

PICKENS COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2017

And Reports of Independent Auditor

Prepared by:

Ralph Guarino, Finance Director

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2017

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INTRODUCTORY SECTION

COUNTY OF PICKENS

www.co.pickens.sc.us



COUNTY ADMINISTRATOR
Gerald Wilson
CLERK TO COUNCIL
Crystal A. Alexander

COUNCIL MEMBERS

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

November 27, 2017

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, 2017, 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, 2017. 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 unqualified opinions 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 auditors.

PROFILE OF THE GOVERNMENT

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

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

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

BUDGETARY CONTROLS

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

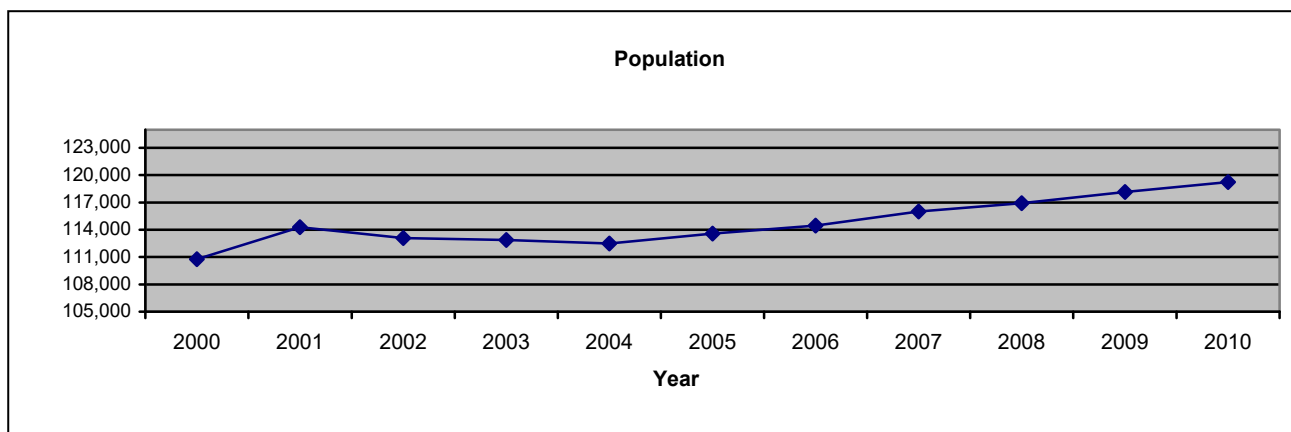
Local Economy

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

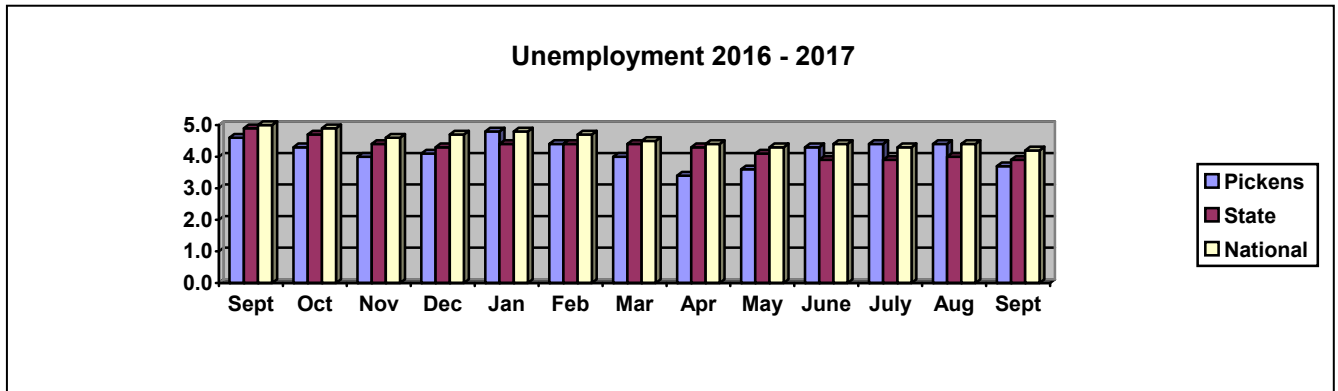
The County population grew 7.6% between the 2000 and 2010 censuses with average annual growth of .76% for the period. This has resulted in Pickens County lagging behind in the South Carolina Upstate region, which experienced an 11.2% population growth between censuses. The State of South Carolina experienced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

Expected Growth

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



According to the South Carolina Employment Security Commission, unemployment decreased in September (latest available numbers) from the previous year figure of 4.6% to 3.7%. This is below the State of South Carolina unemployment rate of 3.9% and lower than the national average for the United States for September 2017.



Long-Term Financial Planning

The County entered fiscal year 2017 with a strong financial position as noted with our credit rating with Moody's of Aa2, Fitch Rating of AA and Standard & Poor's of AA-. Total fund balance and unassigned fund balance as of June 30, 2017, in the General Fund was \$31,442,203 and \$21,586,795 respectively. This represents 74.5% and 51.1% of expenditures, respectively.

Pickens County Council approved the contract for the new Detention Center in the fall of 2017. The Detention Center will be paid for with a combination of bonds and cash from the County's reserve fund balance. The Bond will be for 20 years at an anticipated rate of 3.10%. The bond millage rate will be increased by approximately 3.75 mils which equates to \$15.00 on a \$100,000 home. The construction time line is 18 months with an anticipated opening date of spring 2019.

Council also approved in the fall of 2017 the addition to the facilities at Mile Creek Park. Currently the Park has capacity for recreational vehicle and primitive camping sites. The County will be constructing roughly 10 cabins at the Park which will be paid through a grant from Duke Energy and a Local Accommodation Fee added on to visitors who stay at our local hotels throughout the year. The planned opening for the cabins is spring of 2018.

Risk Management

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

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

Pension Plans

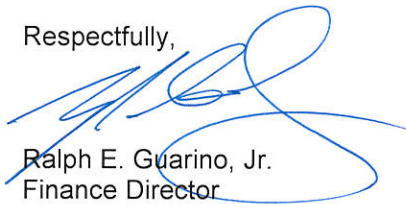
Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Retirement System (PORS), both of which are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board.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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickens County for its comprehensive annual financial report for the fiscal year ended June 30, 2016. 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 its assistance with this project.

Respectfully,

A handwritten signature in blue ink, appearing to read 'R. Guarino, Jr.', is written over the typed name and title.

Ralph E. Guarino, Jr.
Finance Director



Government Finance Officers Association

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

Presented to

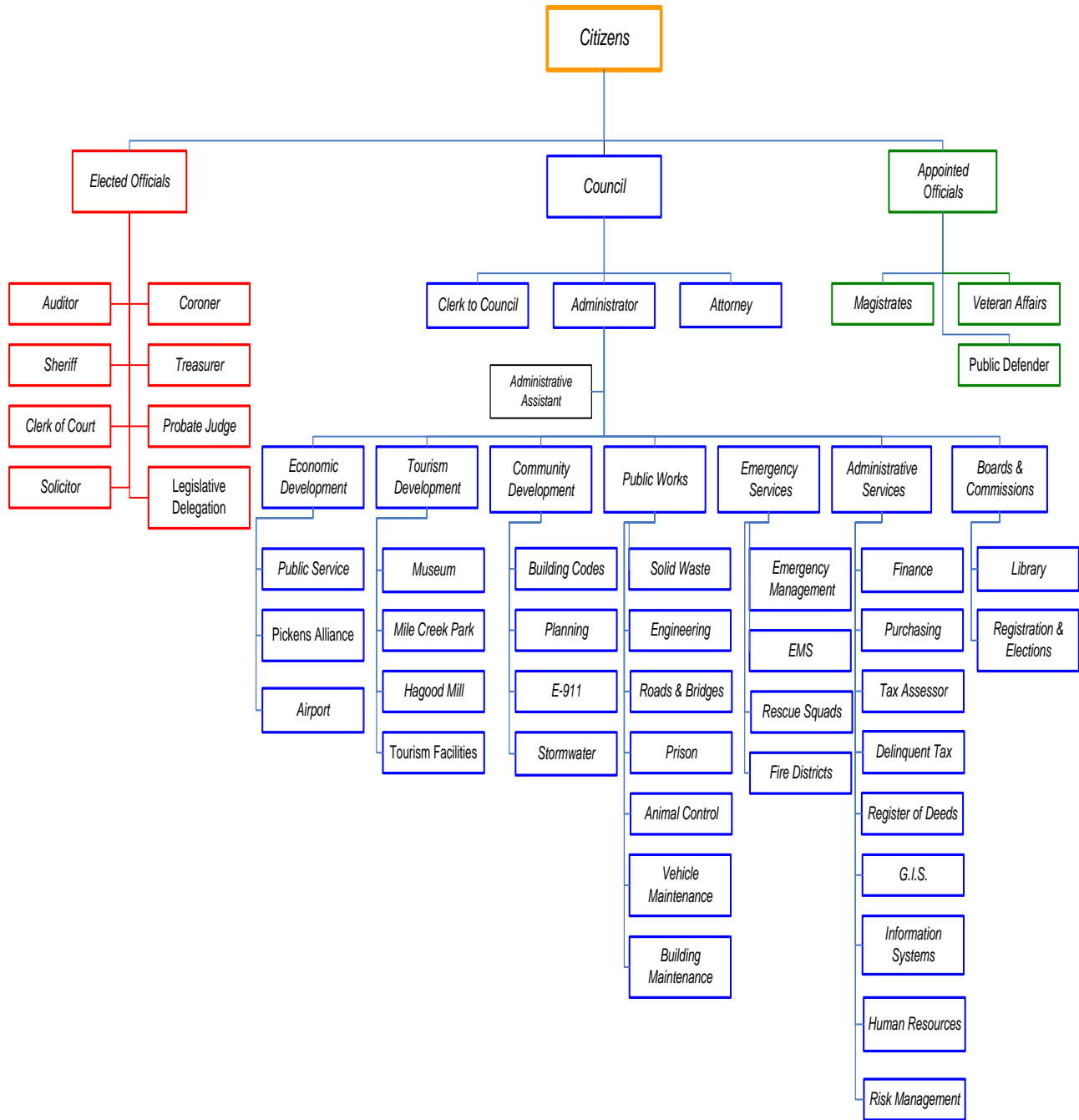
**Pickens County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

Pickens County



PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2017

MEMBERS OF COUNTY COUNCIL

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

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Gerald Wilson, County Administrator
Ralph E. Guarino Jr., Finance Director
Crystal Alexander, Clerk to Council

FINANCIAL SECTION

Report of Independent Auditor

Pickens County Council
Pickens County, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the Economic Development Alliance of Pickens County (the "Alliance"), a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina (the "County"), as of and for the year ended June 30, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Fire District Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 19 and the required supplementary information on pages 62 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, statistical section, and compliance section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards ("SEFA"), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (the "Uniform Guidance"), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund statements, schedules, and SEFA 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, 2017 on our consideration of the County's internal control over financial reporting and on compliance and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Greenville, South Carolina
November 27, 2017

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, 2017. 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

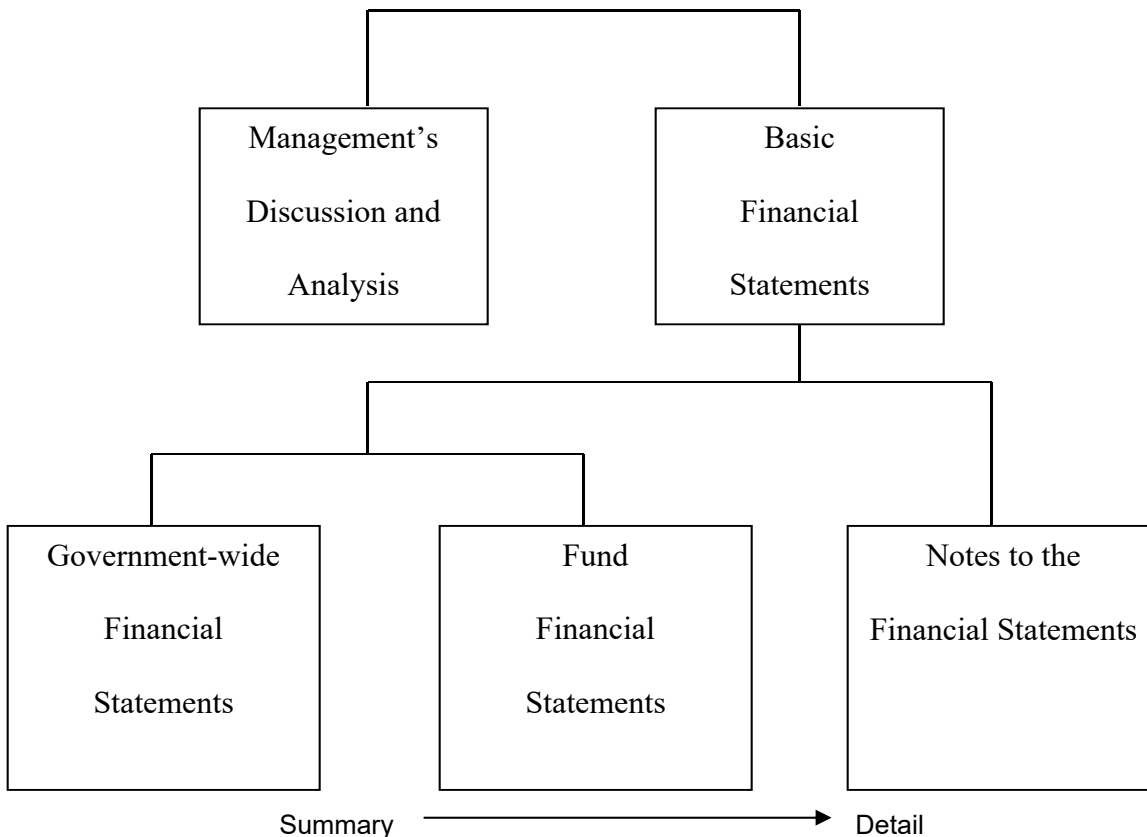
- The assets of Pickens County exceeded its liabilities at the close of the fiscal year by \$81,189,273. Of this amount \$5,074,062 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$4,590,616; several items contributed to this decrease in net position. The final phase of developing the Commerce Park along highway 123 was the grading of three final tracts in the park. The cost for the grading project was \$2.4 million and the County secured grants for \$600,000 from State and local sources. The remaining amount of funding was contributed from the County's General Fund's fund balance. Another factor relates to the Road Maintenance fee the County charges on each vehicle tax bill. The County collects approximately \$2 million per year on the \$20 fee for road repairs and maintenance on county roads. Due to a delay in bidding out the roads repair in fiscal year 2016, the County had on hand at the end of the year \$1.2 million which was subsequently spent in fiscal year 2017 along with the current allocation of \$2 million. The final factor in the decrease of the government's total net position was an incentive for ERA-Contact GmbH which is a world market leader in electrical railway couplings. The County contributed \$1 million for site development for the Company and the company expects to bring in 45 new jobs and a capital investment of \$3.4 million.
- The County's unassigned General Fund balance decreased by \$2,338,022 during the 2017 fiscal year due to the contribution of \$1 million to ERA-Contact GmbH for site development and \$1.8 million for the final grading working at the Commerce Park.
- The County had \$65,213,645 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$19,579,885 of these expenses. General revenues (primarily taxes and unrestricted grants) and net position of \$41,485,118 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 \$46,579,414, a decrease of \$4,958,930 in comparison with the prior year. Approximately 62.5% of this total amount, or \$29,106,167, 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 \$21,586,795 or 51.1% of total general fund expenditures for the fiscal year.
- During the 2017 fiscal year, the County's governmental fund type revenues were \$61,393,754 compared to \$64,938,133 in the prior year.
- The total long-term liabilities of the governmental-type activities increased by \$5,746,856. This is due to the increased liability of the State Retirement System for standard (SCRS) and police officer (PORS) employees. The pension fund earned a negative return on its investments which decreased the market value of the pension fund. This, coupled with the annual increase in the total pension liability, led to a \$2.39 billion and \$357 million increase in the Net Pension Liability for the South Carolina Retirement System and the Police Officer's Retirement System.

Overview of the Financial Statements

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

Required Components of the Annual Financial Report

Figure 1



Basic Financial Statements

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

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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, which are added together in one column on

the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets (including deferred 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 beginning at Schedule 1. Additional trend information about Pickens County can be found in the Statistical Section of the report, and information about federal grants can be found in the Single Audit Section.

Government-Wide Financial Analysis

Pickens County’s Net Position

Figure 2

| | Governmental Activities | | Business-type Activities | | Total | Total |
|-----------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Current and other assets | \$ 57,793,306 | \$ 62,176,022 | \$ 2,419,129 | \$ 2,269,594 | \$ 60,212,435 | \$ 64,445,616 |
| Capital assets | 62,101,567 | 58,947,828 | 31,590,638 | 32,175,692 | 93,692,205 | 91,123,520 |
| Land held for resale | 837,744 | 1,104,628 | - | - | 837,744 | 1,104,628 |
| Total assets | 120,732,617 | 122,228,478 | 34,009,767 | 34,445,286 | 154,742,384 | 156,673,764 |
| Deferred outflow of resources | 7,465,506 | 3,459,258 | 232,748 | 64,324 | 7,698,254 | 3,523,582 |
| Long-term liabilities outstanding | 62,511,263 | 56,764,407 | 7,146,846 | 6,957,480 | 69,658,109 | 63,721,887 |
| Other liabilities | 10,156,029 | 8,960,218 | 402,703 | 418,787 | 10,558,732 | 9,379,005 |
| Total liabilities | 72,667,292 | 65,724,625 | 7,549,549 | 7,376,267 | 80,216,841 | 73,100,892 |
| Deferred inflows | 992,082 | 1,275,720 | 42,442 | 40,845 | 1,034,524 | 1,316,565 |
| Net position: | | | | | | |
| Net investment in capital assets | 50,700,319 | 48,208,673 | 25,414,892 | 25,857,381 | 76,115,211 | 74,066,054 |
| Restricted | 16,152,280 | 17,573,313 | 825,048 | 817,308 | 16,977,328 | 18,390,621 |
| Unrestricted | (12,313,850) | (7,094,595) | 410,584 | 417,809 | (11,903,266) | (6,676,786) |
| Total net position | \$ 54,538,749 | \$ 58,687,391 | \$ 26,650,524 | \$ 27,092,498 | \$ 81,189,273 | \$ 85,779,889 |

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 \$81,189,273 as of June 30, 2017. The County’s net position decreased by \$4,590,616 for the fiscal year ended June 30, 2017. 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 \$76,115,211 (93.8% of total net position). Pickens County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Pickens County’s investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Pickens County’s net position of \$16,977,328 (20.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$11,903,266) is unrestricted.

Pickens County's Changes in Net Position
Figure 3

| | Governmental Activities | | Business-type Activities | | Total | Total |
|--|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 12,377,685 | \$ 12,039,107 | \$ 1,990,226 | \$ 1,859,653 | \$ 14,367,911 | \$ 13,898,760 |
| Operating grants and contributions | 7,202,200 | 10,317,070 | - | - | 7,202,200 | 10,317,070 |
| Capital grants and contributions | - | - | 1,111,193 | 586,072 | 1,111,193 | 586,072 |
| General revenues: | | | | | | |
| Property taxes | 27,096,468 | 27,744,660 | - | - | 27,096,468 | 27,744,660 |
| Other taxes | 9,851,321 | 9,253,769 | - | - | 9,851,321 | 9,253,769 |
| Grants and contributions not restricted to specific programs | 5,213,027 | 4,959,229 | - | - | 5,213,027 | 4,959,229 |
| Other | (346,947) | 854,250 | - | - | (346,947) | 854,250 |
| Total revenues | <u>61,393,754</u> | <u>65,168,085</u> | <u>3,101,419</u> | <u>2,445,725</u> | <u>64,495,173</u> | <u>67,613,810</u> |
| Expenses: | | | | | | |
| General government | 14,563,209 | 12,604,182 | - | - | 14,563,209 | 12,604,182 |
| Public safety | 26,064,443 | 25,758,032 | - | - | 26,064,443 | 25,758,032 |
| Public works | 15,651,931 | 12,714,042 | - | - | 15,651,931 | 12,714,042 |
| Health and welfare | 920,068 | 933,146 | - | - | 920,068 | 933,146 |
| Culture and recreation | 4,820,156 | 4,689,443 | - | - | 4,820,156 | 4,689,443 |
| Economic development | 1,288,055 | 547,444 | - | - | 1,288,055 | 547,444 |
| Assistance to other agencies | 1,543,750 | 883,737 | - | - | 1,543,750 | 883,737 |
| Unallocated interest expense and fees | 362,033 | 402,385 | - | - | 362,033 | 402,385 |
| Public service commission | - | - | 2,986,321 | 3,050,970 | 2,986,321 | 3,050,970 |
| Airport | - | - | 885,823 | 736,118 | 885,823 | 736,118 |
| Total expenses | <u>65,213,645</u> | <u>58,532,411</u> | <u>3,872,144</u> | <u>3,787,088</u> | <u>69,085,789</u> | <u>62,319,499</u> |
| Increase (decrease) in net position before transfers | (3,819,891) | 6,635,674 | (770,725) | (1,341,363) | (4,590,616) | 5,294,311 |
| Transfers | (328,751) | (304,993) | 328,751 | 304,993 | - | - |
| Increase (decrease) in net position | (4,148,642) | 6,330,681 | (441,974) | (1,036,370) | (4,590,616) | 5,294,311 |
| Net position, beginning | <u>58,687,391</u> | <u>52,356,710</u> | <u>27,092,498</u> | <u>28,128,868</u> | <u>85,779,889</u> | <u>80,485,578</u> |
| Net position, ending | <u>\$ 54,538,749</u> | <u>\$ 58,687,391</u> | <u>\$ 26,650,524</u> | <u>\$ 27,092,498</u> | <u>\$ 81,189,273</u> | <u>\$ 85,779,889</u> |

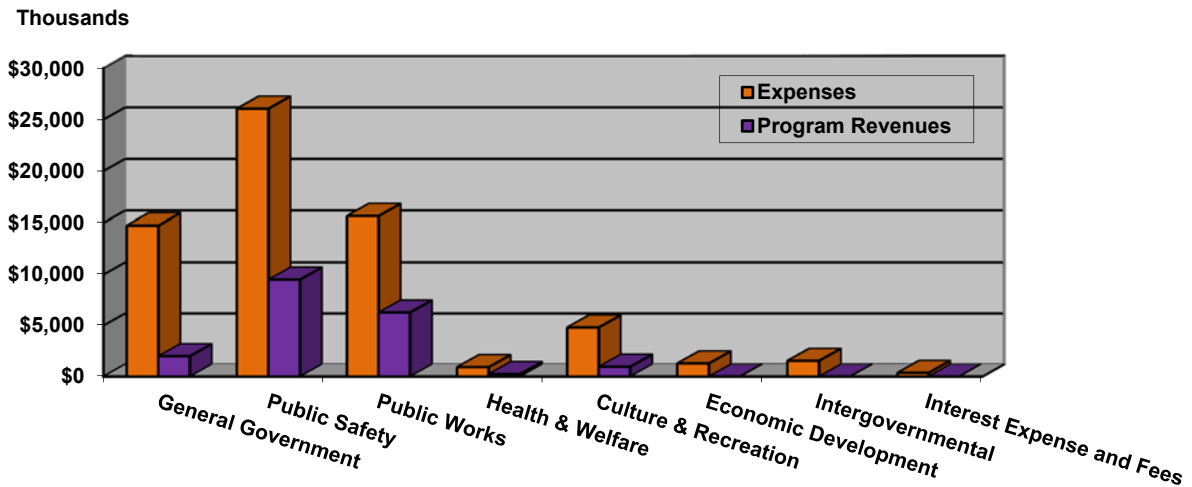
Changes in net position – The County's total revenues decreased from the prior year by \$3.1 million or 4.6% (See figure 3 above). Property taxes accounts and program revenues (charges for services and restricted operating and capital grants) accounts for 42.0% and 35.2% of the County's revenues, respectively. Contributions and donation, other taxes, franchise fees and interest income account for the remainder of the revenue.

The total cost of all programs increased \$6.8 million, or 10.9%, which includes depreciation for all capital assets as required under Governmental Accounting Standards Board Statement No. 34.

Governmental activities – Governmental activities decreased the County's net position by \$4,338,561. Several particular aspects of the County's financial operations negatively influenced the total governmental activities:

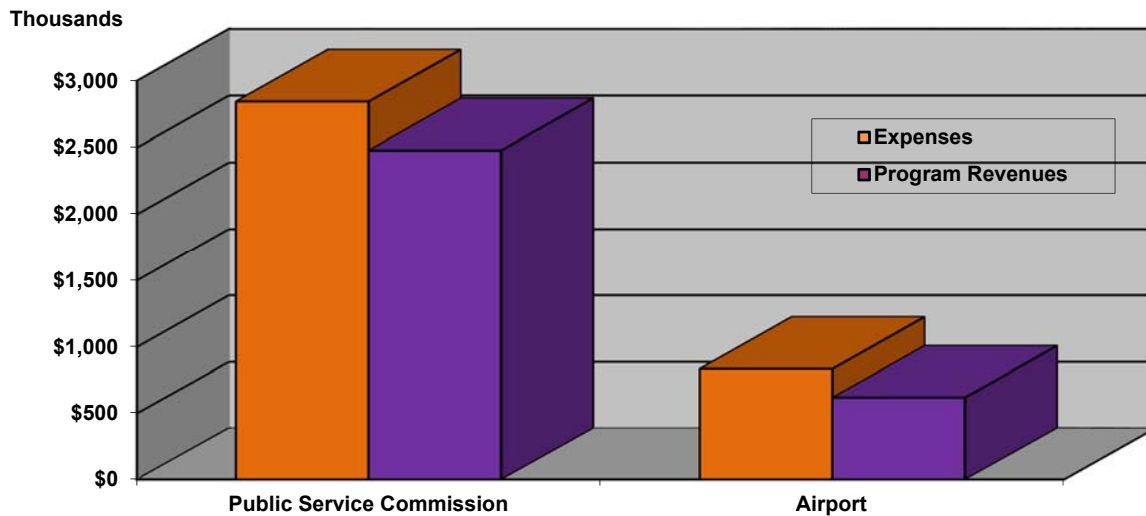
- As noted earlier in the Management and Discussion Analysis, The final phase of developing the Commerce Park along highway 123 was the grading of three final tracts in the park. The cost for the grading project was \$2.4 million and the County secured grants for \$600,000. The remaining amount of funding was contributed from the County's General Fund's fund balance. Another factor relates to the Road Maintenance fee the County charges on each vehicle tax bill. The County collects approximately \$2 million per year on the \$20 fee for road repairs and maintenance on county roads. Due to a delay in bidding out the roads repair in fiscal year 2016, the County had on hand at the end of the year \$1.2 million which was subsequently spent in fiscal year 2017 along with the current allocation of \$2 million. The final factor in the decrease of the government's total net position was incentive for ERA-Contact GmbH which is a world market leader in electrical railway couplings. The County contributed \$1 million for site development for the Company and the Company expects to bring in 45 new jobs and a capital investment of \$3.4 million.

