicounty industrial or business park, the county must develop, with one or more contiguous counties, a multicounty industrial or business park by entering into an agreement with the contiguous counties which sets forth how the counties will share the expenses and revenues from the multicounty industrial or Business Park. The agreement must further specify how the revenues from the multicounty industrial or Business Park will be distributed to each taxing entity in the participating counties. For tax year 2018, of the total payments made by taxpayers, who were subject to the County's multicounty industrial park agreements, \$10,279 would have been received by the County but for the taxpayers' location within its multicounty industrial park.

Note 14—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.

PAGE INTENTIONALLY LEFT BLANK

PICKENS COUNTY, SOUTH CAROLINA

Exhibit I

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE COUNTY TOTAL OPEB LIABILITY AND RELATED RATIOS

JUNE 30, 2018

(UNAUDITED)

Service cost	\$ 518,383
Interest on the total OPEB liability	390,495
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	22,672
Changes of assumptions	(883,650)
Benefit payments	<u>(306,644)</u>
Net change in total OPEB liability	(258,744)
Total OPEB liability - beginning	<u>13,267,231</u>
Total OPEB liability - ending	<u>\$ 13,008,487</u>
Covered-employee payroll	10,188,408
Total OPEB liability as a % of covered-employee payroll	127.68%

* Information is presented for these years for which information is available

Notes to Schedule

The discount rate used to determine the end of year Plan liability was 3.56% whereas the discount rate applied to determine the beginning plan liability was 2.92%.

There are no assets accumulated in an irrevocable trust to pay related benefits.

PICKENS COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

JUNE 30, 2018

(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					
2017	0.153611%	\$ 34,580,308	\$ 15,064,743	229.5%	53.3%
2016	0.146109%	31,208,667	15,500,570	201.3%	52.9%
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%
Police Officers' Retirement System					
2017	0.574600%	\$ 15,741,462	\$ 8,652,721	181.9%	60.9%
2016	0.548040%	13,900,770	7,736,185	179.7%	60.4%
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%

*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
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS

Exhibit K

JUNE 30, 2018
(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					
2018	\$ 2,020,182	\$ 2,020,182	-	\$ 15,064,743	13.41%
2017	1,768,615	1,768,615	-	15,500,570	11.41%
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%
Police Officers' Retirement System					
2018	\$ 1,370,591	\$ 1,370,591	-	\$ 8,652,721	15.84%
2017	1,070,688	1,070,688	-	7,736,185	13.84%
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%

*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

Schedule 1

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 27,341,132	\$ 27,341,132	\$ 27,016,829	\$ (324,303)
Intergovernmental	5,389,132	5,431,273	5,513,036	81,763
Fees, licenses and permits	820,000	820,000	956,572	136,572
Charges for services	6,684,782	6,694,233	8,094,707	1,400,474
Fines and forfeitures	526,000	526,000	442,219	(83,781)
Investment income	397,880	397,880	556,699	158,819
Rental income	19,200	19,200	19,600	400
Contributions	-	33,873	35,993	2,120
Other revenues	114,400	114,400	456,057	341,657
Total revenues	41,292,526	41,377,991	43,091,712	1,713,721
Expenditures				
Current				
General government				
County council	231,040	266,794	253,600	13,194
County attorney	198,031	376,217	371,172	5,045
State solicitor	1,018,405	1,021,642	981,695	39,947
Public defender	215,433	216,258	204,103	12,155
Probate judge	369,908	373,639	365,362	8,277
Register of deeds	300,967	303,395	282,685	20,710
Clerk of court	769,713	776,237	773,329	2,908
Administrator	383,417	330,553	325,606	4,947
Purchasing	85,619	86,028	79,086	6,942
Finance	548,284	557,979	547,957	10,022
Building maintenance	2,335,511	2,344,792	2,125,923	218,869
Human resources	199,236	202,377	198,321	4,056
Delinquent tax	299,396	300,801	351,763	(50,962)
Risk manager	88,804	94,961	92,309	2,652
Circuit judge	825	825	318	507
Treasurer	501,936	504,150	495,417	8,733
Auditor	418,759	421,139	396,682	24,457
Tax assessor	855,290	865,706	820,092	45,614
Board of appeals	4,000	4,000	800	3,200
GIS mapping	388,418	393,855	378,637	15,218
Registration and elections	399,374	402,498	325,207	77,291
Planning commission	223,450	223,999	221,652	2,347
Information services	1,095,662	1,086,234	964,894	121,340
County magistrates	673,316	706,493	689,187	17,306
Vehicle maintenance	683,907	686,675	684,605	2,070
Public relations	13,000	14,841	14,710	131
Retiree health and dental	178,772	178,772	200,065	(21,293)
Total expenditures	12,480,473	12,740,860	12,145,177	595,683

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Public safety				
Sheriff's department	\$ 12,359,890	\$ 12,420,759	\$ 11,724,706	\$ 696,053
Emergency management	385,006	452,469	438,996	13,473
County coroner	293,174	300,190	303,142	(2,952)
Prison camp	1,266,837	1,271,967	1,203,386	68,581
Emergency medical services	6,007,361	6,028,260	5,894,462	133,798
Building codes	416,256	473,602	416,581	57,021
Fire district	2,040	2,708	2,707	1
	<u>20,730,564</u>	<u>20,949,955</u>	<u>19,983,980</u>	<u>965,975</u>
Public works				
Roads and bridges	2,245,556	2,255,487	2,092,209	163,278
Solid waste department	3,202,308	3,271,363	3,281,269	(9,906)
Engineering	140,618	139,541	103,771	35,770
	<u>5,588,482</u>	<u>5,666,391</u>	<u>5,477,249</u>	<u>189,142</u>
Health and welfare				
Health department	27,843	27,843	20,335	7,508
Animal control	233,413	258,364	242,880	15,484
Veterans affairs	129,605	149,062	147,542	1,520
Storm water management	253,224	276,380	266,012	10,368
	<u>644,085</u>	<u>711,649</u>	<u>676,769</u>	<u>34,880</u>
Culture and recreation				
Cultural commission	554,895	998,871	711,536	287,335
Parks department	314,829	329,199	323,519	5,680
	<u>869,724</u>	<u>1,328,070</u>	<u>1,035,055</u>	<u>293,015</u>
Economic development and assistance				
Economic development	-	1,264,271	1,254,619	9,652
Intergovernmental				
Legislative delegation	23,134	23,470	22,181	1,289
Department of social services	56,812	56,812	52,136	4,676
Medically indigent fund	200,000	200,000	193,946	6,054
SC Appalachian Council of Governments	56,285	56,285	56,285	-
Clemson extension	74,582	74,582	74,441	141
Soil and water conservation	3,000	135,420	54,194	81,226
Pickens Alliance Transfer	418,644	418,644	432,087	(13,443)
	<u>832,457</u>	<u>965,213</u>	<u>885,270</u>	<u>79,943</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 1 - continued

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Other				
Contingency	\$ 295,020	\$ 88,622	\$ 77,613	\$ 11,009
SCAC	49,025	49,025	44,706	4,319
Non-departmental	7,500	7,500	-	7,500
	<u>351,545</u>	<u>145,147</u>	<u>122,319</u>	<u>22,828</u>
Capital outlay	<u>2,221,858</u>	<u>2,446,418</u>	<u>2,121,797</u>	<u>324,621</u>
Total expenditures	<u>43,719,188</u>	<u>46,217,974</u>	<u>43,702,235</u>	<u>2,515,739</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,426,662)</u>	<u>(4,839,983)</u>	<u>(610,523)</u>	<u>4,229,460</u>
Other financing uses				
Issuance of debt	1,463,702	1,463,702	1,500,000	36,298
Transfers out	(1,628,340)	(4,753,761)	(4,514,480)	239,281
Total other financing uses	<u>(164,638)</u>	<u>(3,290,059)</u>	<u>(3,014,480)</u>	<u>275,579</u>
Net change in fund balances	<u><u>\$ (2,591,300)</u></u>	<u><u>\$ (8,130,042)</u></u>	<u>(3,625,003)</u>	<u><u>\$ 4,505,039</u></u>
Fund balance - beginning			<u>31,442,203</u>	
Fund balance - ending			<u><u>\$ 27,817,200</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, 2018

	<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	\$ 270,216	\$ 118,392	\$ 450,151	\$ 651,204	\$ 65,794	\$ 194,936	\$ 240,017
Property taxes receivable	128,572	122,901	32,441	136,656	45,258	153,775	70,989
Accounts receivable - other	-	-	-	3,479	-	-	-
Due from other governments	-	138	-	-	-	-	-
Prepaid items	-	2,170	-	-	104	126	-
Total assets	<u>\$ 398,788</u>	<u>\$ 243,601</u>	<u>\$ 482,592</u>	<u>\$ 791,339</u>	<u>\$ 111,156</u>	<u>\$ 348,837</u>	<u>\$ 311,006</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 3,529	\$ 8,563	\$ 3,656	\$ 2,667	\$ 13,844	\$ 8,677
Accrued payroll	-	20,780	1,913	16,858	2,745	12,116	3,905
Advances from general fund	-	306,464	-	306,464	330,269	-	354,614
Total liabilities	<u>-</u>	<u>330,773</u>	<u>10,476</u>	<u>326,978</u>	<u>335,681</u>	<u>25,960</u>	<u>367,196</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	122,068	117,273	30,489	125,178	42,912	139,647	66,578
Total deferred inflows of resources	<u>122,068</u>	<u>117,273</u>	<u>30,489</u>	<u>125,178</u>	<u>42,912</u>	<u>139,647</u>	<u>66,578</u>
Fund Balances:							
Nonspendable Prepaid items	-	2,170	-	-	104	126	-
Restricted	276,720	-	441,627	339,183	-	183,104	-
Unassigned	-	(206,615)	-	-	(267,541)	-	(122,768)
Total fund balances	<u>276,720</u>	<u>(204,445)</u>	<u>441,627</u>	<u>339,183</u>	<u>(267,437)</u>	<u>183,230</u>	<u>(122,768)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 398,788</u>	<u>\$ 243,601</u>	<u>\$ 482,592</u>	<u>\$ 791,339</u>	<u>\$ 111,156</u>	<u>\$ 348,837</u>	<u>\$ 311,006</u>

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

Schedule 2 - continued

JUNE 30, 2018

	<u>Holly Springs</u>	<u>Central</u>	<u>Shady Grove</u>	<u>Rocky Bottom</u>	<u>Vineyards</u>	<u>Springs</u>	<u>Total</u>
ASSETS							
Cash and investments	\$ 115,715	\$ 198,738	\$ 262,819	\$ 16,317	\$ 516,844	\$ 759,605	\$ 3,860,748
Property taxes receivable	15,984	19,135	10,181	87	16,000	12,981	764,960
Accounts receivable - other	-	-	-	-	1,525	-	5,004
Due from other governments	-	-	-	-	-	-	138
Prepaid items	-	-	325	-	-	-	2,725
Total assets	<u>\$ 131,699</u>	<u>\$ 217,873</u>	<u>\$ 273,325</u>	<u>\$ 16,404</u>	<u>\$ 534,369</u>	<u>\$ 772,586</u>	<u>\$ 4,633,575</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 2,590	\$ 20,970	\$ 2,102	\$ -	\$ 12,396	\$ 7,629	\$ 86,623
Accrued payroll	-	-	11,711	-	21,503	11,947	103,478
Advances from general fund	-	-	-	-	-	-	1,297,811
Total liabilities	<u>2,590</u>	<u>20,970</u>	<u>13,813</u>	<u>-</u>	<u>33,899</u>	<u>19,576</u>	<u>1,487,912</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	<u>14,856</u>	<u>18,024</u>	<u>9,419</u>	<u>87</u>	<u>14,743</u>	<u>11,875</u>	<u>713,149</u>
Total deferred inflows of resources	<u>14,856</u>	<u>18,024</u>	<u>9,419</u>	<u>87</u>	<u>14,743</u>	<u>11,875</u>	<u>713,149</u>
Fund Balances:							
Nonspendable Prepaid items	-	-	325	-	-	-	2,725
Restricted	114,253	178,879	249,768	16,317	485,727	741,135	3,026,713
Unassigned	-	-	-	-	-	-	(596,924)
Total fund balances	<u>114,253</u>	<u>178,879</u>	<u>250,093</u>	<u>16,317</u>	<u>485,727</u>	<u>741,135</u>	<u>2,432,514</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 131,699</u>	<u>\$ 217,873</u>	<u>\$ 273,325</u>	<u>\$ 16,404</u>	<u>\$ 534,369</u>	<u>\$ 772,586</u>	<u>\$ 4,633,575</u>