Expenses and Program Revenues - Governmental Activities



Business-type activities – Business-type activities decreased Pickens County’s net position by \$252,055. Depreciation was the main factor that contributed to the decrease in the net position of the business type activities. The Public Service Commission and Airport had depreciation expense of \$1,138,242 and \$243,752, 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 \$21,586,795, while total fund balance reached \$31,442,203. 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 final phase of developing the Commerce Park along highway 123 was the grading of three final tracts in the park. The cost for the grading project was \$2.4 million and the County secured grants for \$600,000. The remaining amount of funding was contributed from the County's General Fund's fund balance. The second factor in the decrease in the fund balance was an incentive for ERA-Contact GmbH which is a world market leader in electrical railway couplings. The County contributed \$1 million for site development for the Company and the Company expects to bring in 45 new jobs and a capital investment of \$3.4 million. Unassigned fund balance represents 51.1% of total General Fund expenditures, while total fund balance represents 74.5% of that same amount.

At June 30, 2017, the governmental funds of Pickens County reported a combined fund balance of \$46,579,414, a 10.0% decrease over last year.

General Fund Budgetary Highlights – During the fiscal year, the County revised the budget on one occasion. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted expenditures by \$3,997,408.

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 at the end of the fiscal year amounted to \$596,217 and those for the Airport equaled (\$185,633). The total change in net position for Public Service Commission and the Airport was (\$177,454) and (\$264,520), respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Pickens County's business-type activities.

Capital Asset and Debt Administration

Capital assets – Pickens County's capital assets for its governmental and business-type activities as of June 30, 2017 totaled \$93,692,205 (net of accumulated depreciation). This is a net increase of \$2,568,685 or 2.8%. 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, Vehicle Maintenance and Emergency Medical Service Department
- Purchased fire equipment for several of the fire districts in Pickens County
- Built a Septage receiving center for the Public Service Commission
- Land for the new Detention Center
- Backup Center for the 911 System
- Radio system upgrade for Glassy Mountain
- Land for a new intake at the Cateechee Beach in Six Mile

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

Figure 4

| | Governmental Activities | | Business-type Activities | | Total | Total |
|---------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | \$ 4,641,337 | \$ 4,284,937 | \$ 2,060,937 | \$ 2,060,937 | \$ 6,702,274 | \$ 6,345,874 |
| Buildings | 24,799,512 | 26,304,887 | 2,150,037 | 2,232,804 | 26,949,549 | 28,537,691 |
| Improvements and infrastructure | 17,061,267 | 17,756,545 | 27,020,112 | 27,302,438 | 44,081,379 | 45,058,983 |
| Machinery and equipment | 10,760,460 | 10,351,680 | 300,898 | 176,170 | 11,061,358 | 10,527,850 |
| Construction in progress | 4,838,991 | 249,779 | 58,654 | 403,343 | 4,897,645 | 653,122 |
| Total | \$ 62,101,567 | \$ 58,947,828 | \$ 31,590,638 | \$ 32,175,692 | \$ 93,692,205 | \$ 91,123,520 |

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, 2017, Pickens County had total bonded debt outstanding of \$8,502,194, part of which is debt backed by the full faith and credit of the County.

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

| | Governmental Activities | |
|--------------------------|----------------------------|---------------------|
| | 2017 | 2016 |
| General obligation bonds | \$ 8,502,194 | \$ 7,300,924 |

Figure 5

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 \$38,274,246. The County has \$2,276,373 in bonds and notes authorized at June 30, 2017, 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, 2018

The budget has a slight increase for fiscal year 2018. The total expenditures for fiscal year 2018 will be \$65,161,517 compared to \$60,942,992 for fiscal year 2017, which is an increase of 6.9%. The budget includes no cost of living adjustment for employees since the County implemented a new wage study in FY 2017. 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. Other notable items in the budget include the expansion of the T-hangars and Box hangars at the Airport, health insurance increase of 5%, new software for the Sheriff's Office and 911 System, and new School Resource Officer, Patrol Officers and Communication Specialist for the Sheriff's Office. The largest portion of the General Fund expenditures is personnel services, which account for 72.65% of the budget. The largest portion on the revenue side is taxes and this accounts for 66.3% of the revenue. Taxes are made up of property taxes and sales and use taxes and account for 69% and 31% of all taxes in the General Fund, respectively.

Requests for Information

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION

Exhibit A

JUNE 30, 2017

| | Governmental Activities | Business- Type Activities | Total Primary Government | Alliance Pickens | Total Reporting Unit |
|---|----------------------------|---------------------------------|--------------------------------|---------------------|----------------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | 46,488,550 | \$ 1,958,167 | \$ 48,446,717 | \$ 232,274 | \$ 48,678,991 |
| Property taxes receivable | 3,379,741 | - | 3,379,741 | - | 3,379,741 |
| Accounts receivable | 2,006,529 | 164,990 | 2,171,519 | 10,094 | 2,181,613 |
| Due from other governments | 3,309,978 | 251,763 | 3,561,741 | - | 3,561,741 |
| Advances to other funds | 2,122,021 | - | 2,122,021 | - | 2,122,021 |
| Note receivable | 3,265 | - | 3,265 | - | 3,265 |
| Inventories | 436,902 | 44,209 | 481,111 | - | 481,111 |
| Prepaid items | 46,320 | - | 46,320 | 31 | 46,351 |
| Total current assets | 57,793,306 | 2,419,129 | 60,212,435 | 242,399 | 60,454,834 |
| Non-current assets: | | | | | |
| Land held for resale | 837,744 | - | 837,744 | - | 837,744 |
| Capital assets, not being depreciated | 9,480,328 | 2,119,591 | 11,599,919 | - | 11,599,919 |
| Capital assets, net of accumulated depreciation | 52,621,239 | 29,471,047 | 82,092,286 | - | 82,092,286 |
| Total non-current assets | 62,939,311 | 31,590,638 | 94,529,949 | - | 94,529,949 |
| Total assets | 120,732,617 | 34,009,767 | 154,742,384 | 242,399 | 154,984,783 |
| DEFERRED OUTFLOW OF RESOURCES | | | | | |
| Deferred outflow related to state pension | 7,465,506 | 232,748 | 7,698,254 | - | 7,698,254 |
| Total deferred outflow of resources | 7,465,506 | 232,748 | 7,698,254 | - | 7,698,254 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 3,613,013 | 192,601 | 3,805,614 | 16,364 | 3,821,978 |
| Accrued payroll | 1,128,624 | 24,818 | 1,153,442 | 8,637 | 1,162,079 |
| Advances from other funds | 2,098,286 | 23,735 | 2,122,021 | - | 2,122,021 |
| Accrued interest payable | 57,245 | - | 57,245 | - | 57,245 |
| Current portion, long-term debt | 3,258,861 | 148,577 | 3,407,438 | - | 3,407,438 |
| Current portion, compensated absences | - | 12,972 | 12,972 | - | 12,972 |
| Total current liabilities | 10,156,029 | 402,703 | 10,558,732 | 25,001 | 10,583,733 |
| Non-current liabilities: | | | | | |
| Landfill closure and postclosure | 3,260,923 | - | 3,260,923 | - | 3,260,923 |
| Capital leases | 67,157 | - | 67,157 | - | 67,157 |
| Notes payable | 2,280,556 | - | 2,280,556 | - | 2,280,556 |
| General obligation bonds | 5,990,392 | - | 5,990,392 | - | 5,990,392 |
| Revenue bonds | - | 6,027,169 | 6,027,169 | - | 6,027,169 |
| Accrued compensated absences | 633,200 | 553 | 633,753 | - | 633,753 |
| Net pension liability | 44,180,232 | 929,205 | 45,109,437 | - | 45,109,437 |
| Net OPEB obligation | 6,288,722 | 0 | 6,288,722 | - | 6,288,722 |
| Total non-current liabilities | 62,701,182 | 6,956,927 | 69,658,109 | - | 69,658,109 |
| Total liabilities | 72,857,211 | 7,359,630 | 80,216,841 | 25,001 | 80,241,842 |
| DEFERRED INFLOW OF RESOURCES | | | | | |
| Deferred revenue - taxes | 693,025 | 15,665 | 708,690 | 150,713 | 859,403 |
| Deferred inflow related to state pension | 858,881 | 26,777 | 885,658 | - | 885,658 |
| Total deferred inflow of resources | 1,551,906 | 42,442 | 1,594,348 | 150,713 | 1,745,061 |
| NET POSITION (DEFICIT) | | | | | |
| Net investment in capital assets | 50,700,319 | 25,414,892 | 76,115,211 | - | 76,115,211 |
| Restricted for: | | | | | |
| Debt service | 2,455,600 | - | 2,455,600 | - | 2,455,600 |
| Public works | 4,932,370 | - | 4,932,370 | - | 4,932,370 |
| Public safety | 4,555,297 | - | 4,555,297 | - | 4,555,297 |
| Cultural and recreation | 2,701,991 | - | 2,701,991 | - | 2,701,991 |
| Intergovernmental | 1,507,022 | - | 1,507,022 | - | 1,507,022 |
| USDA bonds | - | 825,048 | 825,048 | - | 825,048 |
| Net position (deficit), unrestricted | (13,063,593) | 600,503 | (12,463,090) | 66,685 | (12,396,405) |
| Total net position | \$ 53,789,006 | \$ 26,840,443 | \$ 80,629,449 | \$ 66,685 | \$ 80,696,134 |

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, 2017

| 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 | \$ 14,753,128 | \$ 1,611,385 | \$ 388,635 | \$ - | \$ (12,753,108) | \$ - | \$ (12,753,108) | \$ - | \$ (12,753,108) |
| Public safety | 26,064,443 | 8,176,614 | 1,341,469 | - | (16,546,360) | - | (16,546,360) | - | (16,546,360) |
| Public works | 15,651,931 | 1,301,204 | 4,993,751 | - | (9,356,976) | - | (9,356,976) | - | (9,356,976) |
| Health and welfare | 920,068 | 103,296 | 138,833 | - | (677,939) | - | (677,939) | - | (677,939) |
| Cultural and recreation | 4,820,156 | 625,362 | 339,512 | - | (3,855,282) | - | (3,855,282) | - | (3,855,282) |
| Economic development | 1,288,055 | - | - | - | (1,288,055) | - | (1,288,055) | - | (1,288,055) |
| Assistance to other agencies | 1,543,750 | - | - | - | (1,543,750) | - | (1,543,750) | - | (1,543,750) |
| Debt service - other | 362,033 | - | - | - | (362,033) | - | (362,033) | - | (362,033) |
| Total governmental activities | 65,403,564 | 11,817,861 | 7,202,200 | - | (46,383,503) | - | (46,383,503) | - | (46,383,503) |
| Business-type activities: | | | | | | | | | |
| Public Service Commission | 2,844,825 | 1,368,923 | - | 1,111,193 | - | (364,709) | (364,709) | - | (364,709) |
| Airport | 837,400 | 621,303 | - | - | - | (216,097) | (216,097) | - | (216,097) |
| Total business-type activities | 3,682,225 | 1,990,226 | - | 1,111,193 | - | (580,806) | (580,806) | - | (580,806) |
| Total primary government | \$ 69,085,789 | \$ 13,808,087 | \$ 7,202,200 | \$ 1,111,193 | (46,383,503) | \$ (580,806) | \$ (46,964,309) | \$ - | \$ (46,964,309) |
| Component unit: | | | | | | | | | |
| Alliance Pickens | \$ 457,914 | \$ - | \$ 118,000 | \$ - | \$ - | \$ - | \$ - | \$ (339,914) | \$ (339,914) |
| Total component units | \$ 457,914 | \$ - | \$ 118,000 | \$ - | \$ - | \$ - | \$ - | \$ (339,914) | \$ (339,914) |
| General revenues (expenses): | | | | | | | | | |
| Property taxes | | | | | \$ 27,096,468 | \$ - | \$ 27,096,468 | \$ - | \$ 27,096,468 |
| Sales taxes | | | | | 9,410,420 | - | 9,410,420 | - | 9,410,420 |
| Franchise taxes | | | | | 440,901 | - | 440,901 | - | 440,901 |
| Grants and contributions not restricted to specific programs | | | | | 5,213,027 | - | 5,213,027 | - | 5,213,027 |
| Investment earnings | | | | | 353,202 | - | 353,202 | 322 | 353,524 |
| (Loss) on sale of capital assets | | | | | (511,172) | - | (511,172) | - | (511,172) |
| Other revenues and expenses | | | | | (188,977) | - | (188,977) | 351,626 | 162,649 |
| Transfers | | | | | (328,751) | 328,751 | - | - | - |
| Total general revenues and transfers, net | | | | | 41,485,118 | 328,751 | 41,813,869 | 351,948 | 42,165,817 |
| Change in net position | | | | | (4,898,385) | (252,055) | (5,150,440) | 12,034 | (5,138,406) |
| Net position - beginning | | | | | 58,687,391 | 27,092,498 | 85,779,889 | 54,651 | 85,834,540 |
| Net position - ending | | | | | \$ 53,789,006 | \$ 26,840,443 | \$ 80,629,449 | \$ 66,685 | \$ 80,696,134 |

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, 2017

| | General Fund | State Road C-Fund | Fire Districts | Other Governmental Funds | Total Governmental Funds |
|---|-------------------------|------------------------------|---------------------------|---|---|
| ASSETS | | | | | |
| Cash and investments | \$ 28,893,119 | \$ 3,777,925 | \$ 4,123,863 | \$ 9,693,643 | \$ 46,488,550 |
| Property taxes receivable | 1,905,151 | - | 713,495 | 761,095 | 3,379,741 |
| Accounts receivable - EMS | 1,367,062 | - | - | - | 1,367,062 |
| Accounts receivable - other | 510,082 | 8,808 | 65,420 | 55,586 | 639,896 |
| Due from other governments | 2,462,996 | 152,013 | - | 694,969 | 3,309,978 |
| Note receivable | 3,265 | - | - | - | 3,265 |
| Advances to other funds | 2,122,021 | - | - | - | 2,122,021 |
| Inventories | 436,902 | - | - | - | 436,902 |
| Prepaid items | 36,052 | - | 2,595 | 7,673 | 46,320 |
| Land held for resale | 837,744 | - | - | - | 837,744 |
| Total assets | <u>\$ 38,574,394</u> | <u>\$ 3,938,746</u> | <u>\$ 4,905,373</u> | <u>\$ 11,212,966</u> | <u>\$ 58,631,479</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 2,956,495 | \$ 5,291 | \$ 266,197 | \$ 385,459 | \$ 3,613,442 |
| Accrued payroll | 951,687 | - | 71,027 | 105,910 | 1,128,624 |
| Advances from general fund | - | - | 1,467,821 | 630,465 | 2,098,286 |
| Total liabilities | <u>3,908,182</u> | <u>5,291</u> | <u>1,805,045</u> | <u>1,121,834</u> | <u>6,840,352</u> |
| Deferred Inflows of Resources: | | | | | |
| Deferred revenue - delinquent taxes | <u>3,224,009</u> | <u>-</u> | <u>668,609</u> | <u>1,319,095</u> | <u>5,211,713</u> |
| Total deferred inflows of resources | <u>3,224,009</u> | <u>-</u> | <u>668,609</u> | <u>1,319,095</u> | <u>5,211,713</u> |
| Fund Balances: | | | | | |
| Nonspendable | 1,310,699 | - | 2,595 | 7,673 | 1,320,967 |
| Restricted | - | 3,933,455 | 3,091,229 | 9,127,596 | 16,152,280 |
| Committed | - | - | - | - | - |
| Assigned | 8,544,709 | - | - | - | 8,544,709 |
| Unassigned | <u>21,586,795</u> | <u>-</u> | <u>(662,105)</u> | <u>(363,232)</u> | <u>20,561,458</u> |
| Total fund balances | <u>31,442,203</u> | <u>3,933,455</u> | <u>2,431,719</u> | <u>8,772,037</u> | <u>46,579,414</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 38,574,394</u> | <u>\$ 3,938,746</u> | <u>\$ 4,905,373</u> | <u>\$ 11,212,966</u> | <u>\$ 58,631,479</u> |

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

Exhibit C-2

JUNE 30, 2017

| | |
|---|----------------------|
| Total Governmental Fund Balances | \$ 46,579,414 |
| 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. | 62,101,567 |
| 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. | 4,518,688 |
| Net deferred outflows reported in governmental funds balance sheet includes balances related to the state pension liability. The balances were deferred because funds were not available to pay current-period expenditures | 6,606,625 |
| 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 | (3,388,923) |
| Capital leases | (140,593) |
| Notes payable | (2,761,179) |
| General obligation bonds | (8,502,194) |
| Net pension liability | (44,180,232) |
| Accrued compensated absences | (698,200) |
| Net OPEB obligation | (6,288,722) |
| Accrued interest payable | (57,245) |
| Net Position of Governmental Activities | \$ 53,789,006 |

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-1

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

YEAR ENDED JUNE 30, 2017

| | General Fund | State Road C-Fund | Fire Districts | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------|---------------------|--------------------------------|--------------------------------|
| Revenues | | | | | |
| Taxes | \$ 27,024,972 | \$ - | \$ 1,537,800 | \$ 7,388,315 | \$ 35,951,087 |
| Intergovernmental | 5,534,578 | 2,866,880 | - | 1,877,829 | 10,279,287 |
| Fees, licenses and permits | 947,610 | - | 2,910,501 | 3,173,229 | 7,031,340 |
| Charges for services | 6,654,722 | - | - | 125,991 | 6,780,713 |
| Fines and forfeitures | 452,089 | - | - | 208,368 | 660,457 |
| Investment income | 408,088 | 5,772 | 5,413 | 3,424 | 422,697 |
| Rental income | 22,616 | - | - | - | 22,616 |
| Contributions | 1,255 | - | 2,795 | 294 | 4,344 |
| Other revenues | 189,989 | - | 66,350 | 16,392 | 272,731 |
| Total revenues | <u>41,235,919</u> | <u>2,872,652</u> | <u>4,522,859</u> | <u>12,793,842</u> | <u>61,425,272</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 12,021,434 | - | - | 372,044 | 12,393,478 |
| Public safety | 18,545,855 | - | 4,034,280 | 1,254,596 | 23,834,731 |
| Public works | 5,336,083 | 4,349,937 | - | 3,786,892 | 13,472,912 |
| Health and welfare | 888,236 | - | - | 2,780 | 891,016 |
| Culture and recreation | 1,038,809 | - | - | 3,439,513 | 4,478,322 |
| Economic development and assistance | 1,189,981 | - | - | - | 1,189,981 |
| Other | 766,709 | - | - | 1,143,107 | 1,909,816 |
| Intergovernmental | 383,145 | - | - | - | 383,145 |
| Capital outlay | 2,052,632 | - | 850,282 | 4,904,671 | 7,807,585 |
| Debt service: | | | | | |
| Principal retirement | - | - | 150,988 | 1,334,205 | 1,485,193 |
| Interest and fiscal charges | - | - | 65,674 | 293,598 | 359,272 |
| Total expenditures | <u>42,222,884</u> | <u>4,349,937</u> | <u>5,101,224</u> | <u>16,531,406</u> | <u>68,205,451</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(986,965)</u> | <u>(1,477,285)</u> | <u>(578,365)</u> | <u>(3,737,564)</u> | <u>(6,780,179)</u> |
| Other financing sources (uses) | | | | | |
| Issuance of debt | - | - | 650,000 | 1,500,000 | 2,150,000 |
| Transfers in (out) | (2,016,300) | - | - | 1,687,549 | (328,751) |
| Total other financing sources (uses) | <u>(2,016,300)</u> | <u>-</u> | <u>650,000</u> | <u>3,187,549</u> | <u>1,821,249</u> |
| Net change in fund balances | <u>(3,003,265)</u> | <u>(1,477,285)</u> | <u>71,635</u> | <u>(550,015)</u> | <u>(4,958,930)</u> |
| Fund balance - beginning | <u>34,445,468</u> | <u>5,410,740</u> | <u>2,360,084</u> | <u>9,322,052</u> | <u>51,538,344</u> |
| Fund balance - ending | <u>\$ 31,442,203</u> | <u>\$ 3,933,455</u> | <u>\$ 2,431,719</u> | <u>\$ 8,772,037</u> | <u>\$ 46,579,414</u> |

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, 2017

Net Change in Fund Balances - Total Governmental Funds \$ (4,958,930)

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 \$7,807,585 exceeded depreciation expense of \$4,048,302 in the current period. | 3,744,702 |
| Net gain on disposal of assets not recorded in funds | (511,172) |
| Proceeds of sales not recorded in governmental activities | (79,791) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds: | |
| Property taxes | 367,936 |
| 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. | (2,150,000) |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 1,485,193 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due. | (2,761) |
| Compensated absences that have not matured, together with expenditures associated with changes in compensated absence accruals, are not reported at the fund level. | (36,377) |
| 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 | (970,626) |
| Change in net pension liability | (1,084,776) |
| Change in net OPEB obligation | (701,783) |
| Change in Net Position of Governmental Activities | <u><u>\$ (4,898,385)</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, 2017

| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
|--|----------------------------|-------------------------|----------------------|--|
| Revenues | | | | |
| Taxes | \$ 26,110,462 | \$ 26,110,462 | \$ 27,024,972 | \$ 914,510 |
| Intergovernmental | 5,257,221 | 5,412,968 | 5,534,578 | 121,610 |
| Fees, licenses and permits | 805,000 | 805,000 | 947,610 | 142,610 |
| Charges for services | 6,055,851 | 6,055,851 | 6,654,722 | 598,871 |
| Fines and forfeitures | 526,500 | 526,500 | 452,089 | (74,411) |
| Investment income | 365,491 | 365,491 | 408,088 | 42,597 |
| Rental income | 20,760 | 20,760 | 22,616 | 1,856 |
| Contributions | - | - | 1,255 | 1,255 |
| Other revenues | 92,300 | 92,300 | 189,989 | 97,689 |
| Total revenues | <u>39,233,585</u> | <u>39,389,332</u> | <u>41,235,919</u> | <u>1,846,587</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 11,555,169 | 12,445,864 | 12,021,434 | 424,430 |
| Public safety | 17,655,908 | 18,794,000 | 18,545,855 | 248,145 |
| Public works | 5,539,696 | 5,605,200 | 5,336,083 | 269,117 |
| Health and welfare | 921,947 | 965,823 | 888,236 | 77,587 |
| Culture and recreation | 886,832 | 1,462,370 | 1,038,809 | 423,561 |
| Economic development and assistance | - | 2,000,000 | 1,189,981 | 810,019 |
| Other | 960,059 | 958,257 | 766,709 | 191,548 |
| Intergovernmental | 1,386,737 | 432,633 | 383,145 | 49,488 |
| Capital outlay | 1,895,545 | 2,135,154 | 2,052,632 | 82,522 |
| Total expenditures | <u>40,801,893</u> | <u>44,799,301</u> | <u>42,222,884</u> | <u>2,576,417</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,568,308)</u> | <u>(5,409,969)</u> | <u>(986,965)</u> | <u>4,423,004</u> |
| Other financing uses | | | | |
| Transfers out | <u>(692,288)</u> | <u>(2,520,582)</u> | <u>(2,016,300)</u> | <u>504,282</u> |
| Total other financing uses | <u>(692,288)</u> | <u>(2,520,582)</u> | <u>(2,016,300)</u> | <u>504,282</u> |
| Net change in fund balances | <u>\$ (2,260,596)</u> | <u>\$ (7,930,551)</u> | <u>(3,003,265)</u> | <u>\$ 4,927,286</u> |
| Fund balance - beginning | | | <u>34,445,468</u> | |
| Fund balance - ending | | | <u>\$ 31,442,203</u> | |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------|--|
| Revenues | | | | |
| Taxes | \$ 1,489,860 | \$ 1,489,860 | \$ 1,537,800 | \$ 47,940 |
| Fees, licenses and permits | 2,944,569 | 2,944,569 | 2,910,501 | (34,068) |
| Investment income | 500 | 500 | 5,413 | 4,913 |
| Contributions | - | - | 2,795 | 2,795 |
| Other revenues | 2,300 | 2,300 | 66,350 | 64,050 |
| Total revenues | <u>4,437,229</u> | <u>4,437,229</u> | <u>4,522,859</u> | <u>85,630</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 3,986,803 | 4,169,664 | 4,034,280 | 135,384 |
| Capital outlay | 1,109,184 | 1,566,046 | 850,282 | 715,764 |
| Debt service: | | | | |
| Principal retirement | 346,787 | 288,787 | 150,988 | 137,799 |
| Interest and fiscal charges | 65,673 | 65,674 | 65,674 | - |
| Total expenditures | <u>5,508,447</u> | <u>6,090,171</u> | <u>5,101,224</u> | <u>988,947</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,071,218)</u> | <u>(1,652,942)</u> | <u>(578,365)</u> | <u>1,074,577</u> |
| Other financing sources (uses) | | | | |
| Issuance of debt | - | 625,000 | 650,000 | 25,000 |
| Transfers in (out) | - | - | - | - |
| Total other financing uses | <u>-</u> | <u>625,000</u> | <u>650,000</u> | <u>25,000</u> |
| Net change in fund balances | <u>\$ (1,071,218)</u> | <u>\$ (1,027,942)</u> | 71,635 | <u>\$ 1,099,577</u> |
| Fund balance - beginning | | | <u>2,360,084</u> | |
| Fund balance - ending | | | <u>\$ 2,431,719</u> | |

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

Exhibit E

JUNE 30, 2017

| | Enterprise Funds | | |
|--|--|---------------------|----------------------|
| | Public Service Commission | Airport | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 1,958,067 | \$ 100 | \$ 1,958,167 |
| Accounts receivable - other | 164,990 | - | 164,990 |
| Due from other governments | 251,763 | - | 251,763 |
| Inventories | - | 44,209 | 44,209 |
| Total current assets | <u>2,374,820</u> | <u>44,309</u> | <u>2,419,129</u> |
| Capital assets: | | | |
| Land | 336,166 | 1,724,771 | 2,060,937 |
| Construction in process | 4,200 | 54,454 | 58,654 |
| 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 | 635,768 | 476,276 | 1,112,044 |
| Less accumulated depreciation | <u>(14,616,943)</u> | <u>(5,264,691)</u> | <u>(19,881,634)</u> |
| Total noncurrent assets | <u>26,977,419</u> | <u>4,613,219</u> | <u>31,590,638</u> |
| Total assets | <u>29,352,239</u> | <u>4,657,528</u> | <u>34,009,767</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred outflow related to state pension | <u>173,728</u> | <u>59,020</u> | <u>232,748</u> |
| Total deferred outflow of resources | <u>173,728</u> | <u>59,020</u> | <u>232,748</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 181,175 | 11,426 | 192,601 |
| Accrued payroll | 17,324 | 7,494 | 24,818 |
| Advances from general fund | - | 23,735 | 23,735 |
| Unearned revenue | 15,665 | - | 15,665 |
| Current portion of long-term debt | 148,577 | - | 148,577 |
| Current portion of compensated absences | <u>12,972</u> | <u>-</u> | <u>12,972</u> |
| Total current liabilities | <u>375,713</u> | <u>42,655</u> | <u>418,368</u> |
| Long-term liabilities: | | | |
| Revenue bonds | 6,027,169 | - | 6,027,169 |
| Net pension liability | 738,588 | 190,617 | 929,205 |
| Net OPEB obligation | 0 | 0 | - |
| Accrued compensated absences | <u>76</u> | <u>477</u> | <u>553</u> |
| Total noncurrent liabilities | <u>6,765,833</u> | <u>191,094</u> | <u>6,956,927</u> |
| Total liabilities | <u>7,141,546</u> | <u>233,749</u> | <u>7,375,295</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred inflow related to state pension | <u>19,987</u> | <u>6,790</u> | <u>26,777</u> |
| Total deferred inflow of resources | <u>19,987</u> | <u>6,790</u> | <u>26,777</u> |
| NET POSITION | | | |
| Net investment in capital assets | 20,801,673 | 4,613,219 | 25,414,892 |
| Restricted for USDA | 825,048 | - | 825,048 |
| Unrestricted | <u>737,713</u> | <u>(137,210)</u> | <u>600,503</u> |
| Total net position | <u>\$ 22,364,434</u> | <u>\$ 4,476,009</u> | <u>\$ 26,840,443</u> |

PICKENS COUNTY, SOUTH CAROLINA

Exhibit F

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

YEAR ENDED JUNE 30, 2017

| | Enterprise Funds | | |
|--|--|---------------------|----------------------|
| | Public Service Commission | Airport | Total |
| Operating revenues | | | |
| Charges for services | \$ 1,368,923 | \$ 621,303 | \$ 1,990,226 |
| Total operating revenues | <u>1,368,923</u> | <u>621,303</u> | <u>1,990,226</u> |
| Operating expenses | | | |
| Salaries and benefits | 510,890 | 145,220 | 656,110 |
| Depreciation | 1,138,242 | 243,752 | 1,381,994 |
| Other expenses | 942,966 | 448,428 | 1,391,394 |
| Public works | 2,483 | - | 2,483 |
| Health and welfare | - | - | - |
| Total operating expenses | <u>2,594,581</u> | <u>837,400</u> | <u>3,431,981</u> |
| Operating loss | <u>(1,225,658)</u> | <u>(216,097)</u> | <u>(1,441,755)</u> |
| Nonoperating expense | | | |
| Interest and fiscal charges | (250,244) | - | (250,244) |
| Total nonoperating expense | <u>(250,244)</u> | <u>-</u> | <u>(250,244)</u> |
| Loss before transfers and contributions | (1,475,902) | (216,097) | (1,691,999) |
| Transfers in | 328,751 | - | 328,751 |
| Capital contributions | 1,111,193 | - | 1,111,193 |
| Change in net position | (35,958) | (216,097) | (252,055) |
| Total net position - beginning | <u>22,400,392</u> | <u>4,692,106</u> | <u>27,092,498</u> |
| Total net position - ending | <u>\$ 22,364,434</u> | <u>\$ 4,476,009</u> | <u>\$ 26,840,443</u> |

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

Exhibit G

YEAR ENDED JUNE 30, 2017

| | Enterprise Funds | | |
|---|-------------------------|------------------|---------------------|
| | Public | | |
| | Service | | |
| | Commission | Airport | Total |
| Operating activities | | | |
| Receipts from customers and users | \$ 1,302,214 | \$ 621,303 | \$ 1,923,517 |
| Payments to suppliers | (1,108,186) | (494,026) | (1,602,212) |
| Payments to employees | (256,351) | (54,200) | (310,551) |
| Other payments | (2,483) | - | (2,483) |
| Net cash used in operating activities | (64,806) | 73,077 | 8,271 |
| Noncapital financing activities | | | |
| Transfers from other funds | 328,751 | (1,071) | 327,680 |
| Net cash provided by noncapital financing activities | 328,751 | (1,071) | 327,680 |
| Capital and related financing activities | | | |
| Capital contributions | 1,111,193 | - | 1,111,193 |
| Capital transfers from other funds | - | 14,582 | 14,582 |
| Acquisition and construction of capital assets | (773,357) | (38,165) | (811,522) |
| Principal paid on capital debt | (129,793) | - | (129,793) |
| Interest paid on capital debt | (250,244) | - | (250,244) |
| Net cash provided by (used in) capital and related financing activities | (42,201) | (23,583) | (65,784) |
| Net decrease in cash and cash equivalents/investments | 221,744 | 48,423 | 270,167 |
| Cash and investments | | | |
| Beginning of year | 1,877,819 | 100 | 1,877,919 |
| End of year | <u>\$ 2,099,563</u> | <u>\$ 48,523</u> | <u>\$ 2,148,086</u> |
| Reconciliation of operating loss to net cash used in operating activities | | | |
| Operating loss | \$ (1,225,658) | \$ (216,097) | \$ (1,441,755) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | | |
| Depreciation | 1,138,242 | 243,752 | 1,381,994 |
| Change in operating assets and liabilities: | | | |
| Accounts receivable - other and due from other governments | (62,163) | - | (62,163) |
| Inventories | - | (7,124) | (7,124) |
| Deferred outflow related to state pension | (122,102) | (46,322) | (168,424) |
| Accounts payable and accrued expenses | (53,331) | 7,018 | (46,313) |
| Unearned revenue | (4,546) | - | (4,546) |
| Net pension liability | 119,830 | 40,710 | 160,540 |
| Net OPEB obligation | 141,496 | 48,423 | 189,919 |
| Deferred inflow related to state pension | 3,426 | 2,717 | 6,143 |
| Total adjustments | 1,160,852 | 289,174 | 1,450,026 |
| Net cash provided by operating activities | <u>\$ (64,806)</u> | <u>\$ 73,077</u> | <u>\$ 8,271</u> |

PICKENS COUNTY, SOUTH CAROLINA

Exhibit H

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

JUNE 30, 2017

| | Total Agency Funds |
|-----------------------------|-----------------------------------|
| | <u> </u> |
| ASSETS | |
| Cash and investments | \$ 36,898,768 |
| Accounts receivable - other | 2,352 |
| Property taxes receivable | <u>7,933,363</u> |
| Total assets | <u><u>\$ 44,834,483</u></u> |
| | |
| LIABILITIES | |
| Accounts payable | \$ 68,994 |
| Due to others | <u>44,765,489</u> |
| Total liabilities | <u><u>\$ 44,834,483</u></u> |

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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, 2017

Note 1—Summary of significant accounting policies (continued)

Basis of Presentation – continued

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

The major funds types are as follows:

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

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

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

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

Basis of Presentation – continued

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

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

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

Airport 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. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded when payment is due.

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

Measurement Focus and Basis of Accounting – continued

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

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

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

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

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

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

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

Cash and Investments

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

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

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

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the current fiscal year are referred to as “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.

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, 2017

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.

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

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

The landfill capacity used to date of the third County landfill equals 88%. Actual cost may be higher due to inflation, changes in technology or changes in regulation. The County anticipates that available resources will be the primary source of funds to pay for closure and postclosure care costs.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County recognized a deferred outflow for the year ended June 30, 2017 related to contributions subsequent to the measurement date of the net pension liability as well as the difference in expected and actual experience in the measurement of the net pension liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two such items which qualify for reporting in this category. The first item, *deferred revenue – taxes*, is reported in the governmental funds balance sheet 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.

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, 2017

Note 1—Summary of significant accounting policies (continued)

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

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

Unassigned – All amounts not included in other spendable classifications.

At June 30, 2017, the County’s governmental fund balances were classified as follows:

| | General Fund | State Road C-Fund | Fire Districts | Other Governmental Funds | Total Governmental Funds |
|---------------------------|----------------------|----------------------|---------------------|--------------------------------|--------------------------------|
| Net position | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | \$ 36,052 | \$ - | \$ 2,595 | \$ 7,673 | \$ 46,320 |
| Inventories | 436,903 | - | - | - | 436,903 |
| Land held for resale | 837,744 | - | - | - | 837,744 |
| Total nonspendable | <u>1,310,699</u> | <u>-</u> | <u>2,595</u> | <u>7,673</u> | <u>1,320,967</u> |
| Restricted: | | | | | |
| Tri-County Tech | - | - | - | 1,507,022 | 1,507,022 |
| Fixed nuclear | - | - | - | 15,487 | 15,487 |
| Law enforcement | - | - | - | 487,057 | 487,057 |
| Library | - | - | - | 2,064,897 | 2,064,897 |
| Culture and recreation | - | - | - | 637,094 | 637,094 |
| Transportation roads | - | 3,933,455 | - | 998,915 | 4,932,370 |
| Emergency phone system | - | - | - | 961,524 | 961,524 |
| Debt service | - | - | - | 2,455,600 | 2,455,600 |
| Fire rescue | - | - | 3,091,229 | - | 3,091,229 |
| Total restricted | <u>-</u> | <u>3,933,455</u> | <u>3,091,229</u> | <u>9,127,596</u> | <u>16,152,280</u> |
| Committed: | | | | | |
| Capital projects | - | - | - | - | - |
| Total committed | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Assigned: | | | | | |
| Advances and encumbrances | 3,411,244 | - | - | - | 3,411,244 |
| Capital projects | 5,133,465 | - | - | - | 5,133,465 |
| Total assigned | <u>8,544,709</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,544,709</u> |
| Unassigned | 21,586,795 | - | (662,105) | (363,232) | 20,561,458 |
| Total fund balances | <u>\$ 31,442,203</u> | <u>\$ 3,933,455</u> | <u>\$ 2,431,719</u> | <u>\$ 8,772,037</u> | <u>\$ 46,579,414</u> |

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Summary of significant accounting policies (continued)

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

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

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

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

GASB Statement No. 77, *Tax Abatement Disclosures*, effective for the periods beginning after December 15, 2015, requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The new disclosures about a government's own tax abatement agreements include the purpose of tax abatement programs, the tax being abated, the dollar amount of taxes abated, any provisions for recapturing abated taxes, types of commitments made by the tax abatement recipient, and other commitments made by a government in regard to tax abatement agreements. The new disclosures about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues include the name of the government entering into the abatement agreement, the tax being abated, and the dollar amount for the reporting government's taxes abated. Adoption of this standard had no impact on the financial statements of the County other than the additional disclosures found in Note 12.

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

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

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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 County is currently assessing the impact this statement will have of 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.

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, 2017, the Six Mile Fire District Fund, Liberty Fire District Fund, Dacusville Fire District Fund, and the Grants Fund had an unassigned deficit of \$395,955, \$156,828, \$109,322, and \$549, respectively. These fund deficits will be replenished over the next 6 years as the fire districts pay the County for an advance of funds.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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, 2017, as follows:

| | |
|--------------------------|---------------------|
| General Fund | \$ 1,289,222 |
| State Road C-Fund | 65,388 |
| Fire Districts | 220,356 |
| Other Governmental Funds | 1,313,460 |
| | <u>\$ 2,888,426</u> |

Note 3—Deposits and investments

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

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 \$85,345,485 and a total bank balance of \$84,680,371, of which \$29,250,000 was covered by FDIC insurance and \$55,430,371 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, 2017, the Alliance’s deposits had a carrying value of \$232,274 and a bank balance of \$194,392. Of this bank balance, the entire portion is covered by the \$250,000 FDIC insurance.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 3—Deposits and investments (continued)

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

| | |
|--|----------------------|
| Unrestricted cash, including time deposits | \$ 48,446,717 |
| Agency fund cash (not included in government-wide statement) | 36,898,768 |
| | <u>\$ 85,345,485</u> |

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. In accordance with its investment policy, the County manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature in time to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In accordance with its investment policy, the County manages its exposure to credit risk by 1) limiting investments to types of securities allowed by law; 2) pre-qualifying the financial institutions, brokers, intermediaries, and advisers with which the County invests; and 3) diversifying the investment portfolio so that the impact of potential losses from one type of security or from any one individual issuer are minimized.

For an investment, custodial credit risk is the risk that in event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. In accordance with its investment policy, the County minimizes custodial credit risk by limiting investments to the types of securities allowed by law and by pre-qualifying the financial institutions, brokers, intermediaries, and advisers with which the County invests.

Investments are reported at fair value and categorized within the fair value hierarchy established under accounting principles generally accepted in United States of America ("GAAP"). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Gains or losses that results from market fluctuation are reported in the current period. As of June 30, 2017, the County had certificates of deposit that are classified as level 2 investments.

Cash and investments at June 30, 2017 are summarized as follows:

| | |
|-------------------------|----------------------|
| Cash and investments: | |
| Checking and other cash | \$ 24,315,343 |
| Certificates of deposit | 24,131,374 |
| | <u>\$ 48,446,717</u> |

Investment maturities are as follows as of June 30, 2017:

| Investment Type | Fair Value | Investment Maturities (in Years) | | |
|-------------------------|----------------------|----------------------------------|----------------------|----------------------|
| | | Less than 1 Year | 1 - 5 Years | More than 5 Years |
| Certificates of deposit | \$ 24,131,374 | \$ 9,484,106 | \$ 14,647,268 | \$ - |
| | <u>\$ 24,131,374</u> | <u>\$ 9,484,106</u> | <u>\$ 14,647,268</u> | <u>\$ -</u> |

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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, 2017 was \$474,232,466. The estimated market value was \$8,642,144,447, 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, 2017 was \$70.20 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.

Property taxes receivable and allowances for doubtful accounts at June 30, 2017 are summarized as follows:

| | General Fund | State Road C-Fund | Fire Districts | Other Governmental Funds | Total Government Funds | Agency Funds |
|------------------------------------|---------------------|----------------------|-------------------|--------------------------------|------------------------------|---------------------|
| Gross receivables | \$ 2,005,422 | \$ - | \$ 751,048 | \$ 801,152 | \$ 3,557,622 | \$ 8,350,908 |
| Allowance for doubtful accounts | (100,271) | - | (37,553) | (40,057) | (177,881) | (417,545) |
| | <u>\$ 1,905,151</u> | <u>\$ -</u> | <u>\$ 713,495</u> | <u>\$ 761,095</u> | <u>\$ 3,379,741</u> | <u>\$ 7,933,363</u> |

Note 5—Accounts receivable

Accounts receivable at June 30, 2017 are summarized as follows:

| | Fund Wide Statements | | | | Total Government Funds | Business-Type Activities | Agency Funds |
|---|----------------------|----------------------|-------------------|--------------------------------|------------------------------|-----------------------------|-----------------|
| | General Fund | State Road C-Fund | Fire Districts | Other Governmental Funds | | | |
| EMS fees | \$ 13,670,615 | \$ - | \$ - | \$ - | \$ 13,670,615 | \$ - | \$ - |
| Less allowance for doubtful accounts | (12,303,553) | - | - | - | (12,303,553) | - | - |
| | <u>1,367,062</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,367,062</u> | <u>-</u> | <u>-</u> |
| Interest | 289,397 | 8,808 | 4,638 | 3,424 | 306,267 | - | 2,352 |
| Landfill | 55,230 | - | - | - | 55,230 | - | - |
| Other | 165,455 | - | 60,782 | 52,162 | 278,399 | 164,990 | - |
| | <u>510,082</u> | <u>8,808</u> | <u>65,420</u> | <u>55,586</u> | <u>639,896</u> | <u>164,990</u> | <u>2,352</u> |
| | <u>\$ 1,877,144</u> | <u>\$ 8,808</u> | <u>\$ 65,420</u> | <u>\$ 55,586</u> | <u>\$ 2,006,958</u> | <u>\$ 164,990</u> | <u>\$ 2,352</u> |

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 6—Capital assets

Capital asset activity for the year ended June 30, 2017 was as follows:

| | Balance June 30, 2016 | Additions | Deletions | Transfers | Balance June 30, 2017 |
|--|--------------------------------------|---------------------|-----------------------|--------------------|--------------------------------------|
| Governmental Activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 4,284,937 | \$ 356,400 | \$ - | \$ - | \$ 4,641,337 |
| Construction in progress | 249,779 | 4,981,556 | (392,344) | - | 4,838,991 |
| Total capital assets not being depreciated | <u>4,534,716</u> | <u>5,337,956</u> | <u>(392,344)</u> | <u>-</u> | <u>9,480,328</u> |
| Capital assets being depreciated: | | | | | |
| Buildings | 41,849,073 | 112,559 | (683,555) | - | 41,278,077 |
| Improvements and infrastructure | 31,388,236 | 127,335 | - | - | 31,515,571 |
| Machinery and equipment | 31,947,032 | 2,622,079 | (953,810) | (78,396) | 33,536,905 |
| Total capital assets being depreciated | <u>105,184,341</u> | <u>2,861,973</u> | <u>(1,637,365)</u> | <u>(78,396)</u> | <u>106,330,553</u> |
| Less accumulated depreciation: | | | | | |
| Buildings | (15,544,186) | (1,036,912) | 102,533 | - | (16,478,565) |
| Improvements and infrastructure | (13,631,691) | (822,613) | - | - | (14,454,304) |
| Machinery and equipment | (21,595,352) | (2,188,776) | 943,869 | 63,814 | (22,776,445) |
| Total accumulated depreciation | <u>(50,771,229)</u> | <u>(4,048,301)</u> | <u>1,046,402</u> | <u>63,814</u> | <u>(53,709,314)</u> |
| Total capital assets being depreciated, net | <u>54,413,112</u> | <u>(1,186,328)</u> | <u>(590,963)</u> | <u>(14,582)</u> | <u>52,621,239</u> |
| Governmental activities capital assets, net | <u>\$ 58,947,828</u> | <u>\$ 4,151,628</u> | <u>\$ (983,307)</u> | <u>\$ (14,582)</u> | <u>\$ 62,101,567</u> |
| Business-type Activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 2,060,937 | \$ - | \$ - | \$ - | \$ 2,060,937 |
| Construction in progress | 403,343 | 736,377 | (1,081,066) | - | 58,654 |
| Total capital assets not being depreciated | <u>2,464,280</u> | <u>736,377</u> | <u>(1,081,066)</u> | <u>-</u> | <u>2,119,591</u> |
| Capital assets being depreciated: | | | | | |
| Capacity | 5,938,636 | - | - | - | 5,938,636 |
| Buildings | 3,169,578 | - | - | - | 3,169,578 |
| Improvements and infrastructure | 38,181,707 | 950,716 | - | - | 39,132,423 |
| Machinery and equipment | 876,610 | 176,331 | (19,293) | 78,396 | 1,112,044 |
| Total capital assets being depreciated | <u>48,166,531</u> | <u>1,127,047</u> | <u>(19,293)</u> | <u>78,396</u> | <u>49,352,681</u> |
| Less accumulated depreciation: | | | | | |
| Capacity | (936,774) | (82,767) | - | - | (1,019,541) |
| Buildings | (1,670,242) | (148,466) | - | - | (1,818,708) |
| Improvements and infrastructure | (15,147,663) | (1,084,576) | - | - | (16,232,239) |
| Machinery and equipment | (700,440) | (66,185) | 19,293 | (63,814) | (811,146) |
| Total accumulated depreciation | <u>(18,455,119)</u> | <u>(1,381,994)</u> | <u>19,293</u> | <u>(63,814)</u> | <u>(19,881,634)</u> |
| Total capital assets being depreciated, net | <u>29,711,412</u> | <u>(254,947)</u> | <u>-</u> | <u>14,582</u> | <u>29,471,047</u> |
| Business-type activities capital assets, net | <u>\$ 32,175,692</u> | <u>\$ 481,430</u> | <u>\$ (1,081,066)</u> | <u>\$ 14,582</u> | <u>\$ 31,590,638</u> |

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 6—Capital assets (continued)

Depreciation expense was charged to governmental activities as follows:

| | |
|-------------------------|----------------------------|
| General Government | \$ 492,960 |
| Public Safety | 1,820,969 |
| Public Works | 1,216,849 |
| Health and Welfare | 41,390 |
| Cultural and Recreation | 339,452 |
| Economic Development | 98,074 |
| Intergovernmental | 38,607 |
| Total | <u><u>\$ 4,048,301</u></u> |

Construction in progress in the Governmental Activities as of June 30, 2017 represents costs incurred to date on Twelve Mile Recreational Area, Shady Grove Fire Station, Pickens Alliance Building, Poplar Mountain Road Area, Ortho Photography Building, and Glassy Mountain Upgrade. Construction in progress in the Business-type Activities as of June 30, 2017 represents costs of construction for the Septic System at Stockade, Pickens County Septage Receiving Center, Sewer Business Plan and the Crossfield Terminal Development.

Note 7—Long-term debt

Governmental Activities Debt

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

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--------------------------------|------------------------------|----------------------------|----------------------------|-----------------------------|--------------------------------|
| General obligation bonds | \$ 7,300,923 | \$ 2,150,000 | \$ 948,729 | \$ 8,502,194 | \$ 2,511,802 |
| Capital leases | 211,414 | - | 70,822 | 140,592 | 73,435 |
| Notes payable | 3,226,821 | - | 465,641 | 2,761,180 | 480,624 |
| Compensated absences | 661,823 | 100,406 | 64,029 | 698,200 | 65,000 |
| Net OPEB obligation | 5,586,939 | 701,783 | - | 6,288,722 | - |
| Net pension liability | 39,030,882 | 5,149,350 | - | 44,180,232 | - |
| Landfill closure & postclosure | 2,418,297 | 970,626 | - | 3,388,923 | 128,000 |
| Total | <u><u>\$ 58,437,099</u></u> | <u><u>\$ 9,072,165</u></u> | <u><u>\$ 1,549,221</u></u> | <u><u>\$ 65,960,043</u></u> | <u><u>\$ 3,258,861</u></u> |

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 7—Long-term debt (continued)

Governmental Activities Debt – continued

General obligation (general purpose) bonds payable at June 30, 2017, 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%. | \$ 200,000 |
| \$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%. | 599,582 |
| \$3,266,039 2008 general obligation bond used for the Roper Upgrade project; due in quarterly installments of principal and interest of \$51,732 through May 1, 2028; interest at 2.25%. | 2,011,413 |
| \$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%. | 100,000 |
| \$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%. | 833,298 |
| \$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%. | 438,662 |
| \$1,000,000 2013 general obligation bond used to fund Pickens Fire Districts; due in annual installments of principal and interest in the amount of \$151,072 through May 1, 2020; interest of 1.58%. | 147,000 |
| \$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%. | 1,514,851 |
| \$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%. | 507,388 |
| \$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%. | 650,000 |
| \$1,500,000 2017 general obligation bond used to fund the jail expansion; due in annual installments of principal and interest in the amount of \$1,514,235 due October 7, 2017; interest of 1.91%. | 1,500,000 |
| | <u>8,502,194</u> |
| Less current portion | 2,511,802 |
| Long-term portion outstanding | <u><u>\$ 5,990,392</u></u> |

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 7—Long-term debt (continued)

Governmental Activities Debt – continued

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2017 are as follows:

| Year Ending June 30 | Principal | Interest | Totals |
|------------------------|---------------------|-------------------|---------------------|
| 2018 | \$ 2,511,802 | \$ 182,980 | \$ 2,694,782 |
| 2019 | 880,166 | 148,892 | 1,029,058 |
| 2020 | 793,827 | 125,726 | 919,553 |
| 2021 | 657,721 | 106,392 | 764,113 |
| 2022 | 676,505 | 89,183 | 765,688 |
| 2023 to 2027 | 2,363,966 | 229,093 | 2,593,059 |
| 2028 to 2032 | 618,207 | 26,395 | 644,602 |
| | <u>\$ 8,502,194</u> | <u>\$ 908,661</u> | <u>\$ 9,410,855</u> |

Capital leases payable at June 30, 2017, are comprised of the following individual leases:

| | |
|---|------------------|
| \$360,000 capital lease to a bank used for the purchase of a fire truck; payable in annual installments of principal and interest of \$43,221 through May 2018 at 3.47%; collateralized by equipment | \$ 41,772 |
| \$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 | 98,820 |
| | <u>140,592</u> |
| Less current portion | 73,435 |
| Long-term portion outstanding | <u>\$ 67,157</u> |

Annual requirements to amortize all capital leases outstanding as of June 30, 2017 are as follows:

| Year Ending June 30 | Principal | Interest | Totals |
|------------------------|-------------------|-----------------|-------------------|
| 2018 | \$ 73,435 | \$ 5,382 | \$ 78,817 |
| 2019 | 32,923 | 2,673 | 35,596 |
| 2020 | 34,234 | 1,363 | 35,597 |
| | <u>\$ 140,592</u> | <u>\$ 9,418</u> | <u>\$ 150,010</u> |

As of June 30, 2017, the County had assets under capital leases with a total cost of \$639,000.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 7—Long-term debt (continued)

Governmental Activities Debt – continued

Notes payable at June 30, 2017 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% | \$ 484,806 |
| \$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% | 1,422,272 |
| \$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% | 854,102 |
| | <u>2,761,180</u> |
| Less current portion | 480,624 |
| Long-term portion outstanding | <u><u>\$ 2,280,556</u></u> |

Annual requirements to amortize all notes payable outstanding as of June 30, 2017 are as follows:

| Year Ending June 30 | Principal | Interest | Totals |
|------------------------|---------------------|-------------------|---------------------|
| 2018 | \$ 480,624 | \$ 93,271 | \$ 573,895 |
| 2019 | 496,123 | 77,772 | 573,895 |
| 2020 | 345,038 | 62,675 | 407,713 |
| 2021 | 301,500 | 50,819 | 352,319 |
| 2022 | 313,507 | 38,812 | 352,319 |
| 2023 to 2027 | 824,388 | 41,829 | 866,217 |
| | <u>\$ 2,761,180</u> | <u>\$ 365,178</u> | <u>\$ 3,126,358</u> |

Business-Type Activities Debt

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

| | Balance June 30, 2016 | Additions | Retirements | Balance June 30, 2017 | Due Within One Year |
|-----------------------|-----------------------------|-------------------|-------------------|-----------------------------|---------------------------|
| Revenue bonds | \$ 6,318,308 | \$ - | \$ 142,562 | \$ 6,175,746 | \$ 148,577 |
| Net pension liability | 768,665 | 160,540 | - | 929,205 | - |
| Compensated absences | 12,808 | 2,375 | 1,658 | 13,525 | 12,972 |
| Total | <u>\$ 7,099,781</u> | <u>\$ 162,915</u> | <u>\$ 144,220</u> | <u>\$ 7,118,476</u> | <u>\$ 161,549</u> |

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 7—Long-term debt (continued)

Business-Type Activities Debt – continued

Revenue bonds payable recorded in the Public Service Commission Enterprise Fund at June 30, 2017 are comprised of the following individual issues:

| | |
|--|----------------------------|
| \$1,988,200 USDA Rural Development revenue bond used for the Middle Plant expansion; due in monthly installments of principal and interest of \$9,345 through September 2039 at 4.75%. At June 30, 2017, pledged revenue was \$112,140. | \$ 1,536,428 |
| \$3,605,700 USDA Rural Development revenue bond used for the Upper Plant expansion; due in monthly installments of principal and interest of \$16,947 through September 2039 at 4.75%. At June 30, 2017, pledged revenue was \$203,364. | 2,786,579 |
| \$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. | 320,705 |
| \$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. | 1,532,034 |
| | <u>6,175,746</u> |
| Less current portion | 148,577 |
| Long-term portion outstanding | <u><u>\$ 6,027,169</u></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 \$1,988,200 in sewer system revenue bonds. Proceeds from the bonds provided financing for improvements to the sanitary sewer system. The bonds are payable solely from the net earnings of the Public Service Commission Enterprise Fund and are payable through 2039. The total principal and interest remaining to be paid on the bonds is \$2,488,761, with annual payments expected to require 8% of net revenues. Principal and interest paid for the current year and net system revenues were \$112,140 and \$1,368,923, respectively.

The County has pledged future revenues derived from the operation of the County's waste water treatment facility, net of operating and maintenance expenses, to repay \$3,605,700 in sewer system revenue bonds. Proceeds from the bonds provided financing for improvements to the sanitary sewer system. The bonds are payable solely from the net earnings of the Public Service Commission Enterprise Fund and are payable through 2039. The total principal and interest remaining to be paid on the bonds is \$4,514,169, with annual payments expected to require 14% of net revenues. Principal and interest paid for the current year and net system revenues were \$203,364 and \$1,368,923, respectively.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 7—Long-term debt (continued)

Business-Type Activities Debt – continued

The County has pledged future revenues derived from the operation of the County's waste water treatment facility, net of operating and maintenance expenses, to repay \$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 \$2,210,290 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 \$1,368,923, respectively.