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	<u>Easley</u>	<u>Liberty</u>	<u>Pumpkintown</u>	<u>Crosswell</u>	<u>Six Mile</u>	<u>Pickens</u>	<u>Dacusville</u>
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees, licenses, and permits	536,006	788,876	216,259	661,212	290,699	535,738	300,089
Investment income	12	-	-	4,698	-	-	-
Contributions	-	202	202	557	1,202	202	202
Other revenues	-	-	-	25	-	-	6,195
Total revenues	<u>536,018</u>	<u>789,078</u>	<u>216,461</u>	<u>666,492</u>	<u>291,901</u>	<u>535,940</u>	<u>306,486</u>
Expenditures							
Current:							
Personnel services	-	658,035	55,911	456,992	88,620	434,499	112,367
Supplies	-	18,991	25,334	10,968	9,600	20,506	27,113
Contractual services	507,373	23,145	2,093	2,220	739	4,363	10,910
Utilities	-	14,123	12,317	11,414	9,374	18,788	15,954
Repairs and maintenance	-	10,996	13,545	11,982	16,692	9,402	92,268
Fuel and oil	-	9,968	4,906	9,256	4,200	8,460	6,326
Furniture, machinery, and equipment	-	2,410	6,354	5,507	330	9,875	18,320
Insurance, bonds, and licenses	-	13,299	6,607	9,876	5,916	10,399	8,455
Rent	-	82	-	-	-	-	-
Other	-	3,557	6,395	9,151	14,953	17,057	19,044
Contingency	-	-	-	-	322	-	-
Capital outlay	-	69,841	116,051	-	-	-	-
Debt service:							
Principal retirement	-	-	77,500	86,673	-	-	-
Interest and fiscal charges	-	14,036	13,011	15,997	12,637	-	9,175
Total expenditures	<u>507,373</u>	<u>838,483</u>	<u>340,024</u>	<u>630,036</u>	<u>163,383</u>	<u>533,349</u>	<u>319,932</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,645</u>	<u>(49,405)</u>	<u>(123,563)</u>	<u>36,456</u>	<u>128,518</u>	<u>2,591</u>	<u>(13,446)</u>
Net change in fund balances	<u>28,645</u>	<u>(49,405)</u>	<u>(123,563)</u>	<u>36,456</u>	<u>128,518</u>	<u>2,591</u>	<u>(13,446)</u>
Fund balance - beginning	<u>248,075</u>	<u>(155,040)</u>	<u>565,190</u>	<u>302,727</u>	<u>(395,955)</u>	<u>180,639</u>	<u>(109,322)</u>
Fund balance - ending	<u>\$ 276,720</u>	<u>\$ (204,445)</u>	<u>\$ 441,627</u>	<u>\$ 339,183</u>	<u>\$ (267,437)</u>	<u>\$ 183,230</u>	<u>\$ (122,768)</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, 2018

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
Revenues							
Taxes	\$ -	\$ -	\$ 491,549	\$ -	\$ 709,476	\$ 591,126	\$ 1,792,151
Fees, licenses and permits	60,876	213,678	-	3,020	-	-	3,606,453
Investment income	-	-	-	-	-	21	4,731
Contributions	202	-	202	-	202	202	3,375
Other revenues	2,192	-	2,180	-	-	-	10,592
Total revenues	<u>63,270</u>	<u>213,678</u>	<u>493,931</u>	<u>3,020</u>	<u>709,678</u>	<u>591,349</u>	<u>5,417,302</u>
Expenditures							
Current:							
Personnel services	57	-	398,845	-	570,923	430,663	3,206,912
Supplies	14,581	6,402	15,633	-	21,337	14,200	184,665
Contractual services	2,713	101,533	3,994	2,193	7,002	6,060	674,338
Utilities	8,192	5,966	11,891	-	24,897	19,082	151,998
Repairs and maintenance	5,227	2,786	8,719	-	27,899	16,648	216,164
Fuel and oil	1,530	3,065	7,534	-	6,263	6,138	67,646
Furniture, machinery and equipment	6,273	30,959	93	-	18,308	1,951	100,380
Insurance, bonds and licenses	4,996	5,133	9,401	383	13,078	9,785	97,328
Rent	-	-	-	-	64	-	146
Other	207	697	6,741	-	8,395	8,440	94,637
Contingency	-	-	-	-	-	-	322
Capital outlay	-	-	171,454	-	-	-	357,346
Debt service:							
Principal retirement	-	31,663	-	-	-	-	195,836
Interest and fiscal charges	-	3,933	-	-	-	-	68,789
Total expenditures	<u>43,776</u>	<u>192,137</u>	<u>634,305</u>	<u>2,576</u>	<u>698,166</u>	<u>512,967</u>	<u>5,416,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,494</u>	<u>21,541</u>	<u>(140,374)</u>	<u>444</u>	<u>11,512</u>	<u>78,382</u>	<u>795</u>
Net change in fund balances	<u>19,494</u>	<u>21,541</u>	<u>(140,374)</u>	<u>444</u>	<u>11,512</u>	<u>78,382</u>	<u>795</u>
Fund balance - beginning	<u>94,759</u>	<u>157,338</u>	<u>390,467</u>	<u>15,873</u>	<u>474,215</u>	<u>662,753</u>	<u>2,431,719</u>
Fund balance - ending	<u>\$ 114,253</u>	<u>\$ 178,879</u>	<u>\$ 250,093</u>	<u>\$ 16,317</u>	<u>\$ 485,727</u>	<u>\$ 741,135</u>	<u>\$ 2,432,514</u>

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses, and permits	\$ 536,969	\$ 536,969	\$ 536,006	\$ (963)
Investment income	-	-	12	12
Total revenues	<u>536,969</u>	<u>536,969</u>	<u>536,018</u>	<u>(951)</u>
Expenditures				
Current:				
Contractual services	507,375	507,375	507,373	2
Contingency	29,594	29,594	-	29,594
Total expenditures	<u>536,969</u>	<u>536,969</u>	<u>507,373</u>	<u>29,596</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>28,645</u>	<u>28,645</u>
Net change in fund balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>28,645</u>	<u><u>\$ 28,645</u></u>
Fund balance - beginning			<u>248,075</u>	
Fund balance - ending			<u><u>\$ 276,720</u></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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses, and permits	\$ 703,242	\$ 703,242	\$ 788,876	\$ 85,634
Contributions	-	-	202	202
Total revenues	<u>703,242</u>	<u>703,242</u>	<u>789,078</u>	<u>85,836</u>
Expenditures				
Current:				
Personnel services	636,282	668,582	658,035	10,547
Supplies	21,150	27,727	18,991	8,736
Contractual services	35,600	28,000	23,145	4,855
Utilities	18,500	18,500	14,123	4,377
Repairs and maintenance	20,000	22,900	10,996	11,904
Fuel and oil	15,000	12,000	9,968	2,032
Furniture, machinery and equipment	28,000	12,100	2,410	9,690
Insurance, bonds and licenses	14,000	15,131	13,299	1,832
Rent	-	100	82	18
Other	11,000	11,600	3,557	8,043
Contingency	20,532	3,324	-	3,324
Capital outlay	-	100	69,841	(69,741)
Debt service:				
Principal retirement	42,717	42,717	-	42,717
Interest and fiscal charges	15,744	15,744	14,036	1,708
Total expenditures	<u>878,525</u>	<u>878,525</u>	<u>838,483</u>	<u>40,042</u>
Excess of revenues over (under) expenditures	<u>(175,283)</u>	<u>(175,283)</u>	<u>(49,405)</u>	<u>125,878</u>
Net change in fund balances	<u>\$ (175,283)</u>	<u>\$ (175,283)</u>	<u>(49,405)</u>	<u>\$ 125,878</u>
Fund balance - beginning			<u>(155,040)</u>	
Fund balance - ending			<u>\$ (204,445)</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses, and permits	\$ 215,888	\$ 215,888	\$ 216,259	\$ 371
Contributions	-	-	202	202
Total revenues	<u>215,888</u>	<u>215,888</u>	<u>216,461</u>	<u>573</u>
Expenditures				
Current:				
Personnel services	42,464	55,990	55,911	79
Supplies	22,152	30,760	25,334	5,426
Contractual services	2,972	2,709	2,093	616
Utilities	10,400	11,751	12,317	(566)
Repairs and maintenance	11,300	10,500	13,545	(3,045)
Fuel and oil	6,000	6,000	4,906	1,094
Furniture, machinery and equipment	6,000	5,489	6,354	(865)
Insurance, bonds and licenses	9,000	6,612	6,607	5
Rent	-	120	-	120
Other	10,380	10,354	6,395	3,959
Capital outlay	-	415,305	116,051	299,254
Debt service:				
Principal retirement	95,710	77,500	77,500	-
Interest and fiscal charges	428	13,038	13,011	27
Total expenditures	<u>216,806</u>	<u>646,128</u>	<u>340,024</u>	<u>306,104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(918)</u>	<u>(430,240)</u>	<u>(123,563)</u>	<u>306,677</u>
Net change in fund balances	<u>\$ (918)</u>	<u>\$ (430,240)</u>	<u>(123,563)</u>	<u>\$ 306,677</u>
Fund balance - beginning			<u>565,190</u>	
Fund balance - ending			<u>\$ 441,627</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses, and permits	\$ 665,960	\$ 665,960	\$ 661,212	\$ (4,748)
Investment income	500	500	4,698	4,198
Contributions	-	-	557	557
Miscellaneous	-	-	25	25
Total revenues	<u>666,460</u>	<u>666,460</u>	<u>666,492</u>	<u>32</u>
Expenditures				
Current:				
Personnel services	466,934	466,984	456,992	9,992
Supplies	17,275	12,397	10,968	1,429
Contractual services	3,155	2,377	2,220	157
Utilities	11,247	11,097	11,414	(317)
Repairs and maintenance	7,200	11,958	11,982	(24)
Fuel and oil	9,000	8,950	9,256	(306)
Furniture, machinery and equipment	2,400	5,508	5,507	1
Insurance, bonds and licenses	9,600	9,876	9,876	-
Other	11,400	9,210	9,151	59
Debt service:				
Principal retirement	131,107	131,107	86,673	44,434
Interest and fiscal charges	15,998	15,998	15,997	1
Total expenditures	<u>685,316</u>	<u>685,462</u>	<u>630,036</u>	<u>55,426</u>
Excess of revenues over (under) expenditures	<u>(18,856)</u>	<u>(19,002)</u>	<u>36,456</u>	<u>55,458</u>
Net change in fund balances	<u>\$ (18,856)</u>	<u>\$ (19,002)</u>	<u>36,456</u>	<u>\$ 55,458</u>
Fund balance - beginning			<u>302,727</u>	
Fund balance - ending			<u>\$ 339,183</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses, and permits	\$ 304,717	\$ 304,717	\$ 290,699	\$ (14,018)
Contributions	-	-	1,202	1,202
Total revenues	304,717	304,717	291,901	(12,816)
Expenditures				
Current:				
Personnel services	82,538	88,960	88,620	340
Supplies	12,410	9,877	9,600	277
Contractual services	638	638	739	(101)
Utilities	9,937	9,737	9,374	363
Repairs and maintenance	9,000	16,270	16,692	(422)
Fuel and oil	4,000	4,000	4,200	(200)
Furniture, machinery and equipment	5,000	330	330	-
Insurance, bonds and licenses	5,945	5,996	5,916	80
Contingency	1,280	1,280	322	958
Other	21,700	15,360	14,953	407
Debt service:				
Principal retirement	30,776	30,776	-	30,776
Interest and fiscal charges	12,637	12,637	12,637	-
Total expenditures	195,861	195,861	163,383	32,478
Excess of revenues over expenditures	108,856	108,856	128,518	19,662
Net change in fund balances	\$ 108,856	\$ 108,856	128,518	\$ 19,662
Fund balance - beginning			(395,955)	
Fund balance - ending			\$ (267,437)	