Annual requirements to amortize all revenue bonds outstanding as of June 30, 2017 are as follows:

| Year Ending June 30 | Principal | Interest | Totals |
|------------------------|---------------------|---------------------|---------------------|
| 2018 | \$ 148,577 | \$ 244,231 | \$ 392,808 |
| 2019 | 154,861 | 237,947 | 392,808 |
| 2020 | 161,320 | 231,488 | 392,808 |
| 2021 | 168,293 | 224,515 | 392,808 |
| 2022 | 175,469 | 217,339 | 392,808 |
| 2023 to 2027 | 996,841 | 967,199 | 1,964,040 |
| 2028 to 2032 | 1,232,137 | 731,906 | 1,964,043 |
| 2033 to 2037 | 1,526,825 | 437,215 | 1,964,040 |
| 2038 to 2042 | 951,761 | 127,608 | 1,079,369 |
| 2043 to 2047 | 330,181 | 56,339 | 386,520 |
| 2048 to 2052 | 329,481 | 17,237 | 346,718 |
| | <u>\$ 6,175,746</u> | <u>\$ 3,493,024</u> | <u>\$ 9,668,770</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, 2017, management of the Public Service Commission believes it is in compliance with the following reserve requirements:

| | |
|-----------------------------------|-------------------|
| Reserved for debt services | \$ 356,784 |
| Reserved for depreciation funding | 310,512 |
| Reserved for contingency fund | 157,752 |
| Total | <u>\$ 825,048</u> |

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 8—Inter-fund receivables, payables and transfers

| | <u>Advance Receivable</u> | <u>Advance Payable</u> |
|------------------------------|-------------------------------|----------------------------|
| Major Governmental Fund: | | |
| General Fund | \$ 2,122,021 | \$ - |
| Fire Districts | - | 1,467,821 |
| Non-major Governmental Funds | - | 630,465 |
| Major Enterprise Funds: | | |
| Airport Fund | - | 23,735 |
| | <u>\$ 2,122,021</u> | <u>\$ 2,122,021</u> |

Long-term advances from the General Fund to other funds are commonly made without specific repayment terms to finance capital expenditures. The fund balance maintained in the General Fund for this advance is presented as assigned, since the County has designated these funds for a specific purpose.

Transfers

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|--------------------------------|---------------------|----------------------|
| Major Governmental Fund: | | |
| General Fund | \$ - | \$ 2,016,300 |
| Non-major Governmental Funds | 1,687,549 | - |
| Major Enterprise Funds: | | |
| Public Service Commission Fund | 328,751 | - |
| | <u>\$ 2,016,300</u> | <u>\$ 2,016,300</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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 9—Employee pension plans (continued)

Funding and Benefit Policies

SCRS and PORS Class II plan members are required to contribute 8.66% and 9.24%, 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 11.41% and 13.84% 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.

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

At June 30, 2017, the County reported a liability of \$45,109,437 for its proportionate share of the net pension liability of SCRS and PORS. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. 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, 2016, the County's proportion was .146109% of the total SCRS pension liability and .54804% 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, 2017:

| | <u>Deferred Outflows of Resources SCRS</u> | <u>Deferred Inflows of Resources SCRS</u> | <u>Deferred Outflows of Resources PORS</u> | <u>Deferred Inflows of Resources PORS</u> |
|--|--|---|--|---|
| Net difference between projected and actual earnings on SCRS investments | \$ - | \$ 722,209 | \$ - | \$ 163,449 |
| Contributions subsequent to the measurement date | 1,768,614 | - | 1,070,688 | - |
| Difference in expected and actual experience in measurement of pension liability | 2,949,166 | - | 1,909,786 | - |
| | <u>\$ 4,717,780</u> | <u>\$ 722,209</u> | <u>\$ 2,980,474</u> | <u>\$ 163,449</u> |

The County's contributions subsequent to the measurement date of \$2,839,302 will be recognized as a reduction of the net pension liability in the County's fiscal year ended June 30, 2017. Total pension expense for the year ended June 30, 2017 was \$5,309,885.

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:

| <u>Measurement Period Ending June 30,</u> | <u>SCRS</u> | <u>PORS</u> |
|--|-----------------------|---------------------|
| 2017 | \$ (870,918) | \$ (114,936) |
| 2018 | (870,918) | (114,936) |
| 2019 | (884,012) | (113,357) |
| 2020 | (636,989) | (367,228) |
| Thereafter | - | - |
| Net Balance of Deferred Inflows of Resources | <u>\$ (3,262,837)</u> | <u>\$ (710,457)</u> |

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 9—Employee pension plans (continued)

Pension Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources – 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 June 30, 2010, and the next experience study, performed on data through June 30, 2016, 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, 2015. The total pension liability in that report was determined using the following actuarial assumptions, applied to all periods included in the measurement.

| | |
|----------------------------|--|
| Actuarial cost method | Entry age normal |
| Investment rate of return | 7.5% |
| Projected salary increases | 3.5% to 12.5% (SCRS) 4.0% to 10.0% (PORS) |
| Inflation | 2.75% |
| Benefit adjustment | Lesser of 1% or \$500, annually |

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014 valuations for SCRS and PORS are as follows:

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 9—Employee pension plans (continued)

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 2015. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (“RSIC”) using a building-block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

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

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 | 43% | 3.06% |
| Real Assets | 8% | 0.35% |
| Opportunistic | 20% | 0.78% |
| Diversified Credit | 17% | 0.73% |
| Conservative Fixed Income | 12% | 0.18% |
| Total expected rate of return | 100% | 5.10% |
| Inflation for actuarial purposes | | 2.75% |
| Total expected nominal return | | 7.85% |

Discount Rate

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 9—Employee pension plans (continued)

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

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

| Sensitivity of the Net Pension Liability to Changes in the Discount Rate | | | |
|---|-------------------------------|--------------------------------------|-------------------------------|
| | 1.00% Decrease (6.50%) | Current Discount Rate (7.50%) | 1.00% Increase (8.50%) |
| SCRS | \$38,931,957 | \$31,208,667 | \$24,779,318 |
| PORS | \$18,218,315 | \$13,900,770 | \$10,020,885 |

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 25 employees retired and under the age of 65 that were receiving insurance benefits. For the year ended June 30, 2017, the County incurred net expenditures for the plan of approximately \$149,714 financed on a pay-as-you-go basis.

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

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

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

| | Medical Economy Plan | Medical Base Plan | Dental |
|--------------------------|---------------------------------|------------------------------|---------------|
| Employee Only | \$25.75 | \$56.28 | \$3.62 |
| Employee + Spouse | \$755.00 | \$821.39 | \$39.88 |
| Employee + Child(ren) | \$427.25 | \$476.88 | \$45.78 |
| Employee + Family | \$1,061.00 | \$1,142.63 | \$82.00 |

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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

Funding Policy and Annual OPEB Cost

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

| | |
|---|----------------------------|
| Annual required contribution | \$ 1,084,197 |
| Interest on OPEB obligation | 209,510 |
| Adjustment to ARC | (307,626) |
| Annual OPEB cost, end of year | <u>986,081</u> |
| Net estimated employer contributions | (284,298) |
| Increase in net OPEB obligation | <u>701,783</u> |
| Net OPEB obligation as of beginning of the year | 5,586,939 |
| Net OPEB obligation as of end of year | <u><u>\$ 6,288,722</u></u> |

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending June 30, 2017 and the preceding two fiscal years were as follows:

| Fiscal Year Ended | Annual OPEB Cost | Employer Amount Contributed | Percentage Contributed | Net OPEB Obligation |
|----------------------|---------------------|-----------------------------------|---------------------------|------------------------|
| June 30, 2017 | \$ 986,081 | \$ 284,298 | 28.8% | \$ 6,288,722 |
| June 30, 2016 | \$ 839,308 | \$ 255,235 | 30.4% | \$ 5,586,939 |
| June 30, 2015 | \$ 848,864 | \$ 213,930 | 30.4% | \$ 5,002,866 |

Funding Status and Funding Progress

The funded status of Pickens County’s retiree health care plan, under GASB Statement No. 45, as of June 30, 2017, is as follows:

| Actuarial Valuation Date as of June 30 | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Annual Covered Payroll (d) | Ratio of UAAL to Annual Covered Payroll |
|--|--|---|------------------------------------|--------------------------|----------------------------------|---|
| 2016 | | \$ 12,153,954 | \$ 12,153,954 | 0.0% | 23,717,449 | 38.6% |

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

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

| <u>Actuarial Methods and Assumptions</u> | |
|--|--|
| Investment rate of return | 3.75% per annum, net of expenses |
| Actuarial cost method | Individual Entry Age Normal Cost Method |
| Amortization method | Level dollar |
| Amortization period | 30-year open amortization |
| Inflation rate | 2.25% per annum |
| Payroll growth | NA |
| Medical trend | Initial rate of 7.25%, declining to an ultimate rate of 4.75% after 11 years |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

On October 9, 1991, federal regulations issued by the Environmental Protection Agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills as well as post closure maintenance for a period of 30 years after closure. The \$3,388,923 liability reported as landfill closure and post closure represents total costs to date, as of June 30, 2017 based on 100% use of two landfills and 88% 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 20 years; each has to be maintained in accordance with the 1991 ruling.

| <u>Landfill</u> | <u>Post Closure Years Remaining</u> | <u>Percent Used</u> | <u>Open/ Close Year</u> | <u>Closure/ Post Closure Costs</u> |
|-------------------------------|---|---------------------|---------------------------------|--|
| Easley | 15 | 100% | 2003 | \$ 1,064,250 |
| Central | 5 | 100% | 1994 | 189,750 |
| C & D | 20 | 88% | 1998 | 2,134,923 |
| | | | | <u>3,388,923</u> |
| Less current portion | | | | (128,000) |
| Long-term portion outstanding | | | | <u><u>\$ 3,260,923</u></u> |

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 12—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 2017, County property taxes abated resulting from active FILOT agreements to which it is a party, totaled \$204,867.

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, 2017

Note 12—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 2017, County property taxes abated resulting from SSRC agreements to which it is a party, totaled \$14,560, 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 2017, of the total payments made by taxpayers, who were subject to the County's multicounty industrial park agreements, \$8,955 would have been received by the County but for the taxpayers' location within its multicounty industrial park.

Note 13—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.

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PICKENS COUNTY, SOUTH CAROLINA

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS

JUNE 30, 2017

| Fiscal Year Ended June 30 | Actuarial Valuation Date As of June 30 | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Annual Covered Payroll (d) | Ratio of UAAL to Annual Covered Payroll (b-a)/d |
|--------------------------------------|---|--|--|--|-----------------------------------|---|--|
| 2017 | 2016 | \$ - | 12,153,954 | 12,153,954 | 0% | 21,646,599 | 56% |
| 2016 | 2014 | \$ - | 8,402,894 | 8,402,894 | 0% | 21,563,586 | 39% |
| 2015 | 2014 | \$ - | 8,402,894 | 8,402,894 | 0% | 21,663,482 | 39% |

PICKENS COUNTY, SOUTH CAROLINA

Exhibit J

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

JUNE 30, 2017

(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 | | | | | |
| 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% |
| 2013 | 0.152572% | 27,365,974 | 14,057,809 | 194.7% | 56.4% |
| Police Officers' Retirement System | | | | | |
| 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% |
| 2013 | 0.553720% | 11,478,360 | 6,866,519 | 167.2% | 63.0% |

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

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF PENSION CONTRIBUTIONS

Exhibit K

JUNE 30, 2017
(Unaudited)

| <u>Fiscal Year*</u> | <u>Actuarial Required Contribution</u> | <u>Actual Contributions</u> | <u>Contribution Deficiency (Excess)</u> | <u>County's Total Covered Payroll</u> | <u>Contributions as a Percentage of Total Covered Payroll</u> |
|---|--|-----------------------------|---|---------------------------------------|---|
| South Carolina Retirement System | | | | | |
| 2016 | \$ 1,768,615 | \$ 1,768,615 | \$ - | \$ 15,500,570 | 11.41% |
| 2015 | 1,546,376 | 1,546,376 | - | 14,173,932 | 10.91% |
| 2014 | 1,489,400 | 1,489,400 | - | 13,854,884 | 10.75% |
| 2013 | 1,469,041 | 1,469,041 | - | 14,057,809 | 10.45% |
| 2012 | 1,464,897 | 1,464,897 | - | 13,819,783 | 10.60% |
| 2011 | 1,317,178 | 1,317,178 | - | 13,806,897 | 9.54% |
| 2010 | 1,236,724 | 1,236,724 | - | 13,170,650 | 9.39% |
| 2009 | 1,255,938 | 1,255,938 | - | 13,375,272 | 9.39% |
| 2008 | 1,286,804 | 1,286,804 | - | 13,703,983 | 9.39% |
| 2007 | 1,255,362 | 1,255,362 | - | 13,369,137 | 9.39% |
| Police Officers' Retirement System | | | | | |
| 2016 | \$ 1,070,688 | \$ 1,070,688 | \$ - | \$ 7,736,185 | 13.84% |
| 2015 | 929,490 | 929,490 | - | 6,967,691 | 13.34% |
| 2014 | 870,793 | 870,793 | - | 6,693,259 | 13.01% |
| 2013 | 854,195 | 854,195 | - | 6,866,519 | 12.44% |
| 2012 | 800,549 | 800,549 | - | 6,508,528 | 12.30% |
| 2011 | 780,925 | 780,925 | - | 6,640,519 | 11.76% |
| 2010 | 705,155 | 705,155 | - | 6,115,828 | 11.53% |
| 2009 | 666,542 | 666,542 | - | 6,032,054 | 11.05% |
| 2008 | 626,255 | 626,255 | - | 5,667,466 | 11.05% |
| 2007 | 567,900 | 567,900 | - | 5,139,367 | 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
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1

YEAR ENDED JUNE 30, 2017

| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
|----------------------------|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ 26,110,462 | \$ 26,110,462 | \$ 27,024,972 | \$ 914,510 |
| Intergovernmental | 5,257,221 | 5,412,968 | 5,534,578 | 121,610 |
| Fees, licenses and permits | 805,000 | 805,000 | 947,610 | 142,610 |
| Charges for services | 6,055,851 | 6,055,851 | 6,654,722 | 598,871 |
| Fines and forfeitures | 526,500 | 526,500 | 452,089 | (74,411) |
| Investment income | 365,491 | 365,491 | 408,088 | 42,597 |
| Rental income | 20,760 | 20,760 | 22,616 | 1,856 |
| Contributions | - | - | 1,255 | 1,255 |
| Other revenues | 92,300 | 92,300 | 189,989 | 97,689 |
| Total revenues | <u>39,233,585</u> | <u>39,389,332</u> | <u>41,235,919</u> | <u>1,846,587</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | | | | |
| County council | 218,004 | 237,503 | 235,777 | 1,726 |
| County attorney | 198,689 | 328,677 | 299,790 | 28,887 |
| State solicitor | 953,611 | 958,136 | 952,584 | 5,552 |
| Public defender | 183,805 | 185,083 | 182,700 | 2,383 |
| Probate judge | 336,641 | 356,751 | 354,348 | 2,403 |
| Register of deeds | 292,521 | 361,355 | 362,018 | (663) |
| Clerk of court | 678,079 | 732,118 | 729,667 | 2,451 |
| Administrator | 398,955 | 345,449 | 320,909 | 24,540 |
| Purchasing | 65,544 | 75,332 | 75,803 | (471) |
| Finance | 521,429 | 525,264 | 513,829 | 11,435 |
| Building maintenance | 2,097,411 | 2,435,871 | 2,409,818 | 26,053 |
| Human resources | 176,162 | 184,935 | 184,486 | 449 |
| Delinquent tax | 282,256 | 290,825 | 289,597 | 1,228 |
| Risk manager | 52,693 | 77,377 | 77,053 | 324 |
| Circuit judge | 3,925 | 3,925 | 615 | 3,310 |
| Treasurer | 478,939 | 481,269 | 474,369 | 6,900 |
| Auditor | 360,929 | 394,796 | 393,612 | 1,184 |
| Tax assessor | 765,198 | 803,075 | 793,309 | 9,766 |
| Board of appeals | 4,000 | 4,000 | 400 | 3,600 |
| GIS mapping | 332,366 | 355,026 | 349,257 | 5,769 |
| Registration and elections | 302,300 | 303,870 | 297,206 | 6,664 |
| Planning commission | 203,634 | 211,534 | 209,766 | 1,768 |
| Information services | 1,105,155 | 1,224,580 | 1,016,140 | 208,440 |
| County magistrates | 656,572 | 667,837 | 659,963 | 7,874 |
| Vehicle maintenance | 702,867 | 707,483 | 661,714 | 45,769 |
| Public relations | 28,000 | 28,000 | 10,913 | 17,087 |
| Retiree health and dental | 155,484 | 165,793 | 165,791 | 2 |
| | <u>11,555,169</u> | <u>12,445,864</u> | <u>12,021,434</u> | <u>424,430</u> |

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1 - continued

YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
|--|----------------------------|-------------------------|-------------------|--|
| Public safety | | | | |
| Sheriff's department | \$ 10,043,873 | \$ 10,733,886 | \$ 10,644,133 | \$ 89,753 |
| Emergency management | 370,151 | 420,215 | 385,885 | 34,330 |
| County coroner | 252,479 | 286,227 | 279,364 | 6,863 |
| Prison camp | 1,225,167 | 1,232,986 | 1,221,292 | 11,694 |
| Emergency medical services | 5,217,898 | 5,558,231 | 5,582,689 | (24,458) |
| Building codes | 465,426 | 481,541 | 429,302 | 52,239 |
| Fire district | 80,914 | 80,914 | 3,190 | 77,724 |
| | <u>17,655,908</u> | <u>18,794,000</u> | <u>18,545,855</u> | <u>248,145</u> |
| Public works | | | | |
| Roads and bridges | 2,334,259 | 2,342,255 | 2,028,333 | 313,922 |
| Solid waste department | 3,094,867 | 3,132,915 | 3,178,019 | (45,104) |
| Engineering | 110,570 | 130,030 | 129,731 | 299 |
| | <u>5,539,696</u> | <u>5,605,200</u> | <u>5,336,083</u> | <u>269,117</u> |
| Health and welfare | | | | |
| Health department | 43,685 | 43,685 | 22,561 | 21,124 |
| Animal control | 440,811 | 442,870 | 391,735 | 51,135 |
| Humane society | 70,000 | 70,000 | 70,430 | (430) |
| Veterans affairs | 108,294 | 110,272 | 127,098 | (16,826) |
| Storm water management | 234,157 | 273,996 | 251,412 | 22,584 |
| Pickens County health partners | 20,000 | 20,000 | 20,000 | - |
| Meals on Wheels | 5,000 | 5,000 | 5,000 | - |
| | <u>921,947</u> | <u>965,823</u> | <u>888,236</u> | <u>77,587</u> |
| Culture and recreation | | | | |
| Cultural commission | 590,797 | 1,141,469 | 729,848 | 411,621 |
| Parks department | 296,035 | 320,901 | 308,961 | 11,940 |
| | <u>886,832</u> | <u>1,462,370</u> | <u>1,038,809</u> | <u>423,561</u> |
| Economic development and assistance | | | | |
| Economic development | - | 2,000,000 | 1,189,981 | 810,019 |
| Intergovernmental | | | | |
| Legislative delegation | 21,535 | 19,733 | 18,870 | 863 |
| Department of social services | 57,212 | 57,212 | 56,083 | 1,129 |
| Medically indigent fund | 200,000 | 200,000 | 194,481 | 5,519 |
| SC Appalachian Council of Governments | 50,939 | 50,939 | 50,939 | - |
| Clemson extension | 74,486 | 74,486 | 74,129 | 357 |
| Soil and water conservation | 153,000 | 153,000 | 20,581 | 132,419 |
| Pickens Alliance Transfer | 402,887 | 402,887 | 351,626 | 51,261 |
| | <u>960,059</u> | <u>958,257</u> | <u>766,709</u> | <u>191,548</u> |

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1 - continued

YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
|--|----------------------------|-------------------------|----------------------|--|
| Other | | | | |
| Contingency | \$ 1,320,212 | \$ 366,786 | \$ 337,616 | \$ 29,170 |
| SCAC | 59,025 | 59,025 | 45,529 | 13,496 |
| Non-departmental | 7,500 | 6,822 | - | 6,822 |
| | <u>1,386,737</u> | <u>432,633</u> | <u>383,145</u> | <u>49,488</u> |
| Capital outlay | <u>1,895,545</u> | <u>2,135,154</u> | <u>2,052,632</u> | <u>82,522</u> |
| Total expenditures | <u>40,801,893</u> | <u>44,799,301</u> | <u>42,222,884</u> | <u>2,576,417</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,568,308)</u> | <u>(5,409,969)</u> | <u>(986,965)</u> | <u>4,423,004</u> |
| Other financing uses | | | | |
| Transfers out | <u>(692,288)</u> | <u>(2,520,582)</u> | <u>(2,016,300)</u> | <u>504,282</u> |
| Total other financing uses | <u>(692,288)</u> | <u>(2,520,582)</u> | <u>(2,016,300)</u> | <u>504,282</u> |
| Net change in fund balances | <u>\$ (2,260,596)</u> | <u>\$ (7,930,551)</u> | <u>(3,003,265)</u> | <u>\$ 4,927,286</u> |
| Fund balance - beginning | | | <u>34,445,468</u> | |
| Fund balance - ending | | | <u>\$ 31,442,203</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, 2017

| | <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 | \$ 240,191 | \$ 308,881 | \$ 581,470 | \$ 660,140 | \$ - | \$ 193,246 | \$ 212,656 |
| Property taxes receivable | 122,086 | 129,391 | 31,119 | 124,899 | 40,574 | 134,492 | 56,919 |
| Accounts receivable - other | 686 | - | - | 2,532 | - | - | 60,732 |
| Prepaid items | - | 1,788 | - | 106 | - | 120 | - |
| Total assets | <u>\$ 362,963</u> | <u>\$ 440,060</u> | <u>\$ 612,589</u> | <u>\$ 787,677</u> | <u>\$ 40,574</u> | <u>\$ 327,858</u> | <u>\$ 330,307</u> |
| LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ 121,123 | \$ 17,544 | \$ 3,419 | \$ 7,455 | \$ 10,055 | \$ 4,996 |
| Accrued payroll | - | - | 1,974 | 10,825 | 2,942 | 11,509 | 2,664 |
| Advances from general fund | - | 350,890 | - | 350,890 | 388,461 | - | 377,580 |
| Total liabilities | <u>-</u> | <u>472,013</u> | <u>19,518</u> | <u>365,134</u> | <u>398,858</u> | <u>21,564</u> | <u>385,240</u> |
| Deferred Inflows of Resources: | | | | | | | |
| Unavailable revenue - delinquent taxes | 114,888 | 123,087 | 27,881 | 119,816 | 37,671 | 125,655 | 54,389 |
| Total deferred inflows of resources | <u>114,888</u> | <u>123,087</u> | <u>27,881</u> | <u>119,816</u> | <u>37,671</u> | <u>125,655</u> | <u>54,389</u> |
| Fund Balances: | | | | | | | |
| Nonspendable | | | | | | | |
| Prepaid items | - | 1,788 | - | 106 | - | 120 | - |
| Restricted | 248,075 | - | 565,190 | 302,621 | - | 180,519 | - |
| Unassigned | - | (156,828) | - | - | (395,955) | - | (109,322) |
| Total fund balances | <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> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 362,963</u> | <u>\$ 440,060</u> | <u>\$ 612,589</u> | <u>\$ 787,677</u> | <u>\$ 40,574</u> | <u>\$ 327,858</u> | <u>\$ 330,307</u> |

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

Schedule 2 - continued

JUNE 30, 2017

| | Holly Springs | Central | Shady Grove | Rocky Bottom | Vineyards | Springs | Total |
|--|--------------------------|-------------------|------------------------|-------------------------|-------------------|-------------------|---------------------|
| ASSETS | | | | | | | |
| Cash and investments | \$ 95,641 | \$ 163,339 | \$ 472,522 | \$ 15,827 | \$ 505,008 | \$ 674,942 | \$ 4,123,863 |
| Property taxes receivable | 14,683 | 19,718 | 5,722 | 87 | 14,552 | 19,253 | 713,495 |
| Accounts receivable - other | - | - | - | - | - | 1,470 | 65,420 |
| Prepaid items | - | - | 320 | - | 261 | - | 2,595 |
| Total assets | <u>\$ 110,324</u> | <u>\$ 183,057</u> | <u>\$ 478,564</u> | <u>\$ 15,914</u> | <u>\$ 519,821</u> | <u>\$ 695,665</u> | <u>\$ 4,905,373</u> |
| LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 1,445 | \$ 6,484 | \$ 72,696 | \$ - | \$ 12,894 | \$ 8,086 | \$ 266,197 |
| Accrued payroll | - | - | 10,401 | - | 21,404 | 9,308 | 71,027 |
| Advances from general fund | - | - | - | - | - | - | 1,467,821 |
| Total liabilities | <u>1,445</u> | <u>6,484</u> | <u>83,097</u> | <u>-</u> | <u>34,298</u> | <u>17,394</u> | <u>1,805,045</u> |
| Deferred Inflows of Resources: | | | | | | | |
| Unavailable revenue - delinquent taxes | 14,120 | 19,235 | 5,000 | 41 | 11,308 | 15,518 | 668,609 |
| Total deferred inflows of resources | <u>14,120</u> | <u>19,235</u> | <u>5,000</u> | <u>41</u> | <u>11,308</u> | <u>15,518</u> | <u>668,609</u> |
| Fund Balances: | | | | | | | |
| Nonspendable | | | | | | | |
| Prepaid items | - | - | 320 | - | 261 | - | 2,595 |
| Restricted | 94,759 | 157,338 | 390,147 | 15,873 | 473,954 | 662,753 | 3,091,229 |
| Unassigned | - | - | - | - | - | - | (662,105) |
| Total fund balances | <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> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 110,324</u> | <u>\$ 183,057</u> | <u>\$ 478,564</u> | <u>\$ 15,914</u> | <u>\$ 519,821</u> | <u>\$ 695,665</u> | <u>\$ 4,905,373</u> |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | <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 | 531,127 | 416,651 | 213,939 | 590,952 | 189,901 | 523,159 | 203,402 |
| Investment income | 686 | - | - | 3,257 | - | - | - |
| Contributions | - | 202 | 202 | 977 | 202 | 202 | 202 |
| Other revenues | - | - | - | - | - | - | 60,732 |
| Total revenues | <u>531,813</u> | <u>416,853</u> | <u>214,141</u> | <u>595,186</u> | <u>190,103</u> | <u>523,361</u> | <u>264,336</u> |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| Personnel services | - | 200 | 40,767 | 413,273 | 82,259 | 386,005 | 93,055 |
| Supplies | - | 2,612 | 28,094 | 11,271 | 11,159 | 31,030 | 20,268 |
| Contractual services | 495,000 | 265,737 | 24,701 | 3,599 | 637 | 3,771 | 6,622 |
| Utilities | - | 12,057 | 8,179 | 12,137 | 9,048 | 16,829 | 16,314 |
| Repairs and maintenance | - | 28,268 | 36,015 | 11,437 | 11,725 | 11,366 | 35,349 |
| Fuel and oil | - | - | 3,606 | 7,164 | 3,764 | 5,660 | 8,358 |
| Furniture, machinery and equipment | - | 14,565 | 9,138 | 1,154 | 4,330 | 4,577 | 4,068 |
| Insurance, bonds and licenses | - | 7,937 | 9,266 | 9,489 | 5,859 | 10,599 | 7,374 |
| Rent | - | 76 | 112 | - | - | - | 14 |
| Other | - | 2,274 | 8,742 | 8,103 | 21,301 | 19,930 | 19,963 |
| Contingency | 1 | 4,036 | - | - | - | 862 | - |
| Capital outlay | - | 336,247 | 170,678 | - | - | - | 5,395 |
| Debt service: | | | | | | | |
| Principal retirement | - | - | 36,479 | 84,058 | - | - | - |
| Interest and fiscal charges | - | 15,744 | 1,271 | 20,117 | 13,677 | - | 9,720 |
| Total expenditures | <u>495,001</u> | <u>689,753</u> | <u>377,048</u> | <u>581,802</u> | <u>163,759</u> | <u>490,629</u> | <u>226,500</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>36,812</u> | <u>(272,900)</u> | <u>(162,907)</u> | <u>13,384</u> | <u>26,344</u> | <u>32,732</u> | <u>37,836</u> |
| Other financing sources (uses) | | | | | | | |
| Proceeds from bond issuance | - | - | 650,000 | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>650,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>36,812</u> | <u>(272,900)</u> | <u>487,093</u> | <u>13,384</u> | <u>26,344</u> | <u>32,732</u> | <u>37,836</u> |
| Fund balance - beginning | <u>211,263</u> | <u>117,860</u> | <u>78,097</u> | <u>289,343</u> | <u>(422,299)</u> | <u>147,907</u> | <u>(147,158)</u> |
| Fund balance - ending | <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> |

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, 2017

| | Holly Springs | Central | Shady Grove | Rocky Bottom | Vineyards | Springs | Total |
|--|---------------|------------|-------------|--------------|------------|------------|--------------|
| Revenues | | | | | | | |
| Taxes | \$ - | \$ - | \$ 294,428 | \$ - | \$ 745,334 | \$ 498,038 | \$ 1,537,800 |
| Fees, licenses and permits | 60,851 | 177,440 | - | 3,079 | - | - | 2,910,501 |
| Investment income | - | - | - | - | - | 1,470 | 5,413 |
| Contributions | 202 | - | 202 | - | 202 | 202 | 2,795 |
| Other revenues | 2,169 | - | 3,449 | - | - | - | 66,350 |
| Total revenues | 63,222 | 177,440 | 298,079 | 3,079 | 745,536 | 499,710 | 4,522,859 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| Personnel services | - | - | 278,612 | - | 574,224 | 386,128 | 2,254,523 |
| Supplies | 27,363 | 5,844 | 20,783 | - | 17,677 | 14,391 | 190,492 |
| Contractual services | 711 | 79,902 | 4,688 | 2,168 | 8,650 | 5,180 | 901,366 |
| Utilities | 7,605 | 5,065 | 12,008 | - | 18,763 | 17,692 | 135,697 |
| Repairs and maintenance | 1,549 | 4,302 | 9,255 | - | 25,362 | 22,003 | 196,631 |
| Fuel and oil | 1,423 | 2,305 | 3,689 | - | 7,139 | 5,640 | 48,748 |
| Furniture, machinery and equipment | - | 23,674 | 23,995 | - | 15,503 | 6,070 | 107,074 |
| Insurance, bonds and licenses | 4,593 | 5,132 | 7,113 | 394 | 13,821 | 9,579 | 91,156 |
| Rent | - | - | - | - | 64 | - | 266 |
| Other | 529 | 433 | 8,444 | - | 10,671 | 7,937 | 108,327 |
| Contingency | 663 | 1,569 | 155 | - | - | - | 7,286 |
| Capital outlay | 17,087 | - | 226,866 | - | 86,723 | - | 842,996 |
| Debt service: | | | | | | | |
| Principal retirement | - | 30,451 | - | - | - | - | 150,988 |
| Interest and fiscal charges | - | 5,145 | - | - | - | - | 65,674 |
| Total expenditures | 61,523 | 163,822 | 595,608 | 2,562 | 778,597 | 474,620 | 5,101,224 |
| Excess (deficiency) of revenues over (under) expenditures | 1,699 | 13,618 | (297,529) | 517 | (33,061) | 25,090 | (578,365) |
| Other financing sources (uses) | | | | | | | |
| Proceeds from bond issuance | - | - | - | - | - | - | 650,000 |
| Total other financing sources (uses) | - | - | - | - | - | - | 650,000 |
| Net change in fund balances | 1,699 | 13,618 | (297,529) | 517 | (33,061) | 25,090 | 71,635 |
| Fund balance - beginning | 93,060 | 143,720 | 687,996 | 15,356 | 507,276 | 637,663 | 2,360,084 |
| Fund balance - ending | \$ 94,759 | \$ 157,338 | \$ 390,467 | \$ 15,873 | \$ 474,215 | \$ 662,753 | \$ 2,431,719 |

PICKENS COUNTY, SOUTH CAROLINA

Schedule 4

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|---|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ 534,539 | \$ 534,539 | \$ 531,127 | \$ (3,412) |
| Investment income | - | - | 686 | 686 |
| Total revenues | <u>534,539</u> | <u>534,539</u> | <u>531,813</u> | <u>(2,726)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Contractual services | 495,000 | 495,000 | 495,000 | - |
| Contingency | 39,539 | 39,539 | 1 | 39,538 |
| Total expenditures | <u>534,539</u> | <u>534,539</u> | <u>495,001</u> | <u>39,538</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>-</u> | <u>36,812</u> | <u>36,812</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>36,812</u> | <u>\$ 36,812</u> |
| Fund balance - beginning | | | <u>211,263</u> | |
| Fund balance - ending | | | <u>\$ 248,075</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, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|---|----------------------------|-------------------------|---------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ 425,121 | \$ 425,121 | \$ 416,651 | \$ (8,470) |
| Contributions | - | - | 202 | 202 |
| Total revenues | <u>425,121</u> | <u>425,121</u> | <u>416,853</u> | <u>(8,268)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | - | - | 200 | (200) |
| Supplies | 8,100 | 8,413 | 2,612 | 5,801 |
| Contractual services | 259,600 | 259,600 | 265,737 | (6,137) |
| Utilities | 15,100 | 15,100 | 12,057 | 3,043 |
| Repairs and maintenance | 16,000 | 27,055 | 28,268 | (1,213) |
| Furniture, machinery and equipment | 17,000 | 17,000 | 14,565 | 2,435 |
| Insurance, bonds and licenses | 9,000 | 9,000 | 7,937 | 1,063 |
| Rent | - | - | 76 | (76) |
| Other | 7,000 | 7,000 | 2,274 | 4,726 |
| Contingency | 34,860 | 23,492 | 4,036 | 19,456 |
| Capital outlay | 325,000 | 325,000 | 336,247 | (11,247) |
| Debt service: | | | | |
| Principal retirement | 42,717 | 42,717 | - | 42,717 |
| Interest and fiscal charges | 15,744 | 15,744 | 15,744 | - |
| Total expenditures | <u>750,121</u> | <u>750,121</u> | <u>689,753</u> | <u>60,368</u> |
| Excess of revenues over expenditures | <u>(325,000)</u> | <u>(325,000)</u> | <u>(272,900)</u> | <u>52,100</u> |
| Net change in fund balances | <u>\$ (325,000)</u> | <u>\$ (325,000)</u> | <u>(272,900)</u> | <u>\$ 52,100</u> |
| Fund balance - beginning | | | <u>117,860</u> | |
| Fund balance - ending | | | <u>\$ (155,040)</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, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|--|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ 215,834 | \$ 215,834 | \$ 213,939 | \$ (1,895) |
| Contributions | - | - | 202 | 202 |
| Total revenues | <u>215,834</u> | <u>215,834</u> | <u>214,141</u> | <u>(1,693)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 41,670 | 45,640 | 40,767 | 4,873 |
| Supplies | 22,152 | 39,667 | 28,094 | 11,573 |
| Contractual services | 2,972 | 28,137 | 24,701 | 3,436 |
| Utilities | 10,400 | 10,555 | 8,179 | 2,376 |
| Repairs and maintenance | 11,300 | 46,800 | 36,015 | 10,785 |
| Fuel and oil | 6,000 | 6,000 | 3,606 | 2,394 |
| Furniture, machinery and equipment | 6,000 | 6,000 | 9,138 | (3,138) |
| Insurance, bonds and licenses | 9,000 | 9,583 | 9,266 | 317 |
| Rent | - | 112 | 112 | - |
| Other | 10,380 | 10,380 | 8,742 | 1,638 |
| Capital outlay | 600,000 | 600,000 | 170,678 | 429,322 |
| Debt service: | | | | |
| Principal retirement | 94,689 | 36,689 | 36,479 | 210 |
| Interest and fiscal charges | 1,271 | 1,271 | 1,271 | - |
| Total expenditures | <u>815,834</u> | <u>840,834</u> | <u>377,048</u> | <u>463,786</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(600,000)</u> | <u>(625,000)</u> | <u>(162,907)</u> | <u>462,093</u> |
| Other financing sources (uses) | | | | |
| Proceeds from bond issuance | - | 625,000 | 650,000 | 25,000 |
| Total other financing sources (uses) | <u>-</u> | <u>625,000</u> | <u>650,000</u> | <u>25,000</u> |
| Net change in fund balances | <u>\$ (600,000)</u> | <u>\$ -</u> | 487,093 | <u>\$ 487,093</u> |
| Fund balance - beginning | | | <u>78,097</u> | |
| Fund balance - ending | | | <u>\$ 565,190</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, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|---|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ 594,060 | \$ 594,060 | \$ 590,952 | \$ (3,108) |
| Investment income | - | - | 3,257 | 3,257 |
| Contributions | - | - | 977 | 977 |
| Total revenues | <u>594,060</u> | <u>594,060</u> | <u>595,186</u> | <u>1,126</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 404,808 | 404,838 | 413,273 | (8,435) |
| Supplies | 12,225 | 12,001 | 11,271 | 730 |
| Contractual services | 3,150 | 3,807 | 3,599 | 208 |
| Utilities | 10,885 | 11,382 | 12,137 | (755) |
| Repairs and maintenance | 6,600 | 13,240 | 11,437 | 1,803 |
| Fuel and oil | 9,000 | 8,780 | 7,164 | 1,616 |
| Furniture, machinery and equipment | 1,100 | 1,440 | 1,154 | 286 |
| Insurance, bonds and licenses | 8,680 | 9,489 | 9,489 | - |
| Other | 11,350 | 9,136 | 8,103 | 1,033 |
| Debt service: | | | | |
| Principal retirement | 126,775 | 126,775 | 84,058 | 42,717 |
| Interest and fiscal charges | 20,116 | 20,116 | 20,117 | (1) |
| Total expenditures | <u>614,689</u> | <u>621,004</u> | <u>581,802</u> | <u>39,202</u> |
| Excess of revenues over expenditures | <u>(20,629)</u> | <u>(26,944)</u> | <u>13,384</u> | <u>40,328</u> |
| Net change in fund balances | <u>\$ (20,629)</u> | <u>\$ (26,944)</u> | <u>13,384</u> | <u>\$ 40,328</u> |
| Fund balance - beginning | | | <u>289,343</u> | |
| Fund balance - ending | | | <u>\$ 302,727</u> | |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
|--|----------------------------|-------------------------|---------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ 195,500 | \$ 195,500 | \$ 189,901 | \$ (5,599) |
| Contributions | - | - | 202 | 202 |
| Total revenues | <u>195,500</u> | <u>195,500</u> | <u>190,103</u> | <u>(5,397)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 83,848 | 83,848 | 82,259 | 1,589 |
| Supplies | 14,125 | 13,416 | 11,159 | 2,257 |
| Contractual services | 950 | 719 | 637 | 82 |
| Utilities | 9,180 | 9,087 | 9,048 | 39 |
| Repairs and maintenance | 11,500 | 11,709 | 11,725 | (16) |
| Fuel and oil | 4,000 | 4,000 | 3,764 | 236 |
| Furniture, machinery and equipment | 5,000 | 4,331 | 4,330 | 1 |
| Insurance, bonds and licenses | 5,754 | 5,888 | 5,859 | 29 |
| Other | 20,885 | 22,243 | 21,301 | 942 |
| Debt service: | | | | |
| Principal retirement | 29,735 | 29,735 | - | 29,735 |
| Interest and fiscal charges | 13,677 | 13,678 | 13,677 | 1 |
| Total expenditures | <u>198,654</u> | <u>198,654</u> | <u>163,759</u> | <u>34,895</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(3,154)</u> | <u>(3,154)</u> | <u>26,344</u> | <u>29,498</u> |
| Net change in fund balances | <u>\$ (3,154)</u> | <u>\$ (3,154)</u> | 26,344 | <u>\$ 29,498</u> |
| Fund balance - beginning | | | <u>(422,299)</u> | |
| Fund balance - ending | | | <u>\$ (395,955)</u> | |

PICKENS COUNTY, SOUTH CAROLINA

Schedule 9

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|--|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ 540,720 | \$ 540,720 | \$ 523,159 | \$ (17,561) |
| Investment income | 500 | 500 | - | (500) |
| Contributions | - | - | 202 | 202 |
| Total revenues | <u>541,220</u> | <u>541,220</u> | <u>523,361</u> | <u>(17,859)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 422,382 | 425,332 | 386,005 | 39,327 |
| Supplies | 42,609 | 32,089 | 31,030 | 1,059 |
| Contractual services | 5,150 | 5,728 | 3,771 | 1,957 |
| Utilities | 23,483 | 19,455 | 16,829 | 2,626 |
| Repairs and maintenance | 6,000 | 14,500 | 11,366 | 3,134 |
| Fuel and oil | 8,000 | 5,900 | 5,660 | 240 |
| Furniture, machinery and equipment | 2,025 | 11,201 | 4,577 | 6,624 |
| Insurance, bonds and licenses | 8,300 | 10,600 | 10,599 | 1 |
| Other | 21,950 | 20,820 | 19,930 | 890 |
| Contingency | 1,320 | 1,370 | 862 | 508 |
| Total expenditures | <u>541,219</u> | <u>546,995</u> | <u>490,629</u> | <u>56,366</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1</u> | <u>(5,775)</u> | <u>32,732</u> | <u>38,507</u> |
| Net change in fund balances | <u>\$ 1</u> | <u>\$ (5,775)</u> | <u>32,732</u> | <u>\$ 38,507</u> |
| Fund balance - beginning | | | <u>147,907</u> | |
| Fund balance - ending | | | <u>\$ 180,639</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, 2017

| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
|--|--------------------|--------------------|---------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ 205,930 | \$ 205,930 | \$ 203,402 | \$ (2,528) |
| Contributions | - | - | 202 | 202 |
| Miscellaneous | - | - | 60,732 | 60,732 |
| Total revenues | <u>205,930</u> | <u>205,930</u> | <u>264,336</u> | <u>58,406</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 73,245 | 80,176 | 93,055 | (12,879) |
| Supplies | 22,000 | 20,002 | 20,268 | (266) |
| Contractual services | 7,000 | 7,018 | 6,622 | 396 |
| Utilities | 13,000 | 15,670 | 16,314 | (644) |
| Repairs and maintenance | 10,000 | 35,466 | 35,349 | 117 |
| Fuel and oil | 6,000 | 8,368 | 8,358 | 10 |
| Furniture, machinery and equipment | 2,000 | 4,285 | 4,068 | 217 |
| Insurance, bonds and licenses | 12,000 | 7,068 | 7,374 | (306) |
| Rent | - | 14 | 14 | - |
| Other | 21,448 | 20,327 | 19,963 | 364 |
| Contingency | 7,097 | - | - | - |
| Capital outlay | - | 5,396 | 5,395 | 1 |
| Debt service: | | | | |
| Principal retirement | 22,420 | 22,420 | - | 22,420 |
| Interest and fiscal charges | 9,720 | 9,720 | 9,720 | - |
| Total expenditures | <u>205,930</u> | <u>235,930</u> | <u>226,500</u> | <u>9,430</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(30,000)</u> | <u>37,836</u> | <u>67,836</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ (30,000)</u> | <u>37,836</u> | <u>\$ 67,836</u> |
| Fund balance - beginning | | | <u>(147,158)</u> | |
| Fund balance - ending | | | <u>\$ (109,322)</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, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|--|----------------------------|-------------------------|------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ 60,780 | \$ 60,780 | \$ 60,851 | \$ 71 |
| Contributions | - | - | 202 | 202 |
| Other revenues | 2,300 | 2,300 | 2,169 | (131) |
| Total revenues | <u>63,080</u> | <u>63,080</u> | <u>63,222</u> | <u>142</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 500 | 500 | - | 500 |
| Supplies | 35,700 | 34,680 | 27,363 | 7,317 |
| Contractual services | 500 | 500 | 711 | (211) |
| Utilities | 6,500 | 8,436 | 7,605 | 831 |
| Repairs and maintenance | 5,500 | 5,500 | 1,549 | 3,951 |
| Fuel and oil | 2,000 | 2,000 | 1,423 | 577 |
| Furniture, machinery and equipment | 200 | 16,200 | - | 16,200 |
| Insurance, bonds and licenses | 4,100 | 4,593 | 4,593 | - |
| Other | 3,000 | 3,000 | 529 | 2,471 |
| Contingency | 5,080 | 1,671 | 663 | 1,008 |
| Capital outlay | - | - | 17,087 | (17,087) |
| Total expenditures | <u>63,080</u> | <u>77,080</u> | <u>61,523</u> | <u>15,557</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(14,000)</u> | <u>1,699</u> | <u>15,699</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ (14,000)</u> | <u>1,699</u> | <u>\$ 15,699</u> |
| Fund balance - beginning | | | <u>93,060</u> | |
| Fund balance - ending | | | <u>\$ 94,759</u> | |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
|--|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | 169,045 | 169,045 | 177,440 | 8,395 |
| Total revenues | 169,045 | 169,045 | 177,440 | 8,395 |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 2,000 | 2,000 | - | 2,000 |
| Supplies | 8,550 | 8,550 | 5,844 | 2,706 |
| Contractual services | 75,752 | 75,752 | 79,902 | (4,150) |
| Utilities | 3,700 | 4,549 | 5,065 | (516) |
| Repairs and maintenance | 6,000 | 6,112 | 4,302 | 1,810 |
| Fuel and oil | 2,500 | 2,500 | 2,305 | 195 |
| Furniture, machinery and equipment | 22,701 | 22,701 | 23,674 | (973) |
| Insurance, bonds and licenses | 4,095 | 5,133 | 5,132 | 1 |
| Rent | - | - | - | - |
| Other | 3,825 | 3,825 | 433 | 3,392 |
| Contingency | 4,326 | 2,327 | 1,569 | 758 |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | 30,451 | 30,451 | 30,451 | - |
| Interest and fiscal charges | 5,145 | 5,145 | 5,145 | - |
| Total expenditures | 169,045 | 169,045 | 163,822 | 5,223 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | 13,618 | 13,618 |
| Net change in fund balances | \$ - | \$ - | 13,618 | \$ 13,618 |
| Fund balance - beginning | | | 143,720 | |
| Fund balance - ending | | | \$ 157,338 | |

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, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|--|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ 293,599 | \$ 293,599 | \$ 294,428 | \$ 829 |
| Contributions | - | - | 202 | 202 |
| Other revenues | - | - | 3,449 | 3,449 |
| Total revenues | <u>293,599</u> | <u>293,599</u> | <u>298,079</u> | <u>4,480</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 252,236 | 252,436 | 278,612 | (26,176) |
| Supplies | 17,665 | 22,505 | 20,783 | 1,722 |
| Contractual services | 4,610 | 5,529 | 4,688 | 841 |
| Utilities | 17,540 | 13,470 | 12,008 | 1,462 |
| Repairs and maintenance | 8,800 | 10,450 | 9,255 | 1,195 |
| Fuel and oil | 6,000 | 3,600 | 3,689 | (89) |
| Furniture, machinery and equipment | 1,000 | 24,131 | 23,995 | 136 |
| Insurance, bonds and licenses | 3,500 | 7,114 | 7,113 | 1 |
| Other | 12,800 | 10,260 | 8,444 | 1,816 |
| Contingency | 5,000 | 156 | 155 | 1 |
| Capital outlay | - | 480,133 | 226,866 | 253,267 |
| Total expenditures | <u>329,151</u> | <u>829,784</u> | <u>595,608</u> | <u>234,176</u> |
| Deficiency of revenues under expenditures | <u>(35,552)</u> | <u>(536,185)</u> | <u>(297,529)</u> | <u>238,656</u> |
| Net change in fund balances | <u>\$ (35,552)</u> | <u>\$ (536,185)</u> | <u>(297,529)</u> | <u>\$ 238,656</u> |
| Fund balance - beginning | | | <u>687,996</u> | |
| Fund balance - ending | | | <u>\$ 390,467</u> | |

PICKENS COUNTY, SOUTH CAROLINA

Schedule 14

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

YEAR ENDED JUNE 30, 2017

| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
|---|----------------------------|-------------------------|------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ 3,040 | \$ 3,040 | \$ 3,079 | \$ 39 |
| Total revenues | <u>3,040</u> | <u>3,040</u> | <u>3,079</u> | <u>39</u> |
| Expenditures | | | | |
| Current: | | | | |
| Supplies | 230 | 230 | - | 230 |
| Contractual services | 2,537 | 2,537 | 2,168 | 369 |
| Insurance, bonds and licenses | <u>273</u> | <u>273</u> | <u>394</u> | <u>(121)</u> |
| Total expenditures | <u>3,040</u> | <u>3,040</u> | <u>2,562</u> | <u>478</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>-</u> | <u>517</u> | <u>517</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>517</u> | <u>\$ 517</u> |
| Fund balance - beginning | | | <u>15,356</u> | |
| Fund balance - ending | | | <u>\$ 15,873</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, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|--|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ 707,700 | \$ 707,700 | \$ 745,334 | \$ 37,634 |
| Contributions | - | - | 202 | 202 |
| Total revenues | <u>707,700</u> | <u>707,700</u> | <u>745,536</u> | <u>37,836</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 577,500 | 577,500 | 574,224 | 3,276 |
| Supplies | 22,700 | 22,027 | 17,677 | 4,350 |
| Contractual services | 6,000 | 8,552 | 8,650 | (98) |
| Utilities | 21,800 | 21,800 | 18,763 | 3,037 |
| Repairs and maintenance | 32,500 | 27,500 | 25,362 | 2,138 |
| Fuel and oil | 10,000 | 10,000 | 7,139 | 2,861 |
| Furniture, machinery and equipment | 12,300 | 13,800 | 15,503 | (1,703) |
| Insurance, bonds and licenses | 13,000 | 13,821 | 13,821 | - |
| Rent | 100 | 100 | 64 | 36 |
| Other | 11,800 | 12,600 | 10,671 | 1,929 |
| Capital outlay | 86,884 | 86,884 | 86,723 | 161 |
| Total expenditures | <u>794,584</u> | <u>794,584</u> | <u>778,597</u> | <u>15,987</u> |
| Deficiency of revenues under expenditures | <u>(86,884)</u> | <u>(86,884)</u> | <u>(33,061)</u> | <u>53,823</u> |
| Net change in fund balances | <u>\$ (86,884)</u> | <u>\$ (86,884)</u> | (33,061) | <u>\$ 53,823</u> |
| Fund balance - beginning | | | <u>507,276</u> | |
| Fund balance - ending | | | <u>\$ 474,215</u> | |

PICKENS COUNTY, SOUTH CAROLINA

Schedule 16

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|---|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ 488,561 | \$ 488,561 | \$ 498,038 | \$ 9,477 |
| Investment income | - | - | 1,470 | 1,470 |
| Contributions | - | - | 202 | 202 |
| Total revenues | <u>488,561</u> | <u>488,561</u> | <u>499,710</u> | <u>11,149</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 393,033 | 389,116 | 386,128 | 2,988 |
| Supplies | 18,450 | 17,098 | 14,391 | 2,707 |
| Contractual services | 5,000 | 6,400 | 5,180 | 1,220 |
| Utilities | 18,700 | 19,877 | 17,692 | 2,185 |
| Repairs and maintenance | 19,000 | 19,823 | 22,003 | (2,180) |
| Fuel and oil | 7,000 | 7,000 | 5,640 | 1,360 |
| Furniture, machinery and equipment | 6,500 | 7,300 | 6,070 | 1,230 |
| Insurance, bonds and licenses | 9,000 | 9,869 | 9,579 | 290 |
| Rent | - | - | - | - |
| Other | 11,800 | 12,000 | 7,937 | 4,063 |
| Contingency | 78 | 78 | - | 78 |
| Total expenditures | <u>488,561</u> | <u>488,561</u> | <u>474,620</u> | <u>13,941</u> |
| Excess of revenues over expenditures over expenditures | <u>-</u> | <u>-</u> | <u>25,090</u> | <u>25,090</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | 25,090 | <u>\$ 25,090</u> |
| Fund balance - beginning | | | <u>637,663</u> | |
| Fund balance - ending | | | <u>\$ 662,753</u> | |

PICKENS COUNTY, SOUTH CAROLINA

COMBINING SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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 Cultural Commission.