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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses, and permits	\$ 746,080	\$ 540,840	\$ 535,738	\$ (5,102)
Contributions	-	-	202	202
Total revenues	<u>746,080</u>	<u>540,840</u>	<u>535,940</u>	<u>(4,900)</u>
Expenditures				
Current:				
Personnel services	471,357	462,007	434,499	27,508
Supplies	12,550	20,955	20,506	449
Contractual services	5,200	5,125	4,363	762
Utilities	23,240	19,025	18,788	237
Repairs and maintenance	7,000	9,970	9,402	568
Fuel and oil	6,000	8,500	8,460	40
Furniture, machinery and equipment	2,500	9,981	9,875	106
Insurance, bonds and licenses	11,039	10,539	10,399	140
Other	19,400	17,110	17,057	53
Total expenditures	<u>558,286</u>	<u>563,212</u>	<u>533,349</u>	<u>29,863</u>
Excess (deficiency) of revenues over (under) expenditures	<u>187,794</u>	<u>(22,372)</u>	<u>2,591</u>	<u>24,963</u>
Net change in fund balances	<u>\$ 187,794</u>	<u>\$ (22,372)</u>	<u>2,591</u>	<u>\$ 24,963</u>
Fund balance - beginning			<u>180,639</u>	
Fund balance - ending			<u>\$ 183,230</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses, and permits	\$ 310,151	\$ 310,151	\$ 300,089	\$ (10,062)
Contributions	-	-	202	202
Miscellaneous	-	-	6,195	6,195
Total revenues	<u>310,151</u>	<u>310,151</u>	<u>306,486</u>	<u>(3,665)</u>
Expenditures				
Current:				
Personnel services	93,089	111,629	112,367	(738)
Supplies	31,370	28,080	27,113	967
Contractual services	12,300	14,400	10,910	3,490
Utilities	16,520	17,570	15,954	1,616
Repairs and maintenance	53,000	110,781	92,268	18,513
Fuel and oil	6,000	6,400	6,326	74
Furniture, machinery and equipment	7,700	20,340	18,320	2,020
Insurance, bonds and licenses	8,650	8,750	8,455	295
Other	26,900	20,100	19,044	1,056
Contingency	22,482	691	-	691
Debt service:				
Principal retirement	22,965	22,965	-	22,965
Interest and fiscal charges	9,175	9,176	9,175	1
Total expenditures	<u>310,151</u>	<u>370,882</u>	<u>319,932</u>	<u>50,950</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(60,731)</u>	<u>(13,446)</u>	<u>47,285</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (60,731)</u>	<u>(13,446)</u>	<u>\$ 47,285</u>
Fund balance - beginning			<u>(109,322)</u>	
Fund balance - ending			<u>\$ (122,768)</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, license,s and permits	\$ 60,380	\$ 60,380	\$ 60,876	\$ 496
Contributions	-	-	202	202
Other revenues	2,300	2,300	2,192	(108)
Total revenues	<u>62,680</u>	<u>62,680</u>	<u>63,270</u>	<u>590</u>
Expenditures				
Current:				
Personnel services	500	500	57	443
Supplies	31,200	19,149	14,581	4,568
Contractual services	-	2,759	2,713	46
Utilities	6,500	9,366	8,192	1,174
Repairs and maintenance	8,000	15,865	5,227	10,638
Fuel and oil	2,000	2,000	1,530	470
Furniture, machinery and equipment	200	6,896	6,273	623
Insurance, bonds and licenses	4,700	4,996	4,996	-
Other	4,500	2,500	207	2,293
Contingency	5,080	177	-	177
Total expenditures	<u>62,680</u>	<u>64,208</u>	<u>43,776</u>	<u>20,432</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,528)</u>	<u>19,494</u>	<u>21,022</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (1,528)</u>	<u>19,494</u>	<u>\$ 21,022</u>
Fund balance - beginning			<u>94,759</u>	
Fund balance - ending			<u>\$ 114,253</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Positive (Negative)
Revenues				
Fees, licenses, and permits	\$ 214,350	\$ 214,350	\$ 213,678	\$ (672)
Total revenues	<u>214,350</u>	<u>214,350</u>	<u>213,678</u>	<u>(672)</u>
Expenditures				
Current:				
Supplies	14,050	10,650	6,402	4,248
Contractual services	88,940	102,858	101,533	1,325
Utilities	3,700	6,250	5,966	284
Repairs and maintenance	6,000	5,000	2,786	2,214
Fuel and oil	2,500	2,500	3,065	(565)
Furniture, machinery and equipment	50,714	41,898	30,959	10,939
Insurance, bonds and licenses	4,095	5,133	5,133	-
Other	3,825	2,825	697	2,128
Contingency	4,930	1,640	-	1,640
Debt service:				
Principal retirement	31,663	31,663	31,663	-
Interest and fiscal charges	3,933	3,933	3,933	-
Total expenditures	<u>214,350</u>	<u>214,350</u>	<u>192,137</u>	<u>22,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>21,541</u>	<u>21,541</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>21,541</u>	<u>\$ 21,541</u>
Fund balance - beginning			<u>157,338</u>	
Fund balance - ending			<u>\$ 178,879</u>	

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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 481,178	\$ 481,178	\$ 491,549	\$ 10,371
Contributions	-	-	202	202
Other revenues	-	-	2,180	2,180
Total revenues	<u>481,178</u>	<u>481,178</u>	<u>493,931</u>	<u>12,753</u>
Expenditures				
Current:				
Personnel services	393,794	396,324	398,845	(2,521)
Supplies	13,815	15,959	15,633	326
Contractual services	6,310	4,211	3,994	217
Utilities	14,240	12,227	11,891	336
Repairs and maintenance	7,800	9,350	8,719	631
Fuel and oil	4,500	7,638	7,534	104
Furniture, machinery, and equipment	750	100	93	7
Insurance, bonds, and licenses	7,900	9,401	9,401	-
Other	12,500	7,123	6,741	382
Contingency	1,000	276	-	276
Capital outlay	-	251,483	171,454	80,029
Total expenditures	<u>462,609</u>	<u>714,092</u>	<u>634,305</u>	<u>79,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,569</u>	<u>(232,914)</u>	<u>(140,374)</u>	<u>92,540</u>
Net change in fund balances	<u>\$ 18,569</u>	<u>\$ (232,914)</u>	<u>(140,374)</u>	<u>\$ 92,540</u>
Fund balance - beginning			<u>390,467</u>	
Fund balance - ending			<u>\$ 250,093</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses, and permits	\$ 3,040	\$ 3,040	\$ 3,020	\$ (20)
Total revenues	<u>3,040</u>	<u>3,040</u>	<u>3,020</u>	<u>(20)</u>
Expenditures				
Current:				
Supplies	230	230	-	230
Contractual services	2,537	2,537	2,193	344
Insurance, bonds, and licenses	273	273	383	(110)
Total expenditures	<u>3,040</u>	<u>3,040</u>	<u>2,576</u>	<u>464</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>444</u>	<u>444</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>444</u>	<u>\$ 444</u>
Fund balance - beginning			<u>15,873</u>	
Fund balance - ending			<u>\$ 16,317</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 716,575	\$ 716,575	\$ 709,476	\$ (7,099)
Contributions	-	-	202	202
Total revenues	<u>716,575</u>	<u>716,575</u>	<u>709,678</u>	<u>(6,897)</u>
Expenditures				
Current:				
Personnel services	580,000	580,250	570,923	9,327
Supplies	22,900	22,500	21,337	1,163
Contractual services	6,000	9,650	7,002	2,648
Utilities	19,800	25,800	24,897	903
Repairs and maintenance	31,500	30,000	27,899	2,101
Fuel and oil	8,600	7,800	6,263	1,537
Furniture, machinery, and equipment	13,300	18,800	18,308	492
Insurance, bonds, and licenses	14,500	14,500	13,078	1,422
Rent	100	100	64	36
Other	12,300	13,100	8,395	4,705
Contingency	20,000	6,500	-	6,500
Total expenditures	<u>729,000</u>	<u>729,000</u>	<u>698,166</u>	<u>30,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,425)</u>	<u>(12,425)</u>	<u>11,512</u>	<u>23,937</u>
Net change in fund balances	<u>\$ (12,425)</u>	<u>\$ (12,425)</u>	<u>11,512</u>	<u>\$ 23,937</u>
Fund balance - beginning			<u>474,215</u>	
Fund balance - ending			<u>\$ 485,727</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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 589,221	\$ 589,221	\$ 591,126	\$ 1,905
Investment income	-	-	21	21
Contributions	-	-	202	202
Total revenues	<u>589,221</u>	<u>589,221</u>	<u>591,349</u>	<u>2,128</u>
Expenditures				
Current:				
Personnel services	437,670	441,770	430,663	11,107
Supplies	14,150	14,750	14,200	550
Contractual services	5,100	7,100	6,060	1,040
Utilities	19,200	20,200	19,082	1,118
Repairs and maintenance	16,750	17,250	16,648	602
Fuel and oil	5,500	5,500	6,138	(638)
Furniture, machinery, and equipment	5,500	4,800	1,951	2,849
Insurance, bonds, and licenses	9,900	9,900	9,785	115
Other	11,050	11,106	8,440	2,666
Contingency	13,180	5,680	-	5,680
Total expenditures	<u>538,000</u>	<u>538,056</u>	<u>512,967</u>	<u>25,089</u>
Excess of revenues over expenditures	<u>51,221</u>	<u>51,165</u>	<u>78,382</u>	<u>27,217</u>
Net change in fund balances	<u>\$ 51,221</u>	<u>\$ 51,165</u>	78,382	<u>\$ 27,217</u>
Fund balance - beginning			<u>662,753</u>	
Fund balance - ending			<u>\$ 741,135</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.

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

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

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.

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.

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

Prison Commission – This fund is used to account for funds received for emergency management related to the jail expansion.

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

Schedule 17

JUNE 30, 2018

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 11,449,469	\$ 2,483,366	\$ 13,932,835
Property taxes receivable	386,193	367,465	753,658
Accounts receivable - other	71,339	-	71,339
Due from other governments	440,016	-	440,016
Prepaid items	3,664	-	3,664
Total assets	<u>\$ 12,350,681</u>	<u>\$ 2,850,831</u>	<u>\$ 15,201,512</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 569,041	\$ -	\$ 569,041
Accrued payroll	106,149	-	106,149
Advances from general fund	-	309,662	309,662
Total liabilities	<u>675,190</u>	<u>309,662</u>	<u>984,852</u>
Deferred Inflow of Resources:			
Unavailable revenue - delinquent taxes	370,063	356,868	726,931
Total deferred inflow of resources	<u>370,063</u>	<u>356,868</u>	<u>726,931</u>
Fund Balances			
Nonspendable	3,664	-	3,664
Restricted	11,301,764	2,184,301	13,486,065
Total fund balances	<u>11,305,428</u>	<u>2,184,301</u>	<u>13,489,729</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 12,350,681</u>	<u>\$ 2,850,831</u>	<u>\$ 15,201,512</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 18

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

YEAR ENDED JUNE 30, 2018

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 4,492,266	\$ 3,241,722	\$ 7,733,988
Intergovernmental	2,972,585	50	2,972,635
Fees, licenses and permits	2,966,890	309,667	3,276,557
Charges for services	119,981	-	119,981
Fines and forfeitures	100,185	-	100,185
Investment income	7,292	-	7,292
Contributions	154	-	154
Other revenues	17,188	-	17,188
Total revenues	<u>10,676,541</u>	<u>3,551,439</u>	<u>14,227,980</u>
Expenditures			
Current:			
General government	519	-	519
Public safety	1,068,092	-	1,068,092
Public works	2,795,329	-	2,795,329
Culture and recreation	3,810,673	-	3,810,673
Other	1,507,600	-	1,507,600
Capital outlay	788,131	-	788,131
Debt service:			
Principal retirement	-	4,470,018	4,470,018
Interest and fiscal charges	-	803,402	803,402
Total expenditures	<u>9,970,344</u>	<u>5,273,420</u>	<u>15,243,764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>706,197</u>	<u>(1,721,981)</u>	<u>(1,015,784)</u>
Other financing sources (uses)			
Issuance of debt	-	5,461,826	5,461,826
Transfers in (out)	<u>(13,344)</u>	<u>(4,011,144)</u>	<u>(4,024,488)</u>
Total other financing sources (uses)	<u>(13,344)</u>	<u>1,450,682</u>	<u>1,437,338</u>
Net change in fund balances	692,853	(271,299)	421,554
Fund balance - beginning	<u>10,612,575</u>	<u>2,455,600</u>	<u>13,068,175</u>
Fund balance - ending	<u>\$ 11,305,428</u>	<u>\$ 2,184,301</u>	<u>\$ 13,489,729</u>