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, 2017

| | Special Revenue Funds | Debt Service Fund | Capital Project Fund | Total Nonmajor Governmental Funds |
|--|--------------------------------------|----------------------------------|-------------------------------------|--|
| ASSETS | | | | |
| Cash and investments | \$ 6,951,701 | \$ 2,741,942 | \$ - | \$ 9,693,643 |
| Property taxes receivable | 390,155 | 370,940 | - | 761,095 |
| Accounts receivable - other | 55,586 | - | - | 55,586 |
| Due from other governments | 682,384 | 12,585 | - | 694,969 |
| Prepaid items | 7,673 | - | - | 7,673 |
| Total assets | <u>\$ 8,087,499</u> | <u>\$ 3,125,467</u> | <u>\$ -</u> | <u>\$ 11,212,966</u> |
| LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 343,579 | \$ - | \$ 41,880 | \$ 385,459 |
| Accrued payroll | 105,910 | - | - | 105,910 |
| Advances from general fund | - | 309,662 | 320,803 | 630,465 |
| Total liabilities | <u>449,489</u> | <u>309,662</u> | <u>362,683</u> | <u>1,121,834</u> |
| Deferred Inflow of Resources: | | | | |
| Unavailable revenue - delinquent taxes | 958,890 | 360,205 | - | 1,319,095 |
| Total deferred inflow of resources | <u>958,890</u> | <u>360,205</u> | <u>-</u> | <u>1,319,095</u> |
| Fund Balances: | | | | |
| Prepaid items | 7,673 | - | - | 7,673 |
| Restricted | 6,671,996 | 2,455,600 | - | 9,127,596 |
| Committed | - | - | - | - |
| Unassigned | (549) | - | (362,683) | (363,232) |
| Total fund balances | <u>6,679,120</u> | <u>2,455,600</u> | <u>(362,683)</u> | <u>8,772,037</u> |
| Total liabilities, deferred inflow of resources and fund balances | <u>\$ 8,087,499</u> | <u>\$ 3,125,467</u> | <u>\$ -</u> | <u>\$ 11,212,966</u> |

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

Schedule 18

YEAR ENDED JUNE 30, 2017

| | Special Revenue Funds | Debt Service Fund | Capital Project Fund | Total Nonmajor Governmental Funds |
|--|--------------------------------------|----------------------------------|-------------------------------------|--|
| Revenues | | | | |
| Taxes | \$ 4,371,713 | \$ 3,016,602 | \$ - | \$ 7,388,315 |
| Intergovernmental | 1,877,829 | - | - | 1,877,829 |
| Fees, licenses and permits | 2,863,560 | 309,669 | - | 3,173,229 |
| Charges for services | 125,991 | - | - | 125,991 |
| Fines and forfeitures | 208,368 | - | - | 208,368 |
| Investment income | 3,424 | - | - | 3,424 |
| Contributions | 294 | - | - | 294 |
| Other revenues | 16,392 | - | - | 16,392 |
| Total revenues | <u>9,467,571</u> | <u>3,326,271</u> | <u>-</u> | <u>12,793,842</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 372,044 | - | - | 372,044 |
| Public safety | 1,254,596 | - | - | 1,254,596 |
| Public works | 3,786,892 | - | - | 3,786,892 |
| Health and welfare | 2,780 | - | - | 2,780 |
| Culture and recreation | 3,439,513 | - | - | 3,439,513 |
| Other | 1,143,107 | - | - | 1,143,107 |
| Capital outlay | 2,956,098 | - | 1,948,573 | 4,904,671 |
| Debt service: | | | | |
| Principal retirement | - | 1,334,205 | - | 1,334,205 |
| Interest and fiscal charges | - | 293,598 | - | 293,598 |
| Total expenditures | <u>12,955,030</u> | <u>1,627,803</u> | <u>1,948,573</u> | <u>16,531,406</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(3,487,459)</u> | <u>1,698,468</u> | <u>(1,948,573)</u> | <u>(3,737,564)</u> |
| Other financing sources (uses) | | | | |
| Issuance of debt | - | - | 1,500,000 | 1,500,000 |
| Transfers in (out) | 1,815,241 | (127,692) | - | 1,687,549 |
| Total other financing sources (uses) | <u>1,815,241</u> | <u>(127,692)</u> | <u>1,500,000</u> | <u>3,187,549</u> |
| Net change in fund balances | (1,672,218) | 1,570,776 | (448,573) | (550,015) |
| Fund balance - beginning | <u>8,351,338</u> | <u>884,824</u> | <u>85,890</u> | <u>9,322,052</u> |
| Fund balance - ending | <u>\$ 6,679,120</u> | <u>\$ 2,455,600</u> | <u>\$ (362,683)</u> | <u>\$ 8,772,037</u> |

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

Schedule 19

JUNE 30, 2017

| | Tri-County Tech | Fixed Nuclear | Sheriff Special | Library | Victim Rights | Grants | Law Enforcement Block Grants |
|--|---------------------|------------------|--------------------|---------------------|------------------|-------------------|---------------------------------------|
| ASSETS | | | | | | | |
| Cash and investments | \$ 1,493,239 | \$ 23,021 | \$ 405,832 | \$ 2,143,956 | \$ 92,954 | \$ 496,060 | \$ - |
| Property taxes receivable | 114,538 | - | - | 275,617 | - | - | - |
| Accounts receivable - other | - | - | - | 3,424 | - | - | - |
| Due from other governments | 9,757 | - | - | 25,763 | - | 339,858 | - |
| Prepaid items | - | - | - | 7,124 | - | 549 | - |
| Total assets | <u>\$ 1,617,534</u> | <u>\$ 23,021</u> | <u>\$ 405,832</u> | <u>\$ 2,455,884</u> | <u>\$ 92,954</u> | <u>\$ 836,467</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ 5,119 | \$ - | \$ 41,346 | \$ 10,027 | \$ 246,399 | \$ - |
| Accrued payroll | - | 2,415 | - | 76,653 | 2,283 | 7,554 | - |
| Total liabilities | <u>-</u> | <u>7,534</u> | <u>-</u> | <u>117,999</u> | <u>12,310</u> | <u>253,953</u> | <u>-</u> |
| Deferred Inflows of Resources: | | | | | | | |
| Unavailable revenue - delinquent taxes | 110,512 | - | - | 265,864 | - | 582,514 | - |
| Total deferred inflows of resources | <u>110,512</u> | <u>-</u> | <u>-</u> | <u>265,864</u> | <u>-</u> | <u>582,514</u> | <u>-</u> |
| Fund Balances: | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid items | - | - | - | 7,124 | - | 549 | - |
| Restricted | 1,507,022 | 15,487 | 405,832 | 2,064,897 | 80,644 | - | - |
| Unassigned | - | - | - | - | - | (549) | - |
| Total fund balances | <u>1,507,022</u> | <u>15,487</u> | <u>405,832</u> | <u>2,072,021</u> | <u>80,644</u> | <u>-</u> | <u>-</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 1,617,534</u> | <u>\$ 23,021</u> | <u>\$ 405,832</u> | <u>\$ 2,455,884</u> | <u>\$ 92,954</u> | <u>\$ 836,467</u> | <u>\$ -</u> |

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

Schedule 19 - continued

JUNE 30, 2017

| | Tourism Restricted Resources | Accomodations Tax | Road Fee | Tourism Development Fee | Emergency Phone System | Prison Commission | Total Nonmajor Special Revenue Funds |
|--|------------------------------------|----------------------|---------------------|-------------------------------|------------------------------|----------------------|--|
| ASSETS | | | | | | | |
| Cash and investments | \$ 93,548 | \$ 153,043 | \$ 1,003,390 | \$ 330,892 | \$ 715,196 | \$ 570 | \$ 6,951,701 |
| Property taxes receivable | - | - | - | - | - | - | 390,155 |
| Accounts receivable - other | - | - | - | 38,487 | 13,649 | 26 | 55,586 |
| Due from other governments | - | 54,309 | - | - | 252,697 | - | 682,384 |
| Prepaid items | - | - | - | - | - | - | 7,673 |
| Total assets | <u>\$ 93,548</u> | <u>\$ 207,352</u> | <u>\$ 1,003,390</u> | <u>\$ 369,379</u> | <u>\$ 981,542</u> | <u>\$ 596</u> | <u>\$ 8,087,499</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 2,158 | \$ 26,000 | \$ - | \$ 1,165 | \$ 11,350 | \$ 15 | \$ 343,579 |
| Accrued payroll | 1,055 | - | 4,475 | 2,807 | 8,668 | - | 105,910 |
| Total liabilities | <u>3,213</u> | <u>26,000</u> | <u>4,475</u> | <u>3,972</u> | <u>20,018</u> | <u>15</u> | <u>449,489</u> |
| Deferred Inflows of Resources: | | | | | | | |
| Unavailable revenue - delinquent taxes | - | - | - | - | - | - | 958,890 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>958,890</u> |
| Fund Balances: | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid items | - | - | - | - | - | - | 7,673 |
| Restricted | 90,335 | 181,352 | 998,915 | 365,407 | 961,524 | 581 | 6,671,996 |
| Unassigned | - | - | - | - | - | - | (549) |
| Total fund balances | <u>90,335</u> | <u>181,352</u> | <u>998,915</u> | <u>365,407</u> | <u>961,524</u> | <u>581</u> | <u>6,679,120</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 93,548</u> | <u>\$ 207,352</u> | <u>\$ 1,003,390</u> | <u>\$ 369,379</u> | <u>\$ 981,542</u> | <u>\$ 596</u> | <u>\$ 8,087,499</u> |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | Tri-County Tech | Fixed Nuclear | Sheriff Special | Library | Victim Rights | Grants | Law Enforcement Block Grants |
|--|----------------------------|--------------------------|----------------------------|---------------------|--------------------------|--------------------|---|
| Revenues | | | | | | | |
| Taxes | \$ 1,281,274 | \$ - | \$ - | \$ 3,090,439 | \$ - | \$ - | \$ - |
| Intergovernmental | - | 89,190 | - | 235,412 | - | 896,315 | 17,024 |
| Fees, licenses and permits | - | - | - | - | - | - | - |
| Charges for services | - | - | - | 98,669 | - | - | - |
| Fines and forfeitures | - | - | 120,548 | - | 87,820 | - | - |
| Investment income | - | - | - | 3,424 | - | - | - |
| Contributions | - | - | - | - | - | - | - |
| Other revenues | - | - | - | - | - | - | - |
| Total revenues | <u>1,281,274</u> | <u>89,190</u> | <u>120,548</u> | <u>3,427,944</u> | <u>87,820</u> | <u>896,315</u> | <u>17,024</u> |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | - | 339,784 | - |
| Public safety | - | 119,518 | 136,764 | - | 83,378 | 228,458 | - |
| Public works | - | - | - | - | - | 89,570 | - |
| Health and welfare | - | - | - | - | - | 2,780 | - |
| Culture and recreation | - | - | - | 3,153,416 | - | 154 | - |
| Other | 1,140,999 | - | - | - | - | - | - |
| Capital outlay | - | 34,471 | - | - | - | 2,063,863 | 17,024 |
| Total expenditures | <u>1,140,999</u> | <u>153,989</u> | <u>136,764</u> | <u>3,153,416</u> | <u>83,378</u> | <u>2,724,609</u> | <u>17,024</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>140,275</u> | <u>(64,799)</u> | <u>(16,216)</u> | <u>274,528</u> | <u>4,442</u> | <u>(1,828,294)</u> | <u>-</u> |
| Other financing sources (uses) | | | | | | | |
| Transfers in (out) | - | 19,710 | - | - | - | 1,828,294 | - |
| Total other financing sources (uses) | <u>-</u> | <u>19,710</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,828,294</u> | <u>-</u> |
| Net change in fund balances | <u>140,275</u> | <u>(45,089)</u> | <u>(16,216)</u> | <u>274,528</u> | <u>4,442</u> | <u>-</u> | <u>-</u> |
| Fund balance - beginning | <u>1,366,747</u> | <u>60,576</u> | <u>422,048</u> | <u>1,797,493</u> | <u>76,202</u> | <u>-</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 1,507,022</u> | <u>\$ 15,487</u> | <u>\$ 405,832</u> | <u>\$ 2,072,021</u> | <u>\$ 80,644</u> | <u>\$ -</u> | <u>\$ -</u> |

PICKENS COUNTY, SOUTH CAROLINA

Schedule 20 - continued

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

YEAR ENDED JUNE 30, 2017

| | Tourism Restricted Resources | Accomodations Tax | Road Fee | Tourism Development Fee | Emergency Phone System | Prison Commission | Nonmajor Special Revenue Funds |
|--|---|------------------------------|---------------------|--|---------------------------------------|------------------------------|---|
| Revenues | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,371,713 |
| Intergovernmental | 2,470 | 180,256 | - | - | 457,162 | - | 1,877,829 |
| Fees, licenses and permits | - | - | 2,121,099 | 380,281 | 362,180 | - | 2,863,560 |
| Charges for services | 27,322 | - | - | - | - | - | 125,991 |
| Fines and forfeitures | - | - | - | - | - | - | 208,368 |
| Investment income | - | - | - | - | - | - | 3,424 |
| Contributions | 294 | - | - | - | - | - | 294 |
| Other revenues | 13,890 | - | - | - | - | 2,502 | 16,392 |
| Total revenues | 43,976 | 180,256 | 2,121,099 | 380,281 | 819,342 | 2,502 | 9,467,571 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | 32,230 | 30 | - | 372,044 |
| Public safety | - | - | - | - | 684,557 | 1,921 | 1,254,596 |
| Public works | - | - | 3,697,322 | - | - | - | 3,786,892 |
| Health and welfare | - | - | - | - | - | - | 2,780 |
| Culture and recreation | 80,645 | 40,415 | - | 164,883 | - | - | 3,439,513 |
| Other | 2,108 | - | - | - | - | - | 1,143,107 |
| Capital outlay | - | - | 2,150 | - | 838,590 | - | 2,956,098 |
| Total expenditures | 82,753 | 40,415 | 3,699,472 | 197,113 | 1,523,177 | 1,921 | 12,955,030 |
| Excess (deficiency) of revenues over (under) expenditures | (38,777) | 139,841 | (1,578,373) | 183,168 | (703,835) | 581 | (3,487,459) |
| Other financing sources (uses) | | | | | | | |
| Transfers in (out) | - | (32,763) | - | - | - | - | 1,815,241 |
| Total other financing sources (uses) | - | (32,763) | - | - | - | - | 1,815,241 |
| Net change in fund balances | (38,777) | 107,078 | (1,578,373) | 183,168 | (703,835) | 581 | (1,672,218) |
| Fund balance - beginning | 129,112 | 74,274 | 2,577,288 | 182,239 | 1,665,359 | - | 8,351,338 |
| Fund balance - ending | \$ 90,335 | \$ 181,352 | \$ 998,915 | \$ 365,407 | \$ 961,524 | \$ 581 | \$ 6,679,120 |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance With Final Positive (Negative) |
|---|----------------------------|-------------------------|---------------------|--|
| Revenues | | | | |
| Taxes | \$ 1,229,335 | \$ 1,229,335 | \$ 1,281,274 | \$ (51,939) |
| Total revenues | <u>1,229,335</u> | <u>1,229,335</u> | <u>1,281,274</u> | <u>(51,939)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Other | 1,229,335 | 1,229,335 | 1,140,999 | 88,336 |
| Total expenditures | <u>1,229,335</u> | <u>1,229,335</u> | <u>1,140,999</u> | <u>88,336</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>-</u> | <u>140,275</u> | <u>36,397</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>140,275</u> | <u>\$ 36,397</u> |
| Fund balance - beginning | | | <u>1,366,747</u> | |
| Fund balance - ending | | | <u>\$ 1,507,022</u> | |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|--|----------------------------|-------------------------|------------------|--|
| Revenues | | | | |
| Intergovernmental | \$ 97,425 | \$ 97,425 | \$ 89,190 | \$ (8,235) |
| Total revenues | <u>97,425</u> | <u>97,425</u> | <u>89,190</u> | <u>(8,235)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 116,097 | 116,097 | 119,518 | (3,421) |
| Capital outlay | <u>-</u> | <u>35,000</u> | <u>34,471</u> | <u>529</u> |
| Total expenditures | <u>116,097</u> | <u>151,097</u> | <u>153,989</u> | <u>(2,892)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(18,672)</u> | <u>(53,672)</u> | <u>(64,799)</u> | <u>(11,127)</u> |
| Other financing sources | | | | |
| Transfers in | <u>18,672</u> | <u>18,672</u> | <u>19,710</u> | <u>1,038</u> |
| Total other financing sources | <u>18,672</u> | <u>18,672</u> | <u>19,710</u> | <u>1,038</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ (35,000)</u> | <u>(45,089)</u> | <u>\$ (10,089)</u> |
| Fund balance - beginning | | | <u>60,576</u> | |
| Fund balance - ending | | | <u>\$ 15,487</u> | |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | <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 | \$ 2,969,117 | \$ 2,969,117 | \$ 3,090,439 | \$ - | \$ 3,090,439 | \$ 121,322 |
| Intergovernmental | 132,000 | 230,717 | 56,576 | 178,836 | 235,412 | 4,695 |
| Charges for services | 101,500 | 101,500 | 98,669 | - | 98,669 | (2,831) |
| Investment income | 1,000 | 1,000 | 3,424 | - | 3,424 | 2,424 |
| Total revenues | <u>3,203,617</u> | <u>3,302,334</u> | <u>3,249,108</u> | <u>178,836</u> | <u>3,427,944</u> | <u>125,610</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 2,490,606 | 2,490,606 | 2,376,373 | - | 2,376,373 | 114,233 |
| Library collections | 206,664 | 295,934 | 41,996 | 178,836 | 220,832 | 75,102 |
| Supplies | 54,052 | 64,955 | 59,685 | - | 59,685 | 5,270 |
| Contractual services | 116,623 | 122,037 | 104,243 | - | 104,243 | 17,794 |
| Utilities | 172,125 | 172,125 | 179,128 | - | 179,128 | (7,003) |
| Repairs and maintenance | 147,182 | 219,302 | 104,542 | - | 104,542 | 114,760 |
| Fuel and oil | 2,000 | 2,000 | 1,366 | - | 1,366 | 634 |
| Furniture, machinery and equipment | 30,875 | 27,861 | 23,701 | - | 23,701 | 4,160 |
| Insurance, bonds and licenses | 44,620 | 44,620 | 44,174 | - | 44,174 | 446 |
| Rent | 34,450 | 30,550 | 30,545 | - | 30,545 | 5 |
| Retiree health and dental | 7,404 | 7,404 | - | - | - | 7,404 |
| Other | 9,650 | 12,850 | 8,827 | - | 8,827 | 4,023 |
| Total expenditures | <u>3,316,251</u> | <u>3,490,244</u> | <u>2,974,580</u> | <u>178,836</u> | <u>3,153,416</u> | <u>336,828</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(112,634)</u> | <u>(187,910)</u> | <u>274,528</u> | <u>-</u> | <u>274,528</u> | <u>462,438</u> |
| Net change in fund balances | <u>\$ (112,634)</u> | <u>\$ (187,910)</u> | <u>274,528</u> | <u>-</u> | <u>274,528</u> | <u>\$ 462,438</u> |
| Fund balance - beginning | | | <u>1,834,533</u> | <u>(37,040)</u> | <u>1,797,493</u> | |
| Fund balance - ending | | | <u>\$ 2,109,061</u> | <u>\$ (37,040)</u> | <u>\$ 2,072,021</u> | |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|---|----------------------------|-------------------------|------------------|--|
| Revenues | | | | |
| Fines and forfeitures | 109,000 | 109,000 | 87,820 | (21,180) |
| Total revenues | <u>109,000</u> | <u>109,000</u> | <u>87,820</u> | <u>(21,180)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 85,890 | 85,890 | 63,667 | 22,223 |
| Supplies | 14,387 | 14,320 | 6,755 | 7,565 |
| Contractual services | 600 | 600 | 303 | 297 |
| Utilities | 795 | 795 | 759 | 36 |
| Repairs and maintenance | 1,200 | 1,200 | - | 1,200 |
| Fuel and oil | 897 | 897 | 698 | 199 |
| Furniture, machinery and equipment | 3,620 | 3,620 | - | 3,620 |
| Insurance, bonds and licenses | 1,471 | 1,538 | 1,196 | 342 |
| Direct Assistance | - | - | 10,000 | (10,000) |
| Other | 140 | 140 | - | 140 |
| Total expenditures | <u>109,000</u> | <u>109,000</u> | <u>83,378</u> | <u>25,622</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>-</u> | <u>4,442</u> | <u>4,442</u> |
| Net change in fund balances | <u>-</u> | <u>-</u> | <u>4,442</u> | <u>\$ 4,442</u> |
| Fund balance - beginning | | | <u>76,202</u> | |
| Fund balance - ending | | | <u>\$ 80,644</u> | |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|--|----------------------------|-------------------------|--------------------|--|
| Revenues | | | | |
| Intergovernmental | \$ 665,815 | \$ 4,286,279 | \$ 896,315 | \$ (3,389,964) |
| Total revenues | <u>665,815</u> | <u>4,286,279</u> | <u>896,315</u> | <u>(3,389,964)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 348,629 | 348,629 | 339,784 | 8,845 |
| Public safety | 115,962 | 244,098 | 228,458 | 15,640 |
| Public works | 49,735 | 111,617 | 89,570 | 22,047 |
| Health and welfare | (10,298) | 598 | 2,780 | (2,182) |
| Culture and recreation | 154 | 154 | 154 | - |
| Capital outlay | <u>1,816,292</u> | <u>3,999,224</u> | <u>2,063,863</u> | <u>1,935,361</u> |
| Total expenditures | <u>2,320,474</u> | <u>4,704,320</u> | <u>2,724,609</u> | <u>1,979,711</u> |
| Deficiency of revenues under expenditures | <u>(1,654,659)</u> | <u>(418,041)</u> | <u>(1,828,294)</u> | <u>(1,410,253)</u> |
| Other financing sources (uses) | | | | |
| Transfers (out) in | - | 1,828,294 | 1,828,294 | - |
| Total other financing sources (uses) | <u>-</u> | <u>1,828,294</u> | <u>1,828,294</u> | <u>-</u> |
| Special items | | | | - |
| Extraordinary items | | | | - |
| Net change in fund balances | <u>(1,654,659)</u> | <u>1,410,253</u> | <u>-</u> | <u>(1,410,253)</u> |
| Fund balance - beginning | | | - | |
| Fund balance - ending | | | <u>\$ -</u> | |

PICKENS COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCES - BUDGET AND ACTUAL - TOURISM RESTRICTED RESOURCES FUND

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|--|----------------------------|-------------------------|------------------|--|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ 2,470 | \$ 2,470 |
| Charges for services | 37,000 | 37,000 | 27,322 | (9,678) |
| Contributions | 20,000 | 20,000 | 294 | (19,706) |
| Other revenues | 15,000 | 15,000 | 13,890 | (1,110) |
| Total revenues | <u>72,000</u> | <u>72,000</u> | <u>43,976</u> | <u>(28,024)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Culture and recreation | 75,355 | 87,169 | 80,645 | 6,524 |
| Other | 75,000 | 67,310 | 2,108 | 65,202 |
| Total expenditures | <u>150,355</u> | <u>154,479</u> | <u>82,753</u> | <u>71,726</u> |
| Deficiency of revenues under expenditures | <u>(78,355)</u> | <u>(82,479)</u> | <u>(38,777)</u> | <u>43,702</u> |
| Other financing uses | | | | |
| Transfers out | - | - | - | - |
| Total other financing uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (78,355)</u> | <u>\$ (82,479)</u> | <u>(38,777)</u> | <u>\$ 43,702</u> |
| Fund balance - beginning | | | <u>129,112</u> | |
| Fund balance - ending | | | <u>\$ 90,335</u> | |

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

Schedule 27

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|---|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Intergovernmental | \$ 90,000 | \$ 90,000 | \$ 180,256 | \$ 90,256 |
| Total revenues | <u>90,000</u> | <u>90,000</u> | <u>180,256</u> | <u>90,256</u> |
| Expenditures | | | | |
| Current: | | | | |
| Culture and recreation | 61,750 | 117,942 | 40,415 | 77,527 |
| Total expenditures | <u>61,750</u> | <u>117,942</u> | <u>40,415</u> | <u>77,527</u> |
| Excess of revenues over expenditures | <u>28,250</u> | <u>(27,942)</u> | <u>139,841</u> | <u>167,783</u> |
| Other financing uses | | | | |
| Transfers out | (28,250) | (28,250) | (32,763) | (4,513) |
| Total other financing uses | <u>(28,250)</u> | <u>(28,250)</u> | <u>(32,763)</u> | <u>(4,513)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ (56,192)</u> | <u>107,078</u> | <u>\$ 163,270</u> |
| Fund balance - beginning | | | <u>74,274</u> | |
| Fund balance - ending | | | <u>\$ 181,352</u> | |

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|--|----------------------------|-------------------------|--------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ (208,667) | \$ 1,791,333 | \$ 2,121,099 | \$ 329,766 |
| Total revenues | <u>(208,667)</u> | <u>1,791,333</u> | <u>2,121,099</u> | <u>329,766</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public works | 2,174,258 | 4,174,258 | 3,697,322 | 476,936 |
| Capital outlay | 142,258 | 142,258 | 2,150 | 140,108 |
| Total expenditures | <u>2,316,516</u> | <u>4,316,516</u> | <u>3,699,472</u> | <u>617,044</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,525,183)</u> | <u>(2,525,183)</u> | <u>(1,578,373)</u> | <u>946,810</u> |
| Net change in fund balances | <u>\$ (2,525,183)</u> | <u>\$ (2,525,183)</u> | <u>(1,578,373)</u> | <u>\$ 946,810</u> |
| Fund balance - beginning | | | <u>2,577,288</u> | |
| Fund balance - ending | | | <u>\$ 998,915</u> | |

PICKENS COUNTY, SOUTH CAROLINA

Schedule 29

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|---|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Fees, licenses and permits | \$ 310,000 | \$ 310,000 | \$ 380,281 | \$ 70,281 |
| Total revenues | <u>310,000</u> | <u>310,000</u> | <u>380,281</u> | <u>70,281</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 65,856 | 65,856 | 62,104 | 3,752 |
| Supplies | 42,450 | 47,128 | 23,155 | 23,973 |
| Contractual services | 19,300 | 25,300 | 17,785 | 7,515 |
| Utilities | 420 | 420 | 280 | 140 |
| Repairs and maintenance | - | 120,000 | 59,169 | 60,831 |
| Furniture, machinery and equipment | 1,650 | 1,650 | 414 | 1,236 |
| Insurance, bonds and licenses | 557 | 557 | 718 | (161) |
| Direct assistance | - | - | 32,230 | (32,230) |
| Other | 7,094 | 7,404 | 1,258 | 6,146 |
| Total expenditures | <u>137,327</u> | <u>268,315</u> | <u>197,113</u> | <u>71,202</u> |
| Excess of revenues over expenditures | <u>172,673</u> | <u>41,685</u> | <u>183,168</u> | <u>141,483</u> |
| Net change in fund balances | <u>\$ 172,673</u> | <u>\$ 41,685</u> | 183,168 | <u>\$ 141,483</u> |
| Fund balance - beginning | | | <u>182,239</u> | |
| Fund balance - ending | | | <u>\$ 365,407</u> | |

PICKENS COUNTY, SOUTH CAROLINA

Schedule 30

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|---|----------------------------|-------------------------|-------------------|--|
| Revenues | | | | |
| Intergovernmental | \$ 311,700 | \$ 311,700 | \$ 457,162 | \$ 145,462 |
| Fees, licenses and permits | 459,622 | 459,622 | 362,180 | (97,442) |
| Total revenues | <u>771,322</u> | <u>771,322</u> | <u>819,342</u> | <u>48,020</u> |
| Expenditures | | | | |
| Current: | | | | |
| Personnel services | 255,273 | 255,273 | 261,953 | (6,680) |
| Supplies | 6,850 | 6,850 | 4,205 | 2,645 |
| Contractual services | 234,800 | 202,535 | 162,240 | 40,295 |
| Utilities | 233,460 | 233,460 | 177,577 | 55,883 |
| Repairs and maintenance | 2,200 | 8,324 | 7,580 | 744 |
| Fuel and oil | 382 | 632 | 615 | 17 |
| Furniture, machinery and equipment | 16,200 | 66,200 | 51,817 | 14,383 |
| Insurance, bonds and licenses | 2,520 | 2,689 | 2,711 | (22) |
| Other | 19,637 | 20,278 | 15,889 | 4,389 |
| Capital outlay | 900,000 | 875,081 | 838,590 | 36,491 |
| Total expenditures | <u>1,671,322</u> | <u>1,671,322</u> | <u>1,523,177</u> | <u>148,145</u> |
| Excess of revenues over expenditures | <u>(900,000)</u> | <u>(900,000)</u> | <u>(703,835)</u> | <u>196,165</u> |
| Net change in fund balances | <u>\$ (900,000)</u> | <u>\$ (900,000)</u> | <u>(703,835)</u> | <u>\$ 196,165</u> |
| Fund balance - beginning | | | <u>1,665,359</u> | |
| Fund balance - ending | | | <u>\$ 961,524</u> | |

PICKENS COUNTY, SOUTH CAROLINA
COMBINING SCHEDULES

DEBT SERVICE FUNDS

Debt Service Fund

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

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Positive (Negative)</u> |
|---|----------------------------|-------------------------|---------------------|--|
| Revenues | | | | |
| Taxes | \$ 1,438,186 | \$ 1,438,186 | \$ 3,016,602 | \$ 1,578,416 |
| Fees, licenses and permits | 309,669 | 309,669 | 309,669 | - |
| Total revenues | <u>1,747,855</u> | <u>1,747,855</u> | <u>3,326,271</u> | <u>1,578,416</u> |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal retirement | 1,334,205 | 1,334,205 | 1,334,205 | - |
| Interest and fiscal charges | 285,958 | 285,958 | 293,598 | (7,640) |
| Total expenditures | <u>1,620,163</u> | <u>1,620,163</u> | <u>1,627,803</u> | <u>(7,640)</u> |
| Excess of revenues over expenditures | <u>127,692</u> | <u>127,692</u> | <u>1,698,468</u> | <u>1,570,776</u> |
| Other financing uses: | | | | |
| Transfers out | (127,692) | (127,692) | (127,692) | - |
| Total other financing uses | <u>(127,692)</u> | <u>(127,692)</u> | <u>(127,692)</u> | <u>-</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>1,570,776</u> | <u>\$ 1,570,776</u> |
| Fund balance - beginning | | | <u>884,824</u> | |
| Fund balance - ending | | | <u>\$ 2,455,600</u> | |