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

Schedule 19

YEAR ENDED JUNE 30, 2018

	Tri-County Tech	Fixed Nuclear	Sheriff Special	Library	Victim Rights	Law Enforcement Block Grants	State Road C-Fund
ASSETS							
Cash and investments	\$ 1,309,782	\$ 23,990	\$ 267,197	\$ 2,298,135	\$ 96,121	\$ -	\$ 3,348,885
Property taxes receivable	113,272	-	-	272,921	-	-	-
Accounts receivable - other	-	-	-	6,363	-	-	-
Due from other governments	1,441	-	-	1,999	-	-	126,789
Prepaid items	-	-	-	560	-	-	-
Total assets	<u>\$ 1,424,495</u>	<u>\$ 23,990</u>	<u>\$ 267,197</u>	<u>\$ 2,579,978</u>	<u>\$ 96,121</u>	<u>\$ -</u>	<u>\$ 3,475,674</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 570	\$ -	\$ 98,501	\$ 4,620	\$ -	\$ 320,610
Accrued payroll	-	2,410	-	85,147	2,340	-	-
Total liabilities	<u>-</u>	<u>2,980</u>	<u>-</u>	<u>183,648</u>	<u>6,960</u>	<u>-</u>	<u>320,610</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	108,560	-	-	261,503	-	-	-
Total deferred inflows of resources	<u>108,560</u>	<u>-</u>	<u>-</u>	<u>261,503</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable:							
Prepaid items	-	-	-	560	-	-	-
Restricted	1,315,935	21,010	267,197	2,134,267	89,161	-	3,155,064
Total fund balances	<u>1,315,935</u>	<u>21,010</u>	<u>267,197</u>	<u>2,134,827</u>	<u>89,161</u>	<u>-</u>	<u>3,155,064</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,424,495</u>	<u>\$ 23,990</u>	<u>\$ 267,197</u>	<u>\$ 2,579,978</u>	<u>\$ 96,121</u>	<u>\$ -</u>	<u>\$ 3,475,674</u>

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

Schedule 19 - continued

YEAR ENDED JUNE 30, 2018

	Tourism Restricted Resources	Accomodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Prison Commission	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and investments	\$ 56,314	\$ 166,774	\$ 2,867,035	\$ 356,173	\$ 657,079	\$ 1,984	\$ 11,449,469
Property taxes receivable	-	-	-	-	-	-	386,193
Accounts receivable - other	-	-	-	37,728	25,984	1,264	71,339
Due from other governments	-	45,784	-	-	264,003	-	440,016
Prepaid items	-	-	-	224	2,880	-	3,664
Total assets	<u>\$ 56,314</u>	<u>\$ 212,558</u>	<u>\$ 2,867,035</u>	<u>\$ 394,125</u>	<u>\$ 949,946</u>	<u>\$ 3,248</u>	<u>\$ 12,350,681</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 3,930	\$ -	\$ -	\$ 41,463	\$ 99,347	\$ -	\$ 569,041
Accrued payroll	-	-	4,440	3,066	8,746	-	106,149
Total liabilities	<u>3,930</u>	<u>-</u>	<u>4,440</u>	<u>44,529</u>	<u>108,093</u>	<u>-</u>	<u>675,190</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	-	-	-	-	-	-	370,063
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>370,063</u>
Fund Balances:							
Nonspendable:							
Prepaid items	-	-	-	224	2,880	-	3,664
Restricted	52,384	212,558	2,862,595	349,372	838,973	3,248	11,301,764
Total fund balances	<u>52,384</u>	<u>212,558</u>	<u>2,862,595</u>	<u>349,596</u>	<u>841,853</u>	<u>3,248</u>	<u>11,305,428</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,314</u>	<u>\$ 212,558</u>	<u>\$ 2,867,035</u>	<u>\$ 394,125</u>	<u>\$ 949,946</u>	<u>\$ 3,248</u>	<u>\$ 12,350,681</u>

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	Tri-County Tech	Fixed Nuclear	Sheriff Special	Library	Victim Rights	Law Enforcement Block Grants	State Road C-Fund
Revenues							
Taxes	\$ 1,316,513	\$ -	\$ -	\$ 3,175,753	\$ -	\$ -	\$ -
Intergovernmental	-	90,190	-	237,700	-	18,640	1,727,878
Fees, licenses and permits	-	-	-	-	-	-	-
Charges for services	-	-	-	84,682	-	-	-
Fines and forfeitures	-	-	12,398	-	87,787	-	-
Investment income	-	-	-	6,491	-	-	801
Contributions	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	1,316,513	90,190	12,398	3,504,626	87,787	18,640	1,728,679
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	104,290	115,116	-	79,270	18,640	-
Public works	-	-	-	-	-	-	2,507,070
Culture and recreation	-	-	-	3,441,820	-	-	-
Other	1,507,600	-	-	-	-	-	-
Capital outlay	-	-	35,917	-	-	-	-
Total expenditures	1,507,600	104,290	151,033	3,441,820	79,270	18,640	2,507,070
Excess (deficiency) of revenues over (under) expenditures	(191,087)	(14,100)	(138,635)	62,806	8,517	-	(778,391)
Other financing sources (uses)							
Transfers in (out)	-	19,623	-	-	-	-	-
Total other financing sources (uses)	-	19,623	-	-	-	-	-
Net change in fund balances	(191,087)	5,523	(138,635)	62,806	8,517	-	(778,391)
Fund balance - beginning	1,507,022	15,487	405,832	2,072,021	80,644	-	3,933,455
Fund balance - ending	\$ 1,315,935	\$ 21,010	\$ 267,197	\$ 2,134,827	\$ 89,161	\$ -	\$ 3,155,064

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, 2018

	Tourism Restricted Resources	Accommodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Prison Commission	Nonmajor Special Revenue Funds
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,492,266
Intergovernmental	1,797	184,331	-	-	712,049	-	2,972,585
Fees, licenses and permits	-	-	2,151,939	408,323	406,628	-	2,966,890
Charges for services	35,299	-	-	-	-	-	119,981
Fines and forfeitures	-	-	-	-	-	-	100,185
Investment income	-	-	-	-	-	-	7,292
Contributions	154	-	-	-	-	-	154
Other revenues	11,731	-	-	-	-	5,457	17,188
Total revenues	<u>48,981</u>	<u>184,331</u>	<u>2,151,939</u>	<u>408,323</u>	<u>1,118,677</u>	<u>5,457</u>	<u>10,676,541</u>
Expenditures							
Current:							
General government	-	-	-	519	-	-	519
Public safety	-	-	-	-	747,986	2,790	1,068,092
Public works	-	-	288,259	-	-	-	2,795,329
Culture and recreation	86,932	120,158	-	161,763	-	-	3,810,673
Other	-	-	-	-	-	-	1,507,600
Capital outlay	-	-	-	261,852	490,362	-	788,131
Total expenditures	<u>86,932</u>	<u>120,158</u>	<u>288,259</u>	<u>424,134</u>	<u>1,238,348</u>	<u>2,790</u>	<u>9,970,344</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,951)</u>	<u>64,173</u>	<u>1,863,680</u>	<u>(15,811)</u>	<u>(119,671)</u>	<u>2,667</u>	<u>706,197</u>
Other financing sources (uses)							
Transfers in (out)	-	(32,967)	-	-	-	-	(13,344)
Total other financing sources (uses)	<u>-</u>	<u>(32,967)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,344)</u>
Net change in fund balances	<u>(37,951)</u>	<u>31,206</u>	<u>1,863,680</u>	<u>(15,811)</u>	<u>(119,671)</u>	<u>2,667</u>	<u>692,853</u>
Fund balance - beginning	<u>90,335</u>	<u>181,352</u>	<u>998,915</u>	<u>365,407</u>	<u>961,524</u>	<u>581</u>	<u>10,612,575</u>
Fund balance - ending	<u>\$ 52,384</u>	<u>\$ 212,558</u>	<u>\$ 2,862,595</u>	<u>\$ 349,596</u>	<u>\$ 841,853</u>	<u>\$ 3,248</u>	<u>\$ 11,305,428</u>

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,287,217	\$ 1,287,217	\$ 1,316,513	\$ (29,296)
Total revenues	<u>1,287,217</u>	<u>1,287,217</u>	<u>1,316,513</u>	<u>(29,296)</u>
Expenditures				
Current:				
Other	1,507,600	1,507,600	1,507,600	-
Total expenditures	<u>1,507,600</u>	<u>1,507,600</u>	<u>1,507,600</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(220,383)</u>	<u>(220,383)</u>	<u>(191,087)</u>	<u>(29,296)</u>
Net change in fund balances	<u>\$ (220,383)</u>	<u>\$ (220,383)</u>	(191,087)	<u>\$ (29,296)</u>
Fund balance - beginning			<u>1,507,022</u>	
Fund balance - ending			<u>\$ 1,315,935</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ 89,190	\$ 89,190	\$ 90,190	\$ 1,000
Total revenues	<u>89,190</u>	<u>89,190</u>	<u>90,190</u>	<u>1,000</u>
Expenditures				
Current:				
Public safety	109,560	109,560	104,290	5,270
Total expenditures	<u>109,560</u>	<u>109,560</u>	<u>104,290</u>	<u>5,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,370)</u>	<u>(20,370)</u>	<u>(14,100)</u>	<u>6,270</u>
Other financing sources (uses)				
Transfers in (out)	20,370	20,370	19,623	(747)
Total other financing sources (uses)	<u>20,370</u>	<u>20,370</u>	<u>19,623</u>	<u>(747)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	5,523	<u>\$ 5,523</u>
Fund balance - beginning			<u>15,487</u>	
Fund balance - ending			<u>\$ 21,010</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Operations</u>	<u>State Aid</u>	<u>Totals</u>	<u>Variance With Final Positive (Negative)</u>
Revenues						
Taxes	\$ 3,109,367	\$ 3,109,367	\$ 3,175,753	\$ -	\$ 3,175,753	\$ 66,386
Intergovernmental	132,000	224,242	29,058	208,642	237,700	13,458
Charges for services	101,000	101,000	84,682	-	84,682	(16,318)
Investment income	1,000	1,000	6,491	-	6,491	5,491
Total revenues	<u>3,343,367</u>	<u>3,435,609</u>	<u>3,295,984</u>	<u>208,642</u>	<u>3,504,626</u>	<u>69,017</u>
Expenditures						
Current:						
Personnel services	2,590,412	2,572,612	2,515,387	-	2,515,387	57,225
Library collections	206,664	333,319	61,098	206,544	267,642	65,677
Supplies	57,100	57,500	48,859	-	48,859	8,641
Contractual services	137,696	145,096	119,550	-	119,550	25,546
Utilities	171,950	172,050	173,236	-	173,236	(1,186)
Repairs and maintenance	54,000	211,793	192,860	-	192,860	18,933
Fuel and oil	2,000	2,000	1,525	-	1,525	475
Furniture, machinery, and equipment	33,700	38,835	35,756	-	35,756	3,079
Insurance, bonds, and licenses	45,195	43,745	43,155	-	43,155	590
Rent	35,000	32,400	30,631	-	30,631	1,769
Other	9,650	17,400	13,219	-	13,219	4,181
Total expenditures	<u>3,343,367</u>	<u>3,626,750</u>	<u>3,235,276</u>	<u>206,544</u>	<u>3,441,820</u>	<u>184,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(191,141)</u>	<u>60,708</u>	<u>2,098</u>	<u>62,806</u>	<u>253,947</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (191,141)</u>	<u>60,708</u>	<u>2,098</u>	<u>62,806</u>	<u>\$ 253,947</u>
Fund balance - beginning			<u>2,109,061</u>	<u>(37,040)</u>	<u>2,072,021</u>	
Fund balance - ending			<u>\$ 2,169,769</u>	<u>\$ (34,942)</u>	<u>\$ 2,134,827</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fines and forfeitures	\$ 101,500	\$ 101,500	\$ 87,787	\$ (13,713)
Total revenues	<u>101,500</u>	<u>101,500</u>	<u>87,787</u>	<u>(13,713)</u>
Expenditures				
Current:				
Personnel services	97,021	96,926	67,973	28,953
Supplies	7,600	7,600	6,850	750
Contractual services	600	600	1,649	(1,049)
Utilities	775	775	749	26
Repairs and maintenance	1,200	1,200	-	1,200
Fuel and oil	897	897	830	67
Insurance, bonds, and licenses	1,161	1,256	1,219	37
Other	140	140	-	140
Total expenditures	<u>109,394</u>	<u>109,394</u>	<u>79,270</u>	<u>30,124</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,894)</u>	<u>(7,894)</u>	<u>8,517</u>	<u>16,411</u>
Net change in fund balances	<u>\$ (7,894)</u>	<u>\$ (7,894)</u>	<u>8,517</u>	<u>\$ 16,411</u>
Fund balance - beginning			<u>80,644</u>	
Fund balance - ending			<u>\$ 89,161</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 25

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCES - BUDGET AND ACTUAL - TOURISM RESTRICTED RESOURCES FUND

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 1,740	\$ 1,797	\$ 57
Charges for services	22,500	39,359	35,299	(4,060)
Contributions	-	60	154	94
Other revenues	15,000	15,000	11,731	(3,269)
Total revenues	<u>37,500</u>	<u>56,159</u>	<u>48,981</u>	<u>(7,178)</u>
Expenditures				
Current:				
Culture and recreation	54,830	99,223	86,932	12,291
Other	75,000	66,124	-	66,124
Total expenditures	<u>129,830</u>	<u>165,347</u>	<u>86,932</u>	<u>78,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(92,330)</u>	<u>(109,188)</u>	<u>(37,951)</u>	<u>71,237</u>
Net change in fund balances	<u>\$ (92,330)</u>	<u>\$ (109,188)</u>	<u>(37,951)</u>	<u>\$ 71,237</u>
Fund balance - beginning			<u>90,335</u>	
Fund balance - ending			<u>\$ 52,384</u>	

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

Schedule 26

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 184,331	\$ 94,331
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>184,331</u>	<u>94,331</u>
Expenditures				
Current:				
Culture and recreation	61,750	82,038	120,158	(38,120)
Total expenditures	<u>61,750</u>	<u>82,038</u>	<u>120,158</u>	<u>(38,120)</u>
Excess of revenues over expenditures	<u>28,250</u>	<u>7,962</u>	<u>64,173</u>	<u>56,211</u>
Other financing uses				
Transfers out	(28,250)	(28,250)	(32,967)	(4,717)
Total other financing uses	<u>(28,250)</u>	<u>(28,250)</u>	<u>(32,967)</u>	<u>(4,717)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (20,288)</u>	31,206	<u>\$ 51,494</u>
Fund balance - beginning			<u>181,352</u>	
Fund balance - ending			<u>\$ 212,558</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses, and permits	\$ 2,000,000	\$ 2,100,000	\$ 2,151,939	\$ 51,939
Total revenues	<u>2,000,000</u>	<u>2,100,000</u>	<u>2,151,939</u>	<u>51,939</u>
Expenditures				
Current:				
Public works	1,877,977	2,343,612	288,259	2,055,353
Capital outlay	122,023	122,023	-	122,023
Total expenditures	<u>2,000,000</u>	<u>2,465,635</u>	<u>288,259</u>	<u>2,177,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(365,635)</u>	<u>1,863,680</u>	<u>2,229,315</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (365,635)</u>	<u>1,863,680</u>	<u>\$ 2,229,315</u>
Fund balance - beginning			<u>998,915</u>	
Fund balance - ending			<u>\$ 2,862,595</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses, and permits	\$ 310,000	\$ 350,000	\$ 408,323	\$ 58,323
Total revenues	<u>310,000</u>	<u>350,000</u>	<u>408,323</u>	<u>58,323</u>
Expenditures				
Current:				
Personnel services	70,357	70,407	83,176	(12,769)
Supplies	42,450	33,369	31,940	1,429
Contractual services	19,300	20,800	18,172	2,628
Utilities	420	520	421	99
Repairs and maintenance	-	21,000	20,389	611
Fuel and oil	-	750	748	2
Furniture, machinery, and equipment	-	2,364	1,793	571
Insurance, bonds, and licenses	557	1,659	1,658	1
Other	7,094	10,326	3,985	6,341
Capital outlay	147,000	557,006	261,852	295,154
Total expenditures	<u>287,178</u>	<u>718,201</u>	<u>424,134</u>	<u>294,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,822</u>	<u>(368,201)</u>	<u>(15,811)</u>	<u>352,390</u>
Net change in fund balances	<u>\$ 22,822</u>	<u>\$ (368,201)</u>	<u>(15,811)</u>	<u>\$ 352,390</u>
Fund balance - beginning			<u>365,407</u>	
Fund balance - ending			<u>\$ 349,596</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 29

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

YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 860,750	\$ 860,750	\$ 712,049	\$ (148,701)
Fees, licenses, and permits	459,622	459,622	406,628	(52,994)
Total revenues	<u>1,320,372</u>	<u>1,320,372</u>	<u>1,118,677</u>	<u>(201,695)</u>
Expenditures				
Current:				
Personnel services	270,617	270,617	264,784	5,833
Supplies	6,850	6,496	2,982	3,514
Contractual services	211,300	211,345	179,300	32,045
Utilities	240,460	240,460	200,386	40,074
Repairs and maintenance	2,200	2,600	1,487	1,113
Fuel and oil	382	732	687	45
Furniture, machinery, and equipment	85,000	88,220	78,768	9,452
Insurance, bonds, and licenses	2,544	2,853	2,610	243
Other	20,637	21,834	16,982	4,852
Capital outlay	550,000	558,844	490,362	68,482
Total expenditures	<u>1,389,990</u>	<u>1,404,001</u>	<u>1,238,348</u>	<u>165,653</u>
Deficiency of revenues under expenditures	<u>(69,618)</u>	<u>(83,629)</u>	<u>(119,671)</u>	<u>(36,042)</u>
Net change in fund balances	<u>\$ (69,618)</u>	<u>\$ (83,629)</u>	<u>(119,671)</u>	<u>\$ (36,042)</u>
Fund balance - beginning			<u>961,524</u>	
Fund balance - ending			<u>\$ 841,853</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 30

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

YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 2,952,105	\$ 2,952,105	\$ 3,241,722	\$ 289,617
Intergovernmental	-	-	50	50
Fees, licenses, and permits	309,667	309,667	309,667	-
Total revenues	3,261,772	3,261,772	3,551,439	289,667
Expenditures				
Debt service:				
Principal retirement	2,833,720	5,933,720	4,470,018	1,463,702
Interest and fiscal charges	300,360	855,363	803,402	51,961
Total expenditures	3,134,080	6,789,083	5,273,420	1,515,663
Excess (deficiency) of revenues over (under) expenditures	127,692	(3,527,311)	(1,721,981)	1,805,330
Other financing uses:				
Proceeds from bond issuance	-	-	5,461,826	5,461,826
Transfers out	(127,692)	(127,692)	(4,011,144)	(3,883,452)
Total other financing uses	(127,692)	(127,692)	1,450,682	1,578,374
Net change in fund balances	\$ -	\$ (3,655,003)	(271,299)	\$ 3,383,704
Fund balance - beginning			2,455,600	
Fund balance - ending			\$ 2,184,301	

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
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.

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

YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
School District Fund				
Assets				
Cash	\$ 35,505,389	\$ 194,169,990	\$ 189,121,276	\$ 40,554,103
Accounts receivable - other	2,352	11,953	2,352	11,953
Property taxes receivable, net	6,903,098	2,336	46,714	6,858,720
	<u>\$ 42,410,839</u>	<u>\$ 194,184,279</u>	<u>\$ 189,170,342</u>	<u>\$ 47,424,776</u>
Liabilities				
Due to others	<u>\$ 42,410,839</u>	<u>\$ 194,184,279</u>	<u>\$ 189,170,342</u>	<u>\$ 47,424,776</u>
Municipal Fund				
Assets				
Cash	\$ 68,955	\$ 9,084,790	\$ 9,090,227	\$ 63,518
Property taxes receivable, net	1,030,265	11,837	592	1,041,510
	<u>\$ 1,099,220</u>	<u>\$ 9,096,627</u>	<u>\$ 9,090,819</u>	<u>\$ 1,105,028</u>
Liabilities				
Accounts payable	\$ 68,994	\$ 8,964,417	\$ 8,969,893	\$ 63,518
Due to others	1,030,226	11,945	661	1,041,510
	<u>\$ 1,099,220</u>	<u>\$ 8,976,362</u>	<u>\$ 8,970,554</u>	<u>\$ 1,105,028</u>
Mini-Bottle Fund				
Assets				
Cash	\$ -	\$ 231,030	\$ 231,030	\$ -
Liabilities				
Due to others	<u>\$ -</u>	<u>\$ 231,030</u>	<u>\$ 231,030</u>	<u>\$ -</u>
Fire District Fund				
Assets				
Cash	\$ -	\$ 259,887	\$ 259,887	\$ -
Liabilities				
Due to others	<u>\$ -</u>	<u>\$ 259,887</u>	<u>\$ 259,887</u>	<u>\$ -</u>
Magistrates' Fund				
Assets				
Cash	\$ 78,101	\$ 750,056	\$ 764,072	\$ 64,085
Liabilities				
Due to others	<u>\$ 78,101</u>	<u>\$ 750,056</u>	<u>\$ 764,072</u>	<u>\$ 64,085</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 31 - continued

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

YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
Family Court Fund				
Assets				
Cash and investments	\$ 24,274	\$ 6,942,309	\$ 6,942,229	\$ 24,354
Liabilities				
Due to others	\$ 24,274	\$ 6,942,309	\$ 6,942,229	\$ 24,354
Clerk of Court Fund				
Assets				
Cash and investments	\$ 1,155,756	\$ 799,268	\$ 828,765	\$ 1,126,259
Liabilities				
Due to others	\$ 1,155,756	\$ 799,268	\$ 828,765	\$ 1,126,259
Prison				
Assets				
Cash and investments	\$ 9,422	\$ 57,220	\$ 60,419	\$ 6,223
Liabilities				
Due to others	\$ 9,422	\$ 57,220	\$ 60,419	\$ 6,223
Library Foundation				
Assets				
Cash and investments	\$ 56,871	\$ 885	\$ 162	\$ 57,594
Liabilities				
Due to others	\$ 56,871	\$ 885	\$ 162	\$ 57,594
Total of all Agency Funds				
Assets				
Cash and investments	\$ 36,898,768	\$ 212,295,435	\$ 207,298,067	\$ 41,896,136
Accounts receivable - other	2,352	11,953	2,352	11,953
Property taxes receivable	7,933,363	14,173	47,306	7,900,230
Total assets	<u>\$ 44,834,483</u>	<u>\$ 212,321,561</u>	<u>\$ 207,347,725</u>	<u>\$ 49,808,319</u>
Liabilities				
Accounts payable	\$ 68,994	\$ 8,964,417	\$ 8,969,893	\$ 63,518
Due to others	44,765,489	203,236,879	198,257,567	49,744,801
Total liabilities	<u>\$ 44,834,483</u>	<u>\$ 212,201,296</u>	<u>\$ 207,227,460</u>	<u>\$ 49,808,319</u>

PICKENS COUNTY, SOUTH CAROLINA

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

JUNE 30, 2018

Function	Land	Land Held for Resale	Construction in Progress	Buildings and Improvements	Improvements and Infrastructure	Machinery and Equipment	Total
General government	\$ 1,778,247	\$ 728,731	\$ -	\$ 13,015,694	\$ 125,971	\$ 2,217,230	\$ 17,865,873
Public safety	759,427	-	13,439,386	12,282,560	219,130	20,077,003	46,777,506
Public works	1,088,914	-	3,728	1,308,565	28,944,301	10,862,723	42,208,231
Public health and welfare	26,902	-	88,841	998,301	27,077	232,310	1,373,431
Culture and recreation	897,153	-	826,254	11,133,879	308,135	1,056,592	14,222,013
Economic development	109,298	-	2,096,639	2,038,883	1,918,034	19,714	6,182,568
Intergovernmental	-	-	-	500,195	-	-	500,195
Total governmental funds capital assets	\$ 4,659,941	\$ 728,731	\$ 16,454,848	\$ 41,278,077	\$ 31,542,648	\$ 34,465,572	\$ 129,129,817