PICKENS COUNTY, SOUTH CAROLINA
COMBINING SCHEDULES

AGENCY FUNDS

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

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

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

| | <u>Balance</u> <u>June 30, 2016</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Balance</u> <u>June 30, 2017</u> |
|--------------------------------|--|-----------------------|-----------------------|--|
| School District Fund | | | | |
| Assets | | | | |
| Cash | \$ 34,904,032 | \$ 179,322,123 | \$ 178,720,766 | \$ 35,505,389 |
| Accounts receivable - other | 2,325 | 2,352 | 2,325 | 2,352 |
| Property taxes receivable, net | 6,665,242 | 250,375 | 12,519 | 6,903,098 |
| | <u>\$ 41,571,599</u> | <u>\$ 179,574,850</u> | <u>\$ 178,735,610</u> | <u>\$ 42,410,839</u> |
| Liabilities | | | | |
| Due to others | \$ 41,571,600 | \$ 179,574,849 | \$ 178,735,610 | \$ 42,410,839 |
| | <u>\$ 41,571,600</u> | <u>\$ 179,574,849</u> | <u>\$ 178,735,610</u> | <u>\$ 42,410,839</u> |
| Municipal Fund | | | | |
| Assets | | | | |
| Cash | 85,874 | 10,005,184 | 10,022,103 | \$ 68,955 |
| Property taxes receivable, net | 1,015,486 | 15,556 | 777 | 1,030,265 |
| | <u>\$ 1,101,360</u> | <u>\$ 10,020,740</u> | <u>\$ 10,022,880</u> | <u>\$ 1,099,220</u> |
| Liabilities | | | | |
| Accounts payable | \$ 85,895 | \$ 9,841,717 | \$ 9,858,618 | \$ 68,994 |
| Due to others | 1,015,465 | 73,733 | 58,972 | 1,030,226 |
| | <u>\$ 1,101,360</u> | <u>\$ 9,915,450</u> | <u>\$ 9,917,590</u> | <u>\$ 1,099,220</u> |
| Mini-bottle Fund | | | | |
| Assets | | | | |
| Cash | \$ - | \$ 217,100 | \$ 217,100 | \$ - |
| Liabilities | | | | |
| Due to others | \$ - | \$ 217,100 | \$ 217,100 | \$ - |
| Fire District Fund | | | | |
| Assets | | | | |
| Cash | \$ - | \$ 256,524 | \$ 256,524 | \$ - |
| Liabilities | | | | |
| Due to others | \$ - | \$ 256,524 | \$ 256,524 | \$ - |
| Magistrates' Fund | | | | |
| Assets | | | | |
| Cash | \$ 42,744 | \$ 782,187 | \$ 746,830 | \$ 78,101 |
| Liabilities | | | | |
| Due to others | \$ 42,744 | \$ 782,187 | \$ 746,830 | \$ 78,101 |

PICKENS COUNTY, SOUTH CAROLINA

Schedule 32 - continued

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

YEAR ENDED JUNE 30, 2017

| | <u>Balance</u> <u>June 30, 2016</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Balance</u> <u>June 30, 2017</u> |
|----------------------------------|--|-----------------------|-----------------------|--|
| Family Court Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 23,574 | \$ 6,886,643 | \$ 6,885,943 | \$ 24,274 |
| Liabilities | | | | |
| Due to others | \$ 23,574 | \$ 6,886,643 | \$ 6,885,943 | \$ 24,274 |
| Clerk of Court Fund | | | | |
| Assets | | | | |
| Cash and investments | \$ 1,059,247 | \$ 745,368 | \$ 648,859 | \$ 1,155,756 |
| Liabilities | | | | |
| Due to others | \$ 1,059,247 | \$ 745,368 | \$ 648,859 | \$ 1,155,756 |
| Prison | | | | |
| Assets | | | | |
| Cash and investments | \$ 10,189 | \$ 58,781 | \$ 59,548 | \$ 9,422 |
| Liabilities | | | | |
| Due to others | \$ 10,189 | \$ 58,781 | \$ 59,548 | \$ 9,422 |
| Library Foundation | | | | |
| Assets | | | | |
| Cash and investments | \$ 61,570 | \$ 325 | \$ 5,024 | \$ 56,871 |
| Liabilities | | | | |
| Due to others | \$ 61,570 | \$ 325 | \$ 5,024 | \$ 56,871 |
| Total of all Agency Funds | | | | |
| Assets | | | | |
| Cash and investments | \$ 36,187,230 | \$ 198,274,235 | \$ 197,562,697 | \$ 36,898,768 |
| Accounts receivable - other | 2,325 | 2,352 | 2,325 | 2,352 |
| Property taxes receivable | 7,680,728 | 265,931 | 13,296 | 7,933,363 |
| Total assets | <u>\$ 43,870,283</u> | <u>\$ 198,542,518</u> | <u>\$ 197,578,318</u> | <u>\$ 44,834,483</u> |
| Liabilities | | | | |
| Accounts payable | \$ 85,895 | \$ 9,841,717 | \$ 9,858,618 | \$ 68,994 |
| Due to others | 43,784,389 | 188,595,510 | 187,614,410 | 44,765,489 |
| Total liabilities | <u>\$ 43,870,284</u> | <u>\$ 198,437,227</u> | <u>\$ 197,473,028</u> | <u>\$ 44,834,483</u> |

PICKENS COUNTY, SOUTH CAROLINA

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

JUNE 30, 2017

| Function | Land | Construction in Progress | Buildings and Improvements | Improvements and Infrastructure | Machinery and Equipment | Total |
|--|---------------------|---|---|--|--|-----------------------|
| General government | \$ 1,778,247 | \$ - | \$ 13,015,694 | \$ 125,971 | \$ 2,207,203 | \$ 17,127,115 |
| Public safety | 759,427 | 2,779,610 | 12,282,560 | 219,130 | 19,093,183 | 35,133,910 |
| Public works | 1,088,914 | 26 | 1,308,565 | 28,944,301 | 11,109,306 | 42,451,112 |
| Public health and welfare | 26,902 | 170 | 998,301 | - | 213,416 | 1,238,789 |
| Culture and recreation | 878,549 | 136,798 | 11,133,879 | 308,135 | 913,797 | 13,371,158 |
| Economic development | 109,298 | 1,922,387 | 2,038,883 | 1,918,034 | - | 5,988,602 |
| Intergovernmental | - | - | 500,195 | - | - | 500,195 |
| Total governmental funds capital assets | \$ 4,641,337 | \$ 4,838,991 | \$ 41,278,077 | \$ 31,515,571 | \$ 33,536,905 | \$ 115,810,881 |

PICKENS COUNTY, SOUTH CAROLINA

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

JUNE 30, 2017

| Function | Beginning of Year | Additions | Deletions | Transfers | | End of Year |
|--|-----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| | | | | In | Out | |
| General government administration | \$ 17,081,918 | \$ 269,880 | \$ 319,647 | \$ 160,689 | \$ 65,725 | \$ 17,127,115 |
| Public safety | 30,799,111 | 4,857,047 | 606,381 | 150,892 | 66,759 | 35,133,910 |
| Public works | 42,143,477 | 479,319 | 99,552 | 585,970 | 658,102 | 42,451,112 |
| Public health and welfare | 1,358,914 | 170 | - | 20,971 | 141,266 | 1,238,789 |
| Culture and recreation | 13,166,856 | 200,314 | 9,342 | 81,833 | 68,503 | 13,371,158 |
| Economic development | 3,985,031 | 2,003,571 | - | - | - | 5,988,602 |
| Intergovernmental | 1,183,750 | - | 683,555 | - | - | 500,195 |
| Total governmental funds capital assets | \$ 109,719,057 | \$ 7,810,301 | \$ 1,718,477 | \$ 1,000,355 | \$ 1,000,355 | \$ 115,810,881 |

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STATISTICAL SECTION

PICKENS COUNTY, SOUTH CAROLINA

STATISTICAL SECTION NARRATIVE

FISCAL YEAR JUNE 30, 2017

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>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 41,537,095 | \$ 33,371,208 | \$ 35,269,425 | \$ 34,058,641 | \$ 41,896,168 | \$ 44,803,759 | \$ 43,964,937 | \$ 45,459,121 | \$ 48,208,673 | \$ 50,700,319 |
| Restricted | 13,002,730 | 12,314,922 | 11,358,716 | 11,628,296 | 11,835,113 | 11,960,394 | 15,397,427 | 15,634,038 | 17,573,313 | 16,152,280 |
| Unrestricted | 15,754,877 | 22,977,434 | 25,011,349 | 32,630,194 | 25,831,302 | 24,136,243 | 25,986,376 | (8,736,449) | (7,094,595) | (12,313,850) |
| Total governmental activities net assets | <u>70,294,702</u> | <u>68,663,564</u> | <u>71,639,490</u> | <u>78,317,131</u> | <u>79,562,583</u> | <u>80,900,396</u> | <u>85,348,740</u> | <u>52,356,710</u> | <u>58,687,391</u> | <u>54,538,749</u> |
| Business-type Activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | 27,584,777 | 28,137,870 | 28,304,398 | 29,301,120 | 29,786,626 | 29,155,636 | 28,023,881 | 26,816,226 | 25,857,381 | 25,414,892 |
| Restricted | 540,697 | 603,805 | 631,008 | 631,008 | 682,544 | 700,992 | 756,000 | 809,568 | 817,308 | 825,048 |
| Unrestricted (Deficit) | 324,284 | 2,155,050 | 2,012,819 | 1,149,004 | 929,489 | 1,122,850 | 1,091,496 | 503,074 | 417,809 | 410,584 |
| Total business-type activities net assets | <u>28,449,758</u> | <u>30,896,725</u> | <u>30,948,225</u> | <u>31,081,132</u> | <u>31,398,659</u> | <u>30,979,478</u> | <u>29,871,377</u> | <u>28,128,868</u> | <u>27,092,498</u> | <u>26,650,524</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 |
| Total component unit net assets | <u>-</u> | <u>337,586</u> | <u>373,588</u> | <u>320,221</u> | <u>288,705</u> | <u>169,334</u> | <u>100,109</u> | <u>80,150</u> | <u>54,651</u> | <u>66,685</u> |
| Primary Government | | | | | | | | | | |
| Invested in capital assets, net of related debt | 69,121,872 | 61,509,078 | 63,573,823 | 63,359,761 | 71,682,794 | 73,959,395 | 71,988,818 | 72,275,347 | 74,066,054 | 76,115,211 |
| Restricted | 13,543,427 | 12,918,727 | 11,989,724 | 12,259,304 | 12,517,657 | 12,661,386 | 16,153,427 | 16,443,606 | 18,390,621 | 16,977,328 |
| Unrestricted | 16,079,161 | 25,470,070 | 27,397,756 | 34,099,419 | 27,049,496 | 25,428,427 | 27,177,981 | (8,153,225) | (6,622,135) | (11,836,581) |
| Total primary government net assets | <u>\$ 98,744,460</u> | <u>\$ 99,897,875</u> | <u>\$ 102,961,303</u> | <u>\$ 109,718,484</u> | <u>\$ 111,249,947</u> | <u>\$ 112,049,208</u> | <u>\$ 115,320,226</u> | <u>\$ 80,565,728</u> | <u>\$ 85,834,540</u> | <u>\$ 81,255,958</u> |

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenses | | | | | | | | | | |
| <u>Governmental activities:</u> | | | | | | | | | | |
| General government | \$ 10,383,406 | \$ 11,629,191 | \$ 11,104,765 | \$ 10,917,949 | \$ 10,988,712 | \$ 11,088,305 | \$ 11,469,811 | \$ 12,254,981 | \$ 12,604,182 | \$ 14,563,209 |
| Public safety | 18,701,286 | 20,164,030 | 20,917,120 | 20,465,118 | 20,300,914 | 21,850,514 | 22,626,518 | 22,559,150 | 25,758,032 | 26,064,443 |
| Public works | 11,342,672 | 12,499,271 | 10,179,397 | 9,094,190 | 10,590,594 | 11,256,677 | 10,277,306 | 9,259,568 | 12,714,042 | 15,651,931 |
| Health and welfare | 329,074 | 1,217,282 | 1,229,437 | 1,078,351 | 1,188,284 | 864,265 | 877,186 | 860,695 | 933,146 | 920,068 |
| Cultural and recreation | 4,197,104 | 5,433,793 | 5,206,481 | 5,520,862 | 5,415,087 | 4,246,760 | 4,541,962 | 4,283,221 | 4,689,443 | 4,820,156 |
| Economic development | 589,302 | 419,161 | 427,052 | 381,571 | 762,985 | 665,236 | 689,697 | 474,033 | 547,444 | 1,288,055 |
| Intergovernmental | 1,696,013 | - | - | - | 38,607 | 1,350,409 | 1,422,329 | 1,428,094 | 883,737 | 1,543,750 |
| Capital outlay | - | - | - | - | - | - | - | - | - | - |
| Interest on long-term debt | 432,473 | 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 |
| Total governmental activities expenses | 47,671,330 | 52,438,225 | 50,060,914 | 48,378,329 | 50,017,486 | 51,934,982 | 52,440,658 | 51,624,095 | 58,532,411 | 65,213,645 |
| <u>Business-type activities:</u> | | | | | | | | | | |
| Public Service Commission | 2,025,662 | 2,273,647 | 2,493,077 | 2,451,997 | 2,563,062 | 2,699,977 | 2,816,922 | 2,683,046 | 3,050,970 | 2,986,321 |
| Airport | 860,893 | 880,955 | 817,008 | 903,663 | 983,591 | 947,016 | 916,192 | 837,465 | 736,118 | 885,823 |
| Total business-type activities expense | 2,886,555 | 3,154,602 | 3,310,085 | 3,355,660 | 3,546,653 | 3,646,993 | 3,733,114 | 3,520,511 | 3,787,088 | 3,872,144 |
| Total Primary Government Expenses | 50,557,885 | 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 |
| Component unit activities: | | | | | | | | | | |
| Alliance Pickens | - | 578,695 | 357,901 | 414,629 | 556,630 | 794,974 | 472,450 | 356,336 | 390,778 | 457,914 |
| Total component unit expenses | - | 578,695 | 357,901 | 414,629 | 556,630 | 794,974 | 472,450 | 356,336 | 390,778 | 457,914 |
| Total expenses | 50,557,885 | 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 |
| Program Revenues | | | | | | | | | | |
| <u>Governmental activities:</u> | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | 2,141,308 | 1,317,074 | 1,285,073 | 1,229,792 | 1,214,622 | 1,301,297 | 1,297,344 | 1,334,387 | 1,515,091 | 1,611,385 |
| Public safety | 6,738,601 | 6,833,279 | 7,042,849 | 7,295,934 | 7,355,656 | 7,719,457 | 9,161,649 | 7,943,150 | 8,654,967 | 8,736,438 |
| Public works | 3,355,920 | 1,189,219 | 1,135,204 | 1,242,067 | 1,236,597 | 999,045 | 989,904 | 1,035,390 | 1,161,031 | 1,301,204 |
| Health and welfare | 22,741 | 330 | 13,965 | 12,495 | 11,572 | 4,426 | 16,387 | 29,217 | 84,679 | 103,296 |
| Cultural and recreation | 592,737 | 416,725 | 440,966 | 519,084 | 521,452 | 560,701 | 553,744 | 532,321 | 644,000 | 625,362 |
| Economic development | 26,612 | - | - | - | - | - | - | - | - | - |
| Operating grants and contributions | 3,543,585 | 4,755,930 | 4,998,531 | 5,743,390 | 4,710,501 | 4,741,551 | 5,648,952 | 5,984,172 | 10,315,555 | 7,202,200 |
| Capital grants and contributions | 1,923,909 | 631,301 | 717,022 | 497,965 | 113,796 | 147,275 | 423,643 | 125,000 | - | - |
| Total governmental activities program revenues | 18,345,413 | 15,143,858 | 15,633,610 | 16,540,727 | 15,164,196 | 15,473,752 | 18,091,623 | 16,983,637 | 22,375,323 | 19,579,885 |

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Public Service Commission | \$ 1,195,127 | \$ 949,682 | \$ 1,223,966 | \$ 1,228,583 | \$ 1,186,460 | \$ 1,255,385 | \$ 1,268,272 | \$ 1,289,956 | \$ 1,415,105 | \$ 1,368,923 |
| Airport | 413,056 | 474,368 | 433,935 | 507,926 | 570,777 | 550,821 | 494,435 | 478,820 | 444,548 | 621,303 |
| Operating grants and contributions | 69,971 | 884 | - | - | - | - | - | - | - | - |
| Capital grants and contributions | 1,170,716 | 2,088,611 | 1,179,087 | 1,023,482 | 1,940,208 | 1,200,981 | 583,785 | 437,925 | 586,072 | 1,111,193 |
| Total business-type activities program revenues | <u>2,848,870</u> | <u>3,513,545</u> | <u>2,836,988</u> | <u>2,759,991</u> | <u>3,697,445</u> | <u>3,007,187</u> | <u>2,346,492</u> | <u>2,206,701</u> | <u>2,445,725</u> | <u>3,101,419</u> |
| Total Primary Government Program Revenues | <u>21,194,283</u> | <u>18,657,403</u> | <u>18,470,598</u> | <u>19,300,718</u> | <u>18,861,641</u> | <u>18,480,939</u> | <u>20,438,115</u> | <u>19,190,338</u> | <u>24,821,048</u> | <u>22,681,304</u> |
| Component unit activities: | | | | | | | | | | |
| Alliance Pickens | - | 192,613 | 393,903 | 19,104 | 172,887 | 232,887 | 11,324 | 22,324 | 23,000 | 118,000 |
| Total component unit revenues | <u>-</u> | <u>192,613</u> | <u>393,903</u> | <u>19,104</u> | <u>172,887</u> | <u>232,887</u> | <u>11,324</u> | <u>22,324</u> | <u>23,000</u> | <u>118,000</u> |
| Total revenues | <u>21,194,283</u> | <u>18,850,016</u> | <u>18,864,501</u> | <u>19,319,822</u> | <u>19,034,528</u> | <u>18,713,826</u> | <u>20,449,439</u> | <u>19,212,662</u> | <u>24,844,048</u> | <u>22,799,304</u> |
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental activities | (29,325,917) | (37,294,367) | (34,427,304) | (31,837,602) | (34,853,290) | (36,461,230) | (34,349,035) | (34,640,458) | (36,157,088) | (45,633,760) |
| Business-type activities | (37,685) | 358,943 | (473,097) | (595,669) | 150,792 | (639,806) | (1,386,622) | (1,313,810) | (1,341,363) | (770,725) |
| Component unit activities | - | (386,082) | 36,002 | (395,525) | (383,743) | (562,087) | (461,126) | (334,012) | (367,778) | (339,914) |
| Total Primary Government | <u>(29,363,602)</u> | <u>(37,321,506)</u> | <u>(34,864,399)</u> | <u>(32,828,796)</u> | <u>(35,086,241)</u> | <u>(37,663,123)</u> | <u>(36,196,783)</u> | <u>(36,288,280)</u> | <u>(37,866,229)</u> | <u>(46,744,399)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | 29,960,665 | 31,541,678 | 32,288,793 | 32,953,640 | 31,646,911 | 32,606,724 | 34,453,144 | 35,248,707 | 36,998,429 | 36,947,789 |
| Grants and contributions | 6,774,688 | 6,626,329 | 5,592,546 | 4,664,736 | 4,132,297 | 4,887,962 | 4,856,536 | 4,841,567 | 4,940,083 | 5,213,027 |
| Investment earnings | 682,166 | 299,313 | 111,949 | 117,105 | 120,662 | 108,448 | 135,870 | 200,655 | 366,793 | 353,202 |
| Fees, licenses, and permits | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 269,712 | 330,760 | 84,577 | 1,425,212 | 212,954 | 334,963 | (15,127) | (2,499,667) | 370,832 | (188,977) |
| Gain on sale of capital assets | 53,454 | (323,162) | - | 92,409 | 152,653 | 19,351 | 123,308 | (50,577) | 116,625 | (511,172) |
| Transfer of Capital Asset | - | - | - | - | - | - | - | - | - | - |
| Transfers | (4,798,421) | (2,463,024) | (674,635) | (737,861) | (166,735) | (158,405) | (669,908) | (303,751) | (304,993) | (328,751) |
| Total governmental activities | <u>32,942,264</u> | <u>36,011,894</u> | <u>37,403,230</u> | <u>38,515,241</u> | <u>36,098,742</u> | <u>37,799,043</u> | <u>38,883,823</u> | <u>37,436,934</u> | <u>42,487,769</u> | <u>41,485,118</u> |

PICKENS COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|-----------------------|
| Business-type activities: | | | | | | | | | | |
| Gain on sale of capital assets | \$ - | \$ - | \$ - | \$ (9,285) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers | 4,798,421 | 2,088,024 | 674,635 | 737,861 | 166,735 | 158,405 | 278,521 | 303,751 | 304,993 | 328,751 |
| Total business-type activities | <u>4,798,421</u> | <u>2,088,024</u> | <u>674,635</u> | <u>728,576</u> | <u>166,735</u> | <u>158,405</u> | <u>278,521</u> | <u>303,751</u> | <u>304,993</u> | <u>328,751</u> |
| Total Primary Government | <u>37,740,685</u> | <u>38,099,918</u> | <u>38,077,865</u> | <u>39,243,817</u> | <u>36,265,477</u> | <u>37,957,448</u> | <u>39,162,344</u> | <u>37,740,685</u> | <u>42,792,762</u> | <u>41,813,869</u> |
| Component Unit Activities: | | | | | | | | | | |
| Investment Earnings | - | - | - | 2,158 | 1,590 | 666 | 514 | 320 | 382 | 322 |
| Transfers | - | 375,000 | - | 340,000 | 350,637 | 442,050 | 391,387 | 313,733 | 341,897 | 351,626 |
| Total component unit activities | <u>-</u> | <u>375,000</u> | <u>-</u> | <u>342,158</u> | <u>352,227</u> | <u>442,716</u> | <u>391,901</u> | <u>314,053</u> | <u>342,279</u> | <u>351,948</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | 3,616,347 | (1,282,473) | 2,975,926 | 6,677,639 | 1,245,452 | 1,337,813 | 4,534,788 | 2,796,476 | 6,330,681 | (4,148,642) |
| Business-type activities | 4,760,736 | 2,446,967 | 201,538 | 132,907 | 317,527 | (481,401) | (1,108,101) | (1,010,059) | (1,036,370) | (441,974) |
| Total Primary Government | <u>8,377,083</u> | <u>1,164,494</u> | <u>3,177,464</u> | <u>6,810,546</u> | <u>1,562,979</u> | <u>856,412</u> | <u>3,426,687</u> | <u>1,786,417</u> | <u>5,294,311</u> | <u>(4,590,616)</u> |
| Component unit activities | <u>-</u> | <u>(11,082)</u> | <u>36,002</u> | <u>(53,367)</u> | <u>(31,516)</u> | <u>(119,371)</u> | <u>(69,225)</u> | <u>(19,959)</u> | <u>(25,499)</u> | <u>12,034</u> |
| Total Reporting Unit | <u>\$ 8,377,083</u> | <u>\$ 1,153,412</u> | <u>\$ 3,213,466</u> | <u>\$ 6,757,179</u> | <u>\$ 1,531,463</u> | <u>\$ 737,041</u> | <u>\$ 3,357,462</u> | <u>\$ 1,766,458</u> | <u>\$ 5,268,812</u> | <u>\$ (4,578,582)</u> |

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 2,455,301 | \$ 3,713,840 | \$ 3,045,149 | | | | | | | |
| Unreserved | 23,882,694 | 20,870,743 | 23,176,899 | | | | | | | |
| Total General Fund | <u>26,337,995</u> | <u>24,584,583</u> | <u>26,222,048</u> | | | | | | | |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Debt service | 541,633 | 541,633 | 314,693 | | | | | | | |
| Other reserves | 2,000,027 | 558,733 | 1,417,705 | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 11,793,525 | 10,705,047 | 9,184,588 | | | | | | | |
| Debt service funds | - | (102,627) | - | | | | | | | |
| Capital project funds | 887,462 | 444,405 | 441,815 | | | | | | | |
| Total All Other Governmental Funds | <u>15,222,647</u> | <u>12,147,191</u> | <u>11,358,801</u> | | | | | | | |
| Total Governmental Fund Balance | <u>\$ 41,560,642</u> | <u>\$ 36,731,774</u> | <u>\$ 37,580,849</u> | | | | | | | |
| General Fund | | | | | | | | | | |
| Nonspendable | | | | \$ 1,706,049 | \$ 1,954,935 | \$ 1,586,053 | \$ 1,597,119 | \$ 1,579,659 | \$ 1,547,843 | \$ 1,310,699 |
| 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 |
| Unassigned | | | | 20,039,896 | 20,406,845 | 19,209,791 | 20,915,924 | 22,515,434 | 23,924,817 | 21,586,795 |
| 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> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | | | | 1,240 | 349 | 1,703 | 649,129 | 9,835 | 3,130 | 10,268 |
| Restricted | | | | 11,791,094 | 11,562,227 | 7,833,127 | 15,397,427 | 15,634,043 | 17,573,313 | 16,152,280 |
| Committed | | | | 426,766 | 207,703 | 3,604,377 | 892,235 | 285,654 | 85,890 | - |
| Assigned | | | | 71,813 | 91,243 | - | - | - | - | - |
| Unassigned | | | | (235,865) | (122,200) | (126,849) | (498,409) | (427,378) | (569,457) | (1,025,337) |
| 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> |
| 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> |