PICKENS COUNTY, SOUTH CAROLINA

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

JUNE 30, 2018

Function	Beginning of Year	Additions	Deletions	Transfers		End of Year
				In	Out	
General government administration	\$ 17,855,846	\$ 163,768	\$ 192,274	\$ 150,246	\$ 111,713	\$ 17,865,873
Public safety	35,175,954	13,277,525	1,660,018	7,865	23,820	46,777,506
Public works	42,451,112	794,673	1,001,490	81,629	117,693	42,208,231
Public health and welfare	1,238,789	190,399	55,757	-	-	1,373,431
Culture and recreation	13,371,158	896,624	39,542	35,755	41,982	14,222,013
Economic development	5,988,602	174,252	-	19,714	-	6,182,568
Intergovernmental	500,195	-	-	-	-	500,195
Total governmental funds capital assets	<u>\$ 116,581,656</u>	<u>\$ 15,497,241</u>	<u>\$ 2,949,081</u>	<u>\$ 295,209</u>	<u>\$ 295,208</u>	<u>\$ 129,129,817</u>

PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

PICKENS COUNTY, SOUTH CAROLINA

STATISTICAL SECTION NARRATIVE

FISCAL YEAR JUNE 30, 2018

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities										
Invested in capital assets, net of related debt	\$ 33,371,208	\$ 35,269,425	\$ 34,058,641	\$ 41,896,168	\$ 44,803,759	\$ 43,964,937	\$ 45,459,121	\$ 48,208,673	\$ 50,700,319	\$ 36,106,153
Restricted	12,314,922	11,358,716	11,628,296	11,835,113	11,960,394	15,397,427	15,634,038	17,573,313	16,152,280	16,513,038
Unrestricted	22,977,434	25,011,349	32,630,194	25,831,302	24,136,243	25,986,376	(8,736,449)	(7,094,595)	(13,063,593)	(10,514,752)
Total governmental activities net assets	<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>	<u>53,789,006</u>	<u>42,104,439</u>
Business-type Activities										
Invested in capital assets, net of related debt	28,137,870	28,304,398	29,301,120	29,786,626	29,155,636	28,023,881	26,816,226	25,857,381	25,414,892	28,290,482
Restricted	603,805	631,008	631,008	682,544	700,992	756,000	809,568	817,308	825,048	832,788
Unrestricted (Deficit)	2,155,050	2,012,819	1,149,004	929,489	1,122,850	1,091,496	503,074	417,809	600,503	1,626,984
Total business-type activities net assets	<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>	<u>26,840,443</u>	<u>30,750,254</u>
Component Unit										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (Deficit)	337,586	373,588	320,221	288,705	169,334	100,109	80,150	54,651	66,685	161,877
Total component unit net assets	<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>	<u>66,685</u>	<u>161,877</u>
Total reporting unit										
Invested in capital assets, net of related debt	61,509,078	63,573,823	63,359,761	71,682,794	73,959,395	71,988,818	72,275,347	74,066,054	76,115,211	64,396,635
Restricted	12,918,727	11,989,724	12,259,304	12,517,657	12,661,386	16,153,427	16,443,606	18,390,621	16,977,328	17,345,826
Unrestricted	25,470,070	27,397,756	34,099,419	27,049,496	25,428,427	27,177,981	(8,153,225)	(6,622,135)	(12,396,405)	(8,725,891)
Total primary government net assets	<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>	<u>\$ 80,696,134</u>	<u>\$ 73,016,570</u>

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
<u>Governmental activities:</u>										
General government	\$ 11,629,191	\$ 11,104,765	\$ 10,917,949	\$ 10,988,712	\$ 11,088,305	\$ 11,469,811	\$ 12,254,981	\$ 12,604,182	\$ 14,753,128	\$ 15,338,224
Public safety	20,164,030	20,917,120	20,465,118	20,300,914	21,850,514	22,626,518	22,559,150	25,758,032	26,064,443	28,076,159
Public works	12,499,271	10,179,397	9,094,190	10,590,594	11,256,677	10,277,306	9,259,568	12,714,042	15,651,931	9,722,755
Health and welfare	1,217,282	1,229,437	1,078,351	1,188,284	864,265	877,186	860,695	933,146	920,068	717,643
Cultural and recreation	5,433,793	5,206,481	5,520,862	5,415,087	4,246,760	4,541,962	4,283,221	4,689,443	4,820,156	5,345,076
Economic development	419,161	427,052	381,571	762,985	665,236	689,697	474,033	547,444	1,288,055	1,900,486
Intergovernmental	-	-	-	38,607	1,350,409	1,422,329	1,428,094	883,737	1,543,750	1,941,760
Interest on long-term debt	140,600	94,907	92,815	-	-	-	-	-	-	-
Debt service - other	934,897	901,755	827,473	732,303	612,816	535,849	504,353	402,385	362,033	941,288
Total governmental activities expenses	52,438,225	50,060,914	48,378,329	50,017,486	51,934,982	52,440,658	51,624,095	58,532,411	65,403,564	63,983,391
<u>Business-type activities:</u>										
Public Service Commission	2,273,647	2,493,077	2,451,997	2,563,062	2,699,977	2,816,922	2,683,046	3,050,970	2,844,825	2,910,549
Airport	880,955	817,008	903,663	983,591	947,016	916,192	837,465	736,118	837,400	921,266
Total business-type activities expense	3,154,602	3,310,085	3,355,660	3,546,653	3,646,993	3,733,114	3,520,511	3,787,088	3,682,225	3,831,815
Total Primary Government Expenses	55,592,827	53,370,999	51,733,989	53,564,139	55,581,975	56,173,772	55,144,606	62,319,499	69,085,789	67,815,206
Component unit activities:										
Alliance Pickens	578,695	357,901	414,629	556,630	794,974	472,450	356,336	390,778	457,914	457,830
Total component unit expenses	578,695	357,901	414,629	556,630	794,974	472,450	356,336	390,778	457,914	457,830
Total expenses	56,171,522	53,728,900	52,148,618	54,120,769	56,376,949	56,646,222	55,500,942	62,710,277	69,543,703	68,273,036
Program Revenues										
<u>Governmental activities:</u>										
Charges for services										
General government	1,317,074	1,285,073	1,229,792	1,214,622	1,301,297	1,297,344	1,334,387	1,515,091	1,611,385	1,621,507
Public safety	6,833,279	7,042,849	7,295,934	7,355,656	7,719,457	9,161,649	7,943,150	8,654,967	8,176,614	9,790,419
Public works	1,189,219	1,135,204	1,242,067	1,236,597	999,045	989,904	1,035,390	1,161,031	1,301,204	1,486,775
Health and welfare	330	13,965	12,495	11,572	4,426	16,387	29,217	84,679	103,296	92,346
Cultural and recreation	416,725	440,966	519,084	521,452	560,701	553,744	532,321	644,000	625,362	798,887
Operating grants and contributions	4,755,930	4,998,531	5,743,390	4,710,501	4,741,551	5,648,952	5,984,172	10,315,555	7,202,200	7,301,417
Capital grants and contributions	631,301	717,022	497,965	113,796	147,275	423,643	125,000	-	-	-
Total governmental activities program revenues	15,143,858	15,633,610	16,540,727	15,164,196	15,473,752	18,091,623	16,983,637	22,375,323	19,020,061	21,091,351
<u>Business-type activities:</u>										
Charges for services										
Public Service Commission	949,682	1,223,966	1,228,583	1,186,460	1,255,385	1,268,272	1,289,956	1,415,105	1,368,923	1,414,731
Airport	474,368	433,935	507,926	570,777	550,821	494,435	478,820	444,548	621,303	557,378
Operating grants and contributions	884	-	-	-	-	-	-	-	-	-
Capital grants and contributions	2,088,611	1,179,087	1,023,482	1,940,208	1,200,981	583,785	437,925	586,072	1,111,193	400,002
Total business-type activities program revenues	3,513,545	2,836,988	2,759,991	3,697,445	3,007,187	2,346,492	2,206,701	2,445,725	3,101,419	2,372,111
Total Primary Government Program Revenues	18,657,403	18,470,598	19,300,718	18,861,641	18,480,939	20,438,115	19,190,338	24,821,048	22,121,480	23,463,462

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Component unit activities:										
Alliance Pickens	\$ 192,613	\$ 393,903	\$ 19,104	\$ 172,887	\$ 232,887	\$ 11,324	\$ 22,324	\$ 23,000	\$ 118,000	\$ 20,538
Total component unit revenues	<u>192,613</u>	<u>393,903</u>	<u>19,104</u>	<u>172,887</u>	<u>232,887</u>	<u>11,324</u>	<u>22,324</u>	<u>23,000</u>	<u>118,000</u>	<u>20,538</u>
Total revenues	<u>18,850,016</u>	<u>18,864,501</u>	<u>19,319,822</u>	<u>19,034,528</u>	<u>18,713,826</u>	<u>20,449,439</u>	<u>19,212,662</u>	<u>24,844,048</u>	<u>22,239,480</u>	<u>23,484,000</u>
Net (Expense) Revenue										
Governmental activities	(37,294,367)	(34,427,304)	(31,837,602)	(34,853,290)	(36,461,230)	(34,349,035)	(34,640,458)	(36,157,088)	(46,383,503)	(42,892,040)
Business-type activities	358,943	(473,097)	(595,669)	150,792	(639,806)	(1,386,622)	(1,313,810)	(1,341,363)	(580,806)	(1,459,704)
Component unit activities	<u>(386,082)</u>	<u>36,002</u>	<u>(395,525)</u>	<u>(383,743)</u>	<u>(562,087)</u>	<u>(461,126)</u>	<u>(334,012)</u>	<u>(367,778)</u>	<u>(339,914)</u>	<u>(437,292)</u>
Total Primary Government	<u>(37,321,506)</u>	<u>(34,864,399)</u>	<u>(32,828,796)</u>	<u>(35,086,241)</u>	<u>(37,663,123)</u>	<u>(36,196,783)</u>	<u>(36,288,280)</u>	<u>(37,866,229)</u>	<u>(47,304,223)</u>	<u>(44,789,036)</u>
General Revenues and Other Changes in Net Assets										
<u>Governmental activities:</u>										
Taxes	31,541,678	32,288,793	32,953,640	31,646,911	32,606,724	34,453,144	35,248,707	36,998,429	36,947,789	37,372,290
Grants and contributions	6,626,329	5,592,546	4,664,736	4,132,297	4,887,962	4,856,536	4,841,567	4,940,083	5,213,027	5,162,145
Investment earnings	299,313	111,949	117,105	120,662	108,448	135,870	200,655	366,793	353,202	506,816
Miscellaneous	330,760	84,577	1,425,212	212,954	334,963	(15,127)	(2,499,667)	370,832	(188,977)	399,375
Gain on sale of capital assets	(323,162)	-	92,409	152,653	19,351	123,308	(50,577)	116,625	(511,172)	24,029
Transfers	<u>(2,463,024)</u>	<u>(674,635)</u>	<u>(737,861)</u>	<u>(166,735)</u>	<u>(158,405)</u>	<u>(669,908)</u>	<u>(303,751)</u>	<u>(304,993)</u>	<u>(328,751)</u>	<u>(5,489,524)</u>
Total governmental activities	<u>36,011,894</u>	<u>37,403,230</u>	<u>38,515,241</u>	<u>36,098,742</u>	<u>37,799,043</u>	<u>38,883,823</u>	<u>37,436,934</u>	<u>42,487,769</u>	<u>41,485,118</u>	<u>37,975,131</u>
<u>Business-type activities:</u>										
Gain (loss) on sale of capital assets	-	-	(9,285)	-	-	-	-	-	-	90,742
Transfers	<u>2,088,024</u>	<u>674,635</u>	<u>737,861</u>	<u>166,735</u>	<u>158,405</u>	<u>278,521</u>	<u>303,751</u>	<u>304,993</u>	<u>328,751</u>	<u>5,489,524</u>
Total business-type activities	<u>2,088,024</u>	<u>674,635</u>	<u>728,576</u>	<u>166,735</u>	<u>158,405</u>	<u>278,521</u>	<u>303,751</u>	<u>304,993</u>	<u>328,751</u>	<u>5,580,266</u>
Total Primary Government	<u>38,099,918</u>	<u>38,077,865</u>	<u>39,243,817</u>	<u>36,265,477</u>	<u>37,957,448</u>	<u>39,162,344</u>	<u>37,740,685</u>	<u>42,792,762</u>	<u>41,813,869</u>	<u>43,555,397</u>
Component Unit Activities:										
Investment Earnings	-	-	2,158	1,590	666	514	320	382	322	397
Transfers	<u>375,000</u>	<u>-</u>	<u>340,000</u>	<u>350,637</u>	<u>442,050</u>	<u>391,387</u>	<u>313,733</u>	<u>341,897</u>	<u>351,626</u>	<u>532,087</u>
Total component unit activities	<u>375,000</u>	<u>-</u>	<u>342,158</u>	<u>352,227</u>	<u>442,716</u>	<u>391,901</u>	<u>314,053</u>	<u>342,279</u>	<u>351,948</u>	<u>532,484</u>
Change in Net Assets										
Governmental activities	(1,282,473)	2,975,926	6,677,639	1,245,452	1,337,813	4,534,788	2,796,476	6,330,681	(4,898,385)	(4,916,909)
Business-type activities	<u>2,446,967</u>	<u>201,538</u>	<u>132,907</u>	<u>317,527</u>	<u>(481,401)</u>	<u>(1,108,101)</u>	<u>(1,010,059)</u>	<u>(1,036,370)</u>	<u>(252,055)</u>	<u>4,120,562</u>
Total Primary Government	<u>1,164,494</u>	<u>3,177,464</u>	<u>6,810,546</u>	<u>1,562,979</u>	<u>856,412</u>	<u>3,426,687</u>	<u>1,786,417</u>	<u>5,294,311</u>	<u>(5,150,440)</u>	<u>(796,347)</u>
Component unit activities	<u>(11,082)</u>	<u>36,002</u>	<u>(53,367)</u>	<u>(31,516)</u>	<u>(119,371)</u>	<u>(69,225)</u>	<u>(19,959)</u>	<u>(25,499)</u>	<u>12,034</u>	<u>95,192</u>
Total Reporting Unit	<u>\$ 1,153,412</u>	<u>\$ 3,213,466</u>	<u>\$ 6,757,179</u>	<u>\$ 1,531,463</u>	<u>\$ 737,041</u>	<u>\$ 3,357,462</u>	<u>\$ 1,766,458</u>	<u>\$ 5,268,812</u>	<u>\$ (5,138,406)</u>	<u>\$ (701,155)</u>

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Reserved	\$ 3,713,840	\$ 3,045,149								
Unreserved	<u>20,870,743</u>	<u>23,176,899</u>								
Total General Fund	<u>24,584,583</u>	<u>26,222,048</u>								
All Other Governmental Funds										
Reserved										
Debt service	541,633	314,693								
Other reserves	558,733	1,417,705								
Unreserved, reported in:										
Special revenue funds	10,705,047	9,184,588								
Debt service funds	(102,627)	-								
Capital project funds	<u>444,405</u>	<u>441,815</u>								
Total All Other Governmental Funds	<u>12,147,191</u>	<u>11,358,801</u>								
Total Governmental Fund Balance	<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	\$ 1,310,699	\$ 1,865,852
Restricted			-	-	-	-	-	-	-	-
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	8,544,709	6,762,401
Unassigned			<u>20,039,896</u>	<u>20,406,845</u>	<u>19,209,791</u>	<u>20,915,924</u>	<u>22,515,434</u>	<u>23,924,817</u>	<u>21,586,795</u>	<u>19,188,947</u>
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>	<u>31,442,203</u>	<u>27,817,200</u>
All Other Governmental Funds										
Nonspendable			1,240	349	1,703	649,129	9,835	3,130	10,268	6,389
Restricted			11,791,094	11,562,227	7,833,127	15,397,427	15,634,043	17,573,313	16,152,280	16,512,778
Committed			426,766	207,703	3,604,377	892,235	285,654	85,890	-	16,285,970
Assigned			71,813	91,243	-	-	-	-	-	-
Unassigned			<u>(235,865)</u>	<u>(122,200)</u>	<u>(126,849)</u>	<u>(498,409)</u>	<u>(427,378)</u>	<u>(569,457)</u>	<u>(1,025,337)</u>	<u>(596,924)</u>
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>	<u>15,137,211</u>	<u>32,208,213</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>	<u>\$ 46,579,414</u>	<u>\$ 60,025,413</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues										
Taxes	\$ 29,907,909	\$ 31,463,280	\$ 31,809,502	\$ 31,964,892	\$ 32,335,013	\$ 33,791,817	\$ 34,292,274	\$ 36,141,974	\$ 35,951,087	\$ 36,542,968
Fees, licenses and permits	5,307,166	5,429,003	5,706,190	5,789,261	6,098,332	6,183,688	6,650,297	6,707,563	7,031,340	7,839,582
Intergovernmental	10,109,495	9,050,636	8,462,632	6,758,120	7,602,068	8,702,952	8,737,519	12,989,373	10,279,287	10,161,906
Charges for services	5,886,863	6,324,966	6,454,395	6,461,207	6,269,400	6,002,528	6,268,814	6,610,683	6,780,713	8,214,688
Fines and forfeitures	832,055	899,557	789,030	815,979	757,288	2,293,571	695,656	1,541,829	660,457	542,404
Investment income	451,499	179,095	173,499	174,974	178,351	203,026	263,906	420,425	422,697	568,722
Rental income	22,103	20,052	27,210	20,930	66,518	24,204	20,933	21,100	22,616	19,600
Contributions	21,720	15,136	290,243	48,630	12,891	81,197	47,705	35,549	4,344	39,522
Miscellaneous	1,522,903	114,601	1,545,885	429,327	410,081	334,719	391,693	469,637	272,731	483,837
Total Revenues	54,061,713	53,496,326	55,258,586	52,463,320	53,729,942	57,617,702	57,368,797	64,938,133	61,425,272	64,413,229
Expenditures										
General government	10,307,518	10,099,195	9,633,375	9,733,134	9,996,701	10,425,459	10,872,211	11,347,596	12,393,478	12,373,130
Public safety	19,122,790	19,700,901	19,265,676	19,010,099	20,487,005	21,169,840	20,880,137	23,705,195	23,834,731	25,975,272
Public works	11,877,268	9,375,375	8,100,479	9,140,139	10,052,522	9,207,995	8,172,262	11,537,764	13,472,912	8,373,386
Health and welfare	823,673	758,168	744,985	809,118	824,990	832,512	817,536	890,237	891,016	677,353
Culture and recreation	3,938,808	3,779,990	4,058,464	4,082,413	3,921,338	4,212,529	3,944,464	4,354,647	4,478,322	5,265,728
Economic development	397,421	397,622	2,173	365,817	586,003	594,857	366,248	439,659	1,189,981	1,254,619
Other	452,016	1,587,236	1,522,448	1,412,603	1,357,395	1,429,315	1,440,115	891,923	1,909,816	1,629,919
Intergovernmental	1,325,975	94,907	92,815	(306)	103,512	89,475	169,961	270,848	383,145	885,270
Capital outlay	7,085,512	3,672,026	7,116,474	2,872,562	3,932,728	3,143,834	6,034,166	3,841,717	7,807,585	15,466,810
Debt service										
Principal	2,135,545	2,018,689	2,132,390	2,324,544	2,418,939	2,679,193	2,711,850	2,771,805	1,485,193	4,665,854
Interest	902,872	896,901	832,393	724,331	624,183	565,407	513,028	431,457	359,272	872,191
Total Expenditures	58,369,398	52,381,010	53,501,672	50,474,454	54,305,316	54,350,416	55,921,978	60,482,848	68,205,451	77,439,532
Excess of Revenues Over (Under) Expenditures	<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>3,267,286</u>	<u>1,446,819</u>	<u>4,455,285</u>	<u>(6,780,179)</u>	<u>(13,026,303)</u>
Other Financing Sources (Uses)										
Proceeds from capital lease	490,510	408,394	-	-	-	-	-	-	-	-
Proceeds from notes payable	-	-	-	-	-	-	-	-	-	-
Proceeds from bond issuance	1,800,000	-	950,000	-	-	3,000,000	700,000	-	2,150,000	31,961,826
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfer of capital asset	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in (out)	(2,463,024)	(674,635)	(1,077,861)	(166,735)	(158,405)	(669,908)	(303,751)	(304,993)	(328,751)	(5,489,524)
Transfers to Pickens Alliance	-	-	-	(350,649)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(172,514)</u>	<u>(266,241)</u>	<u>(127,861)</u>	<u>(517,384)</u>	<u>(158,405)</u>	<u>2,330,092</u>	<u>396,249</u>	<u>(304,993)</u>	<u>1,821,249</u>	<u>26,472,302</u>
Net Change in Fund Balance	\$ (4,480,199)	\$ 849,075	\$ 1,629,053	\$ 1,471,482	\$ (733,779)	\$ 5,597,378	\$ 1,843,068	\$ 4,150,292	\$ (4,958,930)	\$ 13,445,999
Debt Service as a percentage of noncapital expenditures	5.92%	5.99%	6.39%	6.40%	6.04%	6.34%	6.46%	5.66%	3.05%	8.94%

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
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	65.60	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%
2017	2016	354,537,030	123,891,044		478,428,074	68.20	8,606,602,718	5.56%
2018	2017	373,537,003	126,949,196		500,486,199	68.20	8,793,054,440	5.69%

(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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
County Wide Tax Rates										
County Operations	56.0	53.2	53.2	53.2	53.2	53.2	55.3	55.3	55.3	55.3
County Bonds	4.0	3.9	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0
Tri-County Technical	2.7	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6
Library	6.4	6.0	6.0	6.0	6.0	6.0	6.3	6.3	6.3	6.3
Total Direct Rate	69.1	65.6	65.6	65.6	65.6	65.6	68.2	68.2	68.2	68.2
City Rates										
Easley	61.0	61.0	58.0	58.0	58.0	58.0	60.0	60.0	62.0	65.0
Liberty	77.5	77.5	74.0	80.0	80.0	80.0	79.7	79.7	79.7	79.7
Norris	77.2	77.2	72.2	72.2	72.2	72.2	73.8	73.8	73.8	73.8
Central	64.8	67.3	67.0	70.0	72.0	72.0	74.0	75.0	75.5	75.5
Clemson	81.0	81.0	78.6	83.4	83.4	83.4	82.2	84.2	84.2	86.2
Six Mile	36.0	36.0	35.8	35.8	31.8	31.8	33.5	33.5	33.5	33.5
Pickens	50.0	52.0	47.6	51.9	58.3	60.3	64.9	66.4	67.3	77.3
School District Rate	165.0	159.0	160.0	162.0	160.5	160.5	165.2	164.5	165.2	168.0
Special District Rates										
Keowee Vineyards	37.3	38.9	38.4	38.4	38.4	38.4	46.7	48.2	48.2	48.2
Keowee Springs	42.8	51.1	48.2	56.7	56.7	56.7	70.7	58.5	58.5	58.5
Pumpkintown	-	-	-	-	-	-	-	-	-	-
Shady Grove	12.0	11.5	11.3	11.6	11.6	11.6	14.3	12.2	12.2	16.8
County Sewer	1.5	1.5	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0
Georges Creek	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.6
Oolenoy	-	-	-	-	-	-	-	2.1	2.1	2.1
Sedgewood	4.3	4.3	4.0	5.0	6.0	6.5	6.5	6.7	7.0	7.0
Saluda Lake	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 TEN FISCAL YEARS AGO

Taxpayer	2018		Taxpayer	2009	
	Taxable Assessed Value	Percent of Total Taxable Assessed Value		Taxable Assessed Value	Percent of Total Taxable Assessed Value
Duke Energy Corporation	\$ 22,289,770	4.45%	Duke Energy Corporation	\$ 16,989,740	4.03%
Blue Ridge Electric Coop., Inc	6,442,980	1.29%	Blue Ridge Electric Coop., Inc	5,055,750	1.20%
Bellsouth Telecommunications	2,420,390	0.48%	Bellsouth Telecommunications	4,071,770	0.97%
Keowee River Club LLC	2,171,445	0.43%	Keowee River Club LLC	3,345,145	0.79%
Cellco Partnership DBA Verizon	1,924,750	0.38%	Reliable Automatic Sprinkler	1,762,023	0.42%
Reliable Automatic Sprinkler	1,921,814	0.38%	Sauer Danfoss US Company	1,452,875	0.34%
St Jude Medical Cardiology Div	1,775,818	0.35%	Shaw Industries	1,439,941	0.34%
Ibrahim Family Trust LLC	1,754,960	0.35%	Milliken & Company Inc	1,258,852	0.30%
Shaw Industries Group Inc	1,714,968	0.34%	Champion Aerospace LLC	1,243,690	0.29%
Breckenridge Group Clemson	1,598,810	0.32%	Pacesetter Inc	1,198,612	0.28%
Total	\$ 44,015,705	8.79%		\$ 37,818,398	8.96%

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, 2018	Estimated Tax Collections to Date (3)	
		Amount	Percentage of Adjusted Levy		Estimated Amount	Percentage of Adjusted Levy
2009	\$ 18,379,527	\$ 17,426,581	94.82%	\$ 119,274	\$ 18,260,253	99.35%
2010	19,009,045	17,968,836	94.53%	154,520	18,854,525	99.19%
2011	18,945,172	18,015,888	95.09%	167,452	18,777,720	99.12%
2012	19,789,534	18,858,885	95.30%	187,237	19,602,297	99.05%
2013	19,270,020	18,528,689	96.15%	189,948	19,080,072	99.01%
2014	18,619,253	18,033,263	96.85%	199,989	18,419,264	98.93%
2015	19,304,671	18,672,716	96.73%	245,841	19,058,830	98.73%
2016	19,471,605	18,657,108	95.82%	291,999	19,179,606	98.50%
2017	19,321,550	18,656,440	96.56%	527,050	18,794,500	97.27%
2018	19,837,736	19,022,484	95.89%	482,319	19,355,417	97.57%

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			
2009	\$ 15,405,526	-	\$ 1,258,102	\$ 6,071,047	\$ 5,055,001	-	\$ 27,789,676	0.84%	233
2010	14,121,644	-	1,291,643	5,714,593	4,977,946	-	26,105,826	0.77%	219
2011	13,599,219	-	1,002,447	5,343,822	4,897,151	-	24,842,639	0.70%	208
2012	11,891,027	-	780,652	4,949,266	6,829,510	-	24,450,455	0.66%	204
2013	10,112,744	-	550,518	4,538,744	6,712,349	-	21,914,355	0.58%	184
2014	10,977,125	-	430,555	4,115,130	6,586,311	-	22,109,121	0.56%	183
2015	9,526,866	-	306,118	3,677,977	6,455,004	-	19,965,965	0.48%	164
2016	7,300,923	-	211,413	3,226,820	6,318,308	-	17,057,464	0.40%	139
2017	8,502,194	-	140,591	2,761,179	6,175,745	-	17,579,709	0.40%	142
2018	34,885,394	-	67,157	2,280,556	1,816,751	-	39,049,858	0.86%	314

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)
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%	71
2016	7,300,923	884,824	6,416,099	0.08%	52
2017	8,502,194	2,455,600	6,046,594	0.07%	49
2018	34,885,394	2,184,301	32,701,093	0.37%	263

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 2018

Assessed valuation	\$ 500,486,199
Less: exemptions	<u>-</u>
Net assessed value	<u>\$ 500,486,199</u>
Debt limit - 8% of total assessed value	\$ 40,038,896
Amount of debt applicable to debt limit	<u>27,008,202</u>
Legal debt margin	<u>\$ 13,030,694</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>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 33,655,788	\$ 33,755,185	\$ 35,361,869	\$ 35,534,227	\$ 36,150,771	\$ 36,958,423	\$ 36,724,570	\$ 37,458,386	\$ 38,274,246	\$ 40,038,896
Total net debt applicable to limit	<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>	<u>2,276,373</u>	<u>27,008,202</u>
Legal debt margin	<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>	<u>\$ 35,997,873</u>	<u>\$ 13,030,694</u>
Total net debt applicable to the limit as a percentage of debt limit	36.14%	32.52%	27.54%	23.67%	19.43%	15.07%	11.12%	6.77%	5.95%	67.45%

Notes:

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

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Sewer System Revenue Bonds (2)

Funding Source: Capital charges and transfers

Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2009	\$ 315,504	\$ 73,487	\$ 242,017	1.000
2010	315,504	77,055	238,449	1.000
2011	315,504	80,796	234,708	1.000
2012	315,504	84,718	230,786	1.000
2013	392,808	120,762	272,046	1.000
2014	392,808	126,037	266,771	1.000
2015	392,808	131,307	261,501	1.000
2016	392,808	136,696	256,112	1.000
2017	392,808	142,563	250,245	1.000
2018	4,603,224	4,358,993	244,231	1.000

(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. Some revenue bonds were redeemed in fiscal year 2018.

PICKENS COUNTY, SOUTH CAROLINA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2009	119,183	\$ 3,306,721,000	\$ 27,745	8.6%
2010	119,224	3,384,313,000	28,386	10.6%
2011	119,427	3,562,945,000	29,834	9.3%
2012	119,670	3,719,029,000	31,077	9.0%
2013	119,208	3,782,616,000	31,731	7.4%
2014	120,622	3,940,432,000	32,668	6.3%
2015	121,961	4,126,621,000	33,911	5.8%
2016	122,863	4,257,191,481	34,650	4.8%
2017	123,519	4,391,893,345	35,557	4.3%
2018	124,193	4,541,971,713	36,572	3.9%

Notes:

(1) Population, Personal Income, and Per Capita Personal Income for 2017 and 2018 were estimated base on the average yearly change over the previous five years.

Last updated: November 16, 2017

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 TEN YEARS AGO

Company or Organization	June 30, 2018	
	Number of Employees	Percent of Total County Employment
Clemson University	5,222	9.56%
School District of Pickens County	1,997	3.66%
Aramark Services	800	1.47%
Pickens County	712	1.30%
Palmetto Baptist Easley	656	1.20%
Abbott (formerly St. Jude Medical, Inc)	490	0.90%
Reliable Automatic Sprinkler Company, Inc	450	0.82%
YH America, South Carolina, LLC	378	0.69%
Comatrol (formerly Sauer-Danfoss)	336	0.62%
Cornell Dublier Marketing, Inc	308	0.56%
	11,349	20.79%

Company or Organization	June 30, 2009	
	Number of Employees	Percent of Total County Employment
State of South Carolina	4,881	8.85%
Clemson University	3,529	6.40%
School District of Pickens County	2,082	3.77%
Palmetto Baptist Medical Center	656	1.19%
Confluence Watersports	650	1.18%
Reliable Automatic Sprinkler Co.	600	1.09%
Pickens County	585	1.06%
Wal-Mart	544	0.99%
Aramark Services	500	0.91%
Milliken & Co. - Pendleton Finishing Plant	500	0.91%
	14,527	26.34%

Source: Appalachian Council of Governments and InfoMentum.

PICKENS COUNTY, SOUTH CAROLINA
AUTHORIZED COUNTY EMPLOYEE POSITIONS BY FUNCTION

LAST TEN FISCAL YEARS

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	150	146	135	135	132	133	143	145	154	153
Public safety	275	278	284	291	297	300	325	337	359	389
Public works	102	97	96	96	94	91	90	89	89	87
Health and welfare	10	11	11	12	12	12	12	13	13	9
Culture and recreation	69	70	70	71	72	73	72	74	70	69
Transportation	4	3	3	3	3	3	3	3	3	3
Economic Development	0	0	2	3	3	3	3	3	3	2
Intergovernmental	1	1	1	1	1	1	1	1	1	1
Total authorized positions	611	606	602	612	614	616	649	665	692	713

Source: County's Adopted Budget

PICKENS COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM

FISCAL YEARS 2009-2018

Function/Program	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
General government										
Probate Court estate cases	737	716	770	845	851	895	944	966	915	1,042
Marriage license applications	762	739	807	798	781	746	832	778	812	773
Register of Deeds documents filed	21,543	20,292	19,061	20,280	21,481	19,907	19,220	19,620	22,396	19,057
Clerk of Court civil cases filed	3,092	3,652	2,735	2,835	1,656	1,562	2,772	2,748	3,101	2,711
Clerk of Court warrants received	3,009	3,545	3,244	3,367	3,808	3,986	3,651	4,290	4,492	4,862
Vehicle bills and renewals processed	117,633	115,593	115,636	116,570	117,159	118,097	119,208	122,699	123,823	124,871
Magistrate case filings	17,384	18,162	17,951	16,419	14,896	15,372	11,656	12,663	9,363	10,149
Public Safety										
Sheriff 911 calls received	39,364	44,835	45,756	47,779	49,271	47,354	46,161	49,238	46,829	48,666
Coroner's Office investigations	426	568	566	653	756	796	798	805	796	891
Prison inmates received	678	709	643	588	608	473	727	594	550	433
EMS ambulance calls	14,810	14,494	14,289	14,704	15,012	14,979	14,553	15,417	15,838	16,727
Victim Rights services and assistance	8,191	6,965	7,288	6,600	7,674	6,822	6,891	2,672	3,176	3,097
Building Code commercial permits			110	100	70	100	57	45	80	608
Building Code residential permits			580	723	597	639	742	687	750	918
Public Works										
Solid Waste transfer station tonnage	40,785	39,974	36,784	36,409	36,482	36,545	39,943	41,483	43,225	45,151
Recyclables tonnage	6,618	5,078	6,365	6,407	4,842	4,670	7,761	6,689	6,640	7,217
Roads paved	113	89	55	64	58	111	34	26	47	-
Signs installed/repared	114	270	728	494	1,400	928	874	972	549	464
Health and Welfare										
Animal Control calls received	10,292	11,143	11,666	13,834	14,183	13,243	13,660	11,213	5,125	5,027
Veteran's Affairs claims/actions	24,706	24,792	25,675	25,963	21,884	20,112	22,300	17,002	17,645	15,624
Culture and Recreation										
County Park										
Park camping and day use passes	7,993	7,229	6,929	7,403	6,619	6,901	6,799	7,280	8,507	8,647
Museum & Mill visitors (1)	34,171	33,665	32,226	33,885	33,487	24,119	22,256	34,982	42,928	36,886
Library visitors	546,557	575,410	543,194	542,872	544,840	489,578	468,073	409,798	385,052	377,040
Public Service Commission										
Wastewater Treated /Gallons	307,653,081	323,979,349	300,900,343	250,146,013	309,780,415	368,137,345	299,559,531	327,173,957	270,284,037	283,417,542

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Sheriff Patrol units	102	102	102	100	101	105	101	101	105	113
EMS Stations	8	8	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)	184.8	185.3	657.0	662.3	669.4	669.4	670.8	651.0	653.6	653.6
Bridges	74	74	74	74	74	74	74	75	75	75
Public Service Commission										
Sanitary sewers (miles)	28.81	28.81	35.97	36.2	36.2	36.2	36.4	36.4	36.8	36.8
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, 2018, 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 27, 2018.

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 identify deficiencies in internal control that we consider to be significant deficiencies, but not a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Cherry Behant LHP

Greenville, South Carolina
November 27, 2018

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF ASSESSMENTS FOR VICTIM SERVICES

JUNE 30, 2018

Clerk of Court Collections

Fines and fees	\$ 330,361
Assessments	35,616
Surcharges	57,406
Total Clerk of Court Collections	<u>423,383</u>

Magistrate Court Collections

Fines and fees	326,949
Assessments	267,419
Surcharges	110,494
Total Collections for Magistrate Court	<u>704,862</u>

Total Collections for Clerk of Court and Magistrate Court \$ 1,128,245

Clerk of Court Retainage

Fines and fees	\$ 132,962
Assessments	11,274
Surcharges	32,770
Total Clerk of Court Retainage	<u>177,006</u>

Magistrate Court Retainage

Fines and fees	307,929
Assessments	23,702
Surcharges	20,041
Total Magistrate Court Retainage	<u>351,672</u>

Total Retainage for Clerk of Court and Magistrate Court \$ 528,678

Amount Remitted to State Treasurer

Fines and Assessments \$ 599,567

Amount of Funds Allocated to Victim Services by Fund Source

From Assessments and Surcharges \$ 87,787
\$ 87,787

Funds Carried Forward to Fiscal Year 2017 Designated as Victim Services Funds \$ 89,162