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>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|---------------------|-----------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 29,593,673 | \$ 29,907,909 | \$ 31,463,280 | \$ 31,809,502 | \$ 31,964,892 | \$ 32,335,013 | \$ 33,791,817 | \$ 34,292,274 | \$ 36,141,974 | \$ 35,951,087 |
| Fees, licenses and permits | 5,461,999 | 5,307,166 | 5,429,003 | 5,706,190 | 5,789,261 | 6,098,332 | 6,183,688 | 6,650,297 | 6,707,563 | 7,031,340 |
| Intergovernmental | 11,045,142 | 10,109,495 | 9,050,636 | 8,462,632 | 6,758,120 | 7,602,068 | 8,702,952 | 8,737,519 | 12,989,373 | 10,279,287 |
| Charges for services | 6,251,805 | 5,886,863 | 6,324,966 | 6,454,395 | 6,461,207 | 6,269,400 | 6,002,528 | 6,268,814 | 6,610,683 | 6,780,713 |
| Fines and forfeitures | 975,288 | 832,055 | 899,557 | 789,030 | 815,979 | 757,288 | 2,293,571 | 695,656 | 1,541,829 | 660,457 |
| Investment income | 1,176,242 | 451,499 | 179,095 | 173,499 | 174,974 | 178,351 | 203,026 | 263,906 | 420,425 | 422,697 |
| Rental income | - | 22,103 | 20,052 | 27,210 | 20,930 | 66,518 | 24,204 | 20,933 | 21,100 | 22,616 |
| Contributions | 148,642 | 21,720 | 15,136 | 290,243 | 48,630 | 12,891 | 81,197 | 391,693 | 35,549 | 4,344 |
| Miscellaneous | 190,062 | 1,522,903 | 114,601 | 1,545,885 | 429,327 | 410,081 | 334,719 | 469,637 | 469,637 | 272,731 |
| Total Revenues | <u>54,842,853</u> | <u>54,061,713</u> | <u>53,496,326</u> | <u>55,258,586</u> | <u>52,463,320</u> | <u>53,729,942</u> | <u>57,617,702</u> | <u>57,368,797</u> | <u>64,938,133</u> | <u>61,425,272</u> |
| Expenditures | | | | | | | | | | |
| General government | 9,861,628 | 10,307,518 | 10,099,195 | 9,633,375 | 9,733,134 | 9,996,701 | 10,425,459 | 10,872,211 | 11,347,596 | 12,393,478 |
| Public safety | 17,453,255 | 19,122,790 | 19,700,901 | 19,265,676 | 19,010,099 | 20,487,005 | 21,169,840 | 20,880,137 | 23,705,195 | 23,834,731 |
| Public works | 9,914,630 | 11,877,268 | 9,375,375 | 8,100,479 | 9,140,139 | 10,052,522 | 9,207,995 | 8,172,262 | 11,537,764 | 13,472,912 |
| Health and welfare | 778,940 | 823,673 | 758,168 | 744,985 | 809,118 | 824,990 | 832,512 | 817,536 | 890,237 | 891,016 |
| Culture and recreation | 3,892,592 | 3,938,808 | 3,779,990 | 4,058,464 | 4,082,413 | 3,921,338 | 4,212,529 | 3,944,464 | 4,354,647 | 4,478,322 |
| Economic development | 570,531 | 397,421 | 397,622 | 2,173 | 365,817 | 586,003 | 594,857 | 366,248 | 439,659 | 1,189,981 |
| Other | 73,067 | 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 |
| Intergovernmental | 1,673,392 | 1,325,975 | 94,907 | 92,815 | (306) | 103,512 | 89,475 | 169,961 | 270,848 | 383,145 |
| Capital outlay | 4,120,698 | 7,085,512 | 3,672,026 | 7,116,474 | 2,872,562 | 3,932,728 | 3,143,834 | 6,034,166 | 3,841,717 | 7,807,585 |
| Debt service | | | | | | | | | | |
| Principal | 1,767,006 | 2,135,545 | 2,018,689 | 2,132,390 | 2,324,544 | 2,418,939 | 2,679,193 | 2,711,850 | 2,771,805 | 1,485,193 |
| Interest | 790,629 | 902,872 | 896,901 | 832,393 | 724,331 | 624,183 | 565,407 | 513,028 | 431,457 | 359,272 |
| Total Expenditures | <u>50,896,368</u> | <u>58,369,398</u> | <u>52,381,010</u> | <u>53,501,672</u> | <u>50,474,454</u> | <u>54,305,316</u> | <u>54,350,416</u> | <u>55,921,978</u> | <u>60,482,848</u> | <u>68,205,411</u> |
| Excess of Revenues Over (Under) Expenditures | <u>3,946,485</u> | <u>(4,307,685)</u> | <u>1,115,316</u> | <u>1,756,914</u> | <u>1,988,866</u> | <u>(575,374)</u> | <u>3,267,286</u> | <u>1,446,819</u> | <u>4,455,285</u> | <u>(6,780,179)</u> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from capital lease | 360,000 | 490,510 | 408,394 | - | - | - | - | - | - | - |
| Proceeds from notes payable | - | - | - | - | - | - | - | - | - | - |
| Proceeds from bond issuance | 3,874,344 | 1,800,000 | - | 950,000 | - | - | 3,000,000 | 700,000 | - | 2,150,000 |
| Payment to escrow agent | - | - | - | - | - | - | - | - | - | - |
| Transfer of capital asset | - | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| Transfers in (out) | (4,798,421) | (2,463,024) | (674,635) | (1,077,861) | (166,735) | (158,405) | (669,908) | (303,751) | (304,993) | (328,751) |
| Transfers to Pickens Alliance | - | - | - | - | (350,649) | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>(564,077)</u> | <u>(172,514)</u> | <u>(266,241)</u> | <u>(127,861)</u> | <u>(517,384)</u> | <u>(158,405)</u> | <u>2,330,092</u> | <u>396,249</u> | <u>(304,993)</u> | <u>1,821,249</u> |
| Net Change in Fund Balance | <u>\$ 3,382,408</u> | <u>\$ (4,480,199)</u> | <u>\$ 849,075</u> | <u>\$ 1,629,053</u> | <u>\$ 1,471,482</u> | <u>\$ (733,779)</u> | <u>\$ 5,597,378</u> | <u>\$ 1,843,068</u> | <u>\$ 4,150,292</u> | <u>\$ (4,958,930)</u> |
| Debt Service as a percentage of noncapital expenditures | 5.47% | 5.92% | 5.99% | 6.39% | 6.40% | 6.04% | 6.34% | 6.46% | 5.66% | 3.05% |

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 |
|---|---------------------|--------------------------|------------------------------|----------------------------|---|--|---|---|
| 2008 | 2007 | \$ 290,390,511 | \$ 112,850,047 | \$ - | \$ 403,240,558 | \$ 69 | \$ 7,090,308,644 | 5.69% |
| 2009 | 2008 | 310,458,774 | 110,238,582 | - | 420,697,356 | 69.10 | 7,423,479,505 | 5.67% |
| 2010 | 2009 | 319,731,823 | 102,207,991 | - | 421,939,814 | 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% |

(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)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| County Wide Tax Rates | | | | | | | | | | |
| County Operations | 56.0 | 56.0 | 53.2 | 53.2 | 53.2 | 53.2 | 53.2 | 55.3 | 55.3 | 55.3 |
| County Bonds | 4.0 | 4.0 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 4.0 | 4.0 | 4.0 |
| Tri-County Technical | 2.7 | 2.7 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.6 | 2.6 | 2.6 |
| Library | 6.4 | 6.4 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.3 | 6.3 | 6.3 |
| Total Direct Rate | 69.1 | 69.1 | 65.6 | 65.6 | 65.6 | 65.6 | 65.6 | 68.2 | 68.2 | 68.2 |
| City Rates | | | | | | | | | | |
| Easley | 61.0 | 61.0 | 61.0 | 58.0 | 58.0 | 58.0 | 58.0 | 60.0 | 60.0 | 62.0 |
| Liberty | 77.5 | 77.5 | 77.5 | 74.0 | 80.0 | 80.0 | 80.0 | 79.7 | 79.7 | 79.7 |
| Norris | 77.2 | 77.2 | 77.2 | 72.2 | 72.2 | 72.2 | 72.2 | 73.8 | 73.8 | 73.8 |
| Central | 63.0 | 64.8 | 67.3 | 67.0 | 70.0 | 72.0 | 72.0 | 74.0 | 75.0 | 75.5 |
| Clemson | 79.5 | 81.0 | 81.0 | 78.6 | 83.4 | 83.4 | 83.4 | 82.2 | 84.2 | 84.2 |
| Six Mile | 36.0 | 36.0 | 36.0 | 35.8 | 35.8 | 31.8 | 31.8 | 33.5 | 33.5 | 33.5 |
| Pickens | 48.5 | 50 | 52 | 48 | 52 | 58 | 60 | 65 | 66 | 67 |
| School District Rate | 167 | 165 | 159 | 160 | 162 | 161 | 161 | 165 | 165 | 165 |
| Special District Rates | | | | | | | | | | |
| Keowee Vineyards | 36 | 37 | 39 | 38 | 38 | 38 | 38 | 47 | 48 | 48 |
| Keowee Springs | - | 43 | 51 | 48 | 57 | 57 | 57 | 71 | 59 | 59 |
| Pumpkintown | - | - | - | - | - | - | - | - | - | - |
| Shady Grove | 13 | 12 | 12 | 11 | 12 | 12 | 12 | 14 | 12 | 12 |
| County Sewer | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Georges Creek | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Oolenoy | - | - | - | - | - | - | - | - | 2 | 2 |
| Sedgewood | 5 | 4 | 4 | 4 | 5 | 6 | 7 | 7 | 7 | 7 |
| Saluda Lake | 11 | 11 | 11 | 10 | - | - | - | - | - | - |

Note: Property was reassessed as of 2014.

Source: Pickens County Auditor's Office

PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

| <u>Taxpayer</u> | <u>2017</u> | | <u>Taxpayer</u> | <u>2008</u> | |
|--------------------------------|-------------------------------|--|--------------------------------|-------------------------------|--|
| | <u>Taxable Assessed Value</u> | <u>Percent of Total Taxable Assessed Value</u> | | <u>Taxable Assessed Value</u> | <u>Percent of Total Taxable Assessed Value</u> |
| | Duke Energy Corporation | \$ 21,592,400 | | 4.51% | Duke Energy Corporation |
| Blue Ridge Electric Coop., Inc | 6,572,890 | 1.37% | Blue Ridge Electric Coop., Inc | 4,924,280 | 1.22% |
| Bellsouth Telecommunications | 2,627,870 | 0.55% | Bellsouth Telecommunications | 4,352,300 | 1.08% |
| Reliable Automatic Sprinkler | 1,844,147 | 0.39% | Keowee River Club LLC | 3,236,277 | 0.80% |
| Shaw Industries Group Inc | 1,703,394 | 0.36% | Keowee Investment Group LLC | 1,745,145 | 0.43% |
| Breckenridge Group Clemson | 1,610,080 | 0.34% | Sauer Danfoss US Company | 1,600,779 | 0.40% |
| Cellco Partnership DBA Verizon | 1,579,390 | 0.33% | Shaw Industries | 1,542,342 | 0.38% |
| Ibrahim Family Trust LLC | 1,548,440 | 0.32% | Reliable Automatic Sprinkler | 1,529,711 | 0.38% |
| Pacesetter Inc | 1,442,805 | 0.30% | Alice Manufacturing Company | 1,503,210 | 0.37% |
| Keowee River Club LLC | 1,439,433 | 0.30% | Cellco Partnership DBA Verizon | 1,258,030 | 0.31% |
| Total | \$ 41,960,849 | 8.77% | | \$ 39,342,574 | 9.76% |

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, 2017 | Estimated Tax Collections to Date (3) | |
|-------------------------------------|-------------------------------|---|-----------------------------------|-----------------------------|--|-----------------------------------|
| | | Amount | Percentage of Adjusted Levy | | Estimated Amount | Percentage of Adjusted Levy |
| 2008 | \$ 17,475,608 | \$ 16,600,160 | 94.99% | \$ 105,986 | \$ 17,369,622 | 99.39% |
| 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% |

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 | | | |
| 2008 | \$ 14,353,470 | \$ - | \$ 1,812,503 | \$ 6,413,737 | \$ 5,128,488 | \$ 20,833 | \$ 27,729,031 | 0.81% | 234 |
| 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 |

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) |
|---|---|--|---------------|---|--------------------------------|
| 2008 | \$ 14,353,470 | \$ - | \$ 14,353,470 | 0.20% | 121 |
| 2009 | 15,405,526 | - | 15,405,526 | 0.21% | 129 |
| 2010 | 14,121,644 | - | 14,121,644 | 0.19% | 118 |
| 2011 | 13,599,219 | - | 13,599,219 | 0.17% | 114 |
| 2012 | 11,891,027 | 446,811 | 11,444,216 | 0.14% | 96 |
| 2013 | 10,112,744 | 605,669 | 9,507,075 | 0.12% | 80 |
| 2014 | 10,977,125 | 751,499 | 10,225,626 | 0.12% | 85 |
| 2015 | 9,526,866 | 866,055 | 8,660,811 | 0.11% | 71 |
| 2016 | 7,300,923 | 884,823 | 6,416,100 | 0.08% | 52 |
| 2017 | 8,502,194 | 2,455,598 | 6,046,596 | 0.07% | 49 |

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 2017

| | |
|--|-----------------------|
| Assessed valuation | \$ 478,428,074 |
| Less: exemptions | - |
| Net assessed value | <u>\$ 478,428,074</u> |
| Debt limit - 8 percent of total assessed value | \$ 38,274,246 |
| Amount of debt applicable to debt limit | <u>2,276,373</u> |
| Legal debt margin | <u>\$ 35,997,873</u> |

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt limit | \$ 32,259,245 | \$ 33,655,788 | \$ 33,755,185 | \$ 35,361,869 | \$ 35,534,227 | \$ 36,150,771 | \$ 36,958,423 | \$ 36,724,570 | \$ 37,458,386 | \$ 38,274,246 |
| Total net debt applicable to limit | <u>13,287,022</u> | <u>12,163,299</u> | <u>10,977,065</u> | <u>9,738,018</u> | <u>8,410,849</u> | <u>7,025,234</u> | <u>5,570,834</u> | <u>4,082,304</u> | <u>2,534,276</u> | <u>2,276,373</u> |
| Legal debt margin | <u>\$ 18,972,223</u> | <u>\$ 21,492,489</u> | <u>\$ 22,778,120</u> | <u>\$ 25,623,851</u> | <u>\$ 27,123,378</u> | <u>\$ 29,125,537</u> | <u>\$ 31,387,589</u> | <u>\$ 32,642,266</u> | <u>\$ 34,924,110</u> | <u>\$ 35,997,873</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 41.19% | 36.14% | 32.52% | 27.54% | 23.67% | 19.43% | 15.07% | 11.12% | 6.77% | 5.95% |

Notes:

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

Source: Annual Financial Statements

**PICKENS COUNTY, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE**

LAST TEN FISCAL YEARS

Series 1999A and 1999B Revenue Bonds (1)

Funding Source: Fee in lieu of taxes

| Fiscal Year | Available Revenue | Debt Service | | Coverage |
|-------------|-------------------|--------------|----------|----------|
| | | Principal | Interest | |
| 2008 | n/a | n/a | n/a | n/a |
| 2009 | n/a | n/a | n/a | n/a |
| 2010 | n/a | n/a | n/a | n/a |
| 2011 | n/a | n/a | n/a | n/a |
| 2012 | n/a | n/a | n/a | n/a |
| 2013 | n/a | n/a | n/a | n/a |
| 2014 | n/a | n/a | n/a | n/a |
| 2015 | n/a | n/a | n/a | n/a |
| 2016 | n/a | n/a | n/a | n/a |
| 2017 | n/a | n/a | n/a | n/a |

Sewer System Revenue Bonds (2)

Funding Source: Capital charges and transfers

| Fiscal Year | Available Revenue | Debt Service | | Coverage |
|-------------|-------------------|--------------|------------|----------|
| | | Principal | Interest | |
| 2008 | \$ 315,504 | \$ 70,085 | \$ 245,419 | 1.000 |
| 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 |

Note:

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

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

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

| Fiscal Year | Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|--------------------|-------------------|------------------------|-----------------------------------|--------------------------|
| 2008 | 118,330 | 3,427,378,000 | 28,965 | 5.3% |
| 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 | 121,691 | 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% |

Notes:

(1) Personal Income and Per Capita Personal Income for 2016 and 2017 and Population for 2017 were estimated base on the average yearly change over the previous five years.
 Last updated: November 17, 2016

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

**PICKENS COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS**

CURRENT YEAR AND NINE YEARS AGO

| Company or Organization | June 30, 2017 | |
|---|------------------------------------|---|
| | Number of Employees | Percent of Total County Employment |
| Clemson University | 3,500 | 6.85% |
| School District of Pickens County | 1,900 | 3.72% |
| Aramark Services | 800 | 1.57% |
| Palmetto Baptist Medical Center Pickens County | 715 | 1.40% |
| Pickens County | 692 | 1.35% |
| Reliable Automatic Sprinkler Company, Inc | 450 | 0.88% |
| Milliken & Co - Pendleton Finishing Plant | 400 | 0.78% |
| Comatrol (formerly Sauer-Danfoss) | 335 | 0.66% |
| YH America, South Carolina, LLC | 300 | 0.59% |
| St. Jude Medical, Inc | 300 | 0.59% |
| | 9,392 | 18.38% |

| Company or Organization | June 30, 2008 | |
|------------------------------------|------------------------------------|---|
| | Number of Employees | Percent of Total County Employment |
| Clemson University | 7,992 | 14.63% |
| State of South Carolina | 3,784 | 6.93% |
| School District of Pickens County | 2,308 | 4.22% |
| Palmetto Baptist Medical Center | 700 | 1.28% |
| Confluence Watersports | 650 | 1.19% |
| Reliable Automatic Sprinkler Co. | 600 | 1.10% |
| Pickens County | 585 | 1.07% |
| Wal-Mart | 544 | 1.00% |
| ARAMARK Services | 500 | 0.92% |
| Fluid Routing Solutions | 450 | 0.82% |
| | 18,113 | 33.15% |

Source: Appalachian Council of Governments and InfoMentum.

PICKENS COUNTY, SOUTH CAROLINA
AUTHORIZED COUNTY EMPLOYEE POSITIONS BY FUNCTION

LAST TEN FISCAL YEARS

| Function | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | 148 | 150 | 146 | 135 | 135 | 132 | 133 | 143 | 145 | 154 |
| Public safety | 267 | 275 | 278 | 284 | 291 | 297 | 300 | 325 | 337 | 359 |
| Public works | 104 | 102 | 97 | 96 | 96 | 94 | 91 | 90 | 89 | 89 |
| Health and welfare | 9 | 10 | 11 | 11 | 12 | 12 | 12 | 12 | 13 | 13 |
| Culture and recreation | 70 | 69 | 70 | 70 | 71 | 72 | 73 | 72 | 74 | 70 |
| Transportation | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Economic Development | 0 | 0 | 0 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Intergovernmental | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total authorized positions | 603 | 611 | 606 | 602 | 612 | 614 | 616 | 649 | 665 | 692 |

Source: County's Adopted Budget

PICKENS COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM

FISCAL YEARS 2008-2017

| Function/Program | Fiscal Year 2008 | Fiscal Year 2009 | Fiscal Year 2010 | Fiscal Year 2011 | Fiscal Year 2012 | Fiscal Year 2013 | Fiscal Year 2014 | Fiscal Year 2015 | Fiscal Year 2016 | Fiscal Year 2017 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General government | | | | | | | | | | |
| Probate Court estate cases | 785 | 737 | 716 | 770 | 845 | 851 | 895 | 944 | 966 | 915 |
| Marriage license applications | 718 | 762 | 739 | 807 | 798 | 781 | 746 | 832 | 778 | 812 |
| Register of Deeds documents filed | 19,605 | 21,543 | 20,292 | 19,061 | 20,280 | 21,481 | 19,907 | 19,220 | 19,620 | 22,396 |
| Clerk of Court civil cases filed | 2,233 | 3,092 | 3,652 | 2,735 | 2,835 | 1,656 | 1,562 | 2,772 | 2,748 | 3,101 |
| Clerk of Court warrants received | 3,615 | 3,009 | 3,545 | 3,244 | 3,367 | 3,808 | 3,986 | 3,651 | 4,290 | 4,492 |
| Vehicle bills and renewals processed | 111,797 | 117,633 | 115,593 | 115,636 | 116,570 | 117,159 | 118,097 | 119,208 | 122,699 | 123,823 |
| Magistrate case filings | 20,685 | 17,384 | 18,162 | 17,951 | 16,419 | 14,896 | 15,372 | 11,656 | 12,663 | 9,363 |
| Public Safety | | | | | | | | | | |
| Sheriff 911 calls received | 38,167 | 39,364 | 44,835 | 45,756 | 47,779 | 49,271 | 47,354 | 46,161 | 49,238 | 46,829 |
| Coroner's Office investigations | n/a | 426 | 568 | 566 | 653 | 756 | 796 | 798 | 805 | 796 |
| Prison inmates received | 742 | 678 | 709 | 643 | 588 | 608 | 473 | 727 | 594 | 550 |
| EMS ambulance calls | 15,158 | 14,810 | 14,494 | 14,289 | 14,704 | 15,012 | 14,979 | 14,553 | 15,417 | 15,838 |
| Victim Rights services and assistance | 8,026 | 8,191 | 6,965 | 7,288 | 6,600 | 7,674 | 6,822 | 6,891 | 2,672 | 3,176 |
| Building Code commercial permits | | | | 110 | 100 | 70 | 100 | 57 | 45 | 80 |
| Building Code residential permits | | | | 580 | 723 | 597 | 639 | 742 | 687 | 750 |
| Public Works | | | | | | | | | | |
| Solid Waste transfer station tonnage | 42,042 | 40,785 | 39,974 | 36,784 | 36,409 | 36,482 | 36,545 | 39,943 | 41,483 | 43,225 |
| Recyclables tonnage | 7,742 | 6,618 | 5,078 | 6,365 | 6,407 | 4,842 | 4,670 | 7,761 | 6,689 | 6,640 |
| Roads paved | n/a | 113 | 89 | 55 | 64 | 58 | 111 | 34 | 26 | 47 |
| Signs installed/repared | n/a | 114 | 270 | 728 | 494 | 1,400 | 928 | 874 | 972 | 549 |
| Health and Welfare | | | | | | | | | | |
| Animal Control calls received | 9,808 | 10,292 | 11,143 | 11,666 | 13,834 | 14,183 | 13,243 | 13,660 | 11,213 | 5,125 |
| Veteran's Affairs claims/actions | 24,662 | 24,706 | 24,792 | 25,675 | 25,963 | 21,884 | 20,112 | 22,300 | 17,002 | 17,645 |
| Culture and Recreation | | | | | | | | | | |
| County Park | | | | | | | | | | |
| Park camping and day use passes | 7,360 | 7,993 | 7,229 | 6,929 | 7,403 | 6,619 | 6,901 | 6,799 | 7,280 | 8,507 |
| Museum & Mill visitors (1) | 33,789 | 34,171 | 33,665 | 32,226 | 33,885 | 33,487 | 24,119 | 22,256 | 34,982 | 42,928 |
| Library visitors | 480,822 | 546,557 | 575,410 | 543,194 | 542,872 | 544,840 | 489,578 | 468,073 | 409,798 | 385,052 |
| Public Service Commission | | | | | | | | | | |
| Wastewater Treated /Gallons | 298,610,000 | 307,653,081 | 323,979,349 | 300,900,343 | 250,146,013 | 309,780,415 | 368,137,345 | 299,559,531 | 327,173,957 | 270,284,037 |

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 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | | | | | | |
| Sheriff Patrol units | 101 | 102 | 102 | 102 | 100 | 101 | 105 | 101 | 101 | 105 |
| EMS Stations | 7 | 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) | 183.6 | 184.8 | 185.3 | 657.0 | 662.3 | 669.4 | 669.4 | 670.8 | 651.0 | 653.6 |
| Bridges | 73 | 74 | 74 | 74 | 74 | 74 | 74 | 74 | 75 | 75 |
| Public Service Commission | | | | | | | | | | |
| Sanitary sewers (miles) | 28.61 | 28.81 | 28.81 | 35.97 | 36.2 | 36.2 | 36.2 | 36.4 | 36.4 | 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

**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, 2017, 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, 2017.

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. Matters related to the significant deficiencies were communicated to the auditee in written letter.

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.

Cherrey Behaert LLP

Greenville, South Carolina
November 27, 2017

**Report of Independent Auditor on Compliance
for the Major Program and on Internal Control over
Compliance Required in Accordance with the Uniform Guidance**

Pickens County Council
Pickens County, South Carolina

Report on Compliance for the Major Federal Program

We have audited Pickens County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2017. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and audit requirements for Federal Awards (Uniform Guidance). Those standards and the uniform guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

Report on Internal Control over Compliance

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

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

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

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

Cherrey Bebaert LHP

Greenville, South Carolina
November 27, 2017

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major federal programs:

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

Noncompliance material to federal awards yes no

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance yes no

Identification of the major federal program:

| <u>CFDA#</u> | <u>Program Name</u> |
|--------------|---|
| 66.458 | Clean Water State Revolving Fund Cluster Pickens County Septage Receiving Center |

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

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

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

\$ 750,000

Auditee qualified as low-risk auditee?

 yes X no

Section II. Financial Statement Findings

There were no audit findings.

Section III. Federal Award Questioned Costs & Findings

There were no audit findings.

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

Section IV. Resolution of Prior Year Findings

There were no prior year audit findings

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2017

| <u>Federal Grantor / Program Title</u> | <u>Federal CFDA Number</u> | <u>Grant / Award Number</u> | <u>Federal Expenditures</u> |
|--|------------------------------------|---------------------------------|---------------------------------|
| <u>US Department of Housing and Urban Development</u> | | | |
| Passed through SC Department of Commerce Cateeche Village Water Upgrade (G*348) | 14.228 | 4-CI-15-027 | \$ 127,913 |
| | | | <u>127,913</u> |
| <u>US Department of Justice</u> | | | |
| FY2015 Justice Assistance Grant (G*333) | 16.738 | 2015-DJ-BX-0712 | 17,024 |
| Passed through SC Department of Public Safety | | | |
| VAWA Domestic Investigator/Advocate Year 14 (G*312) | 16.588 | 1K15013 | 2,525 |
| VAWA Domestic Investigator/Advocate Year 15 (G*314) | 16.588 | 1K16014 | 52,970 |
| | | | <u>72,519</u> |
| <u>US Department of Health and Human Services</u> | | | |
| Passed through SC Dept. of Social Services (G*013) | | | |
| Dept. of Social Services Title IV-D Service of Process | 93.563 | | 16,732 |
| Dept. of Social Services Title IV-D Unit Cost | 93.563 | | 153,014 |
| Dept. of Social Services Title IV-D Incentives | 93.563 | | 40,452 |
| | | | <u>210,198</u> |
| <u>US Department of Homeland Security</u> | | | |
| Passed through SC Office of Adjutant General, Emergency Preparedness Division | | | |
| Emergency Management Performance Grant(s) | | | |
| FY2016LEMPG (G*336) | 97.042 | 16EMPG01 | 60,341 |
| FY2015 LEMPG (Supplemental) (G*352) | 97.042 | 15EMPG01 | 11,214 |
| Passed through Federal Emergency Management Agency | | | |
| FEMA Grant: Wildfires (G*356) | 97.046 | FEMA-5162-FM-SC | 82,092 |
| Pre-Disaster Mitigation Program (G*329) | 97.017 | PDMC-PL-04-SC2014004 | 36,251 |
| | | | <u>189,898</u> |
| <u>US Department of Transportation</u> | | | |
| South Carolina Emergency Management Division | | | |
| HMEP Planning Grant (G*343) | 20.703 | HM-HMP-0477-15-01-00 | 8,079 |
| | | | <u>8,079</u> |
| <u>Environmental Protection Agency (Office of Water)</u> | | | |
| Passed through SC Dept. of Health & Environmental Control | | | |
| Watershed Based Plan (G*339) | 66.460 | C9994629-11 | 2,780 |
| Clean Water State Revolving Fund Cluste | | | |
| Pickens County Septage Receiving Center (G*322) | 66.458 | SRF Project #592-19 | 712,288 |
| Clean Water State Revolving Fund Cluster Total | | | <u>712,288</u> |
| | | | <u>715,068</u> |
| <u>Institute of Museum & Library Services</u> | | | |
| Library Services & Technology Act (LSTA) Grant | | | |
| Passed through South Carolina State Library | | | |
| LSTA: Spring Tuition Assistance (G*359) | 45.310 | IIIA-16-103 | 1,600 |
| LSTA Summer Youth Reading (G*363) | 45.310 | IID-16-142 | 1,000 |
| | | | <u>2,600</u> |
| | | | <u>\$ 1,326,275</u> |

** Indicates major program

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

YEAR ENDED JUNE 30, 2017

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pickens County, South Carolina and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2—Indirect cost rate

Under the provisions of the Uniform Guidance, the County is permitted to use a 10% de minimis indirect cost rate. The County elected not to use this rate.

Note 3—Subrecipients

Federal grant money received is sometimes passed through to subrecipients. During the year ended June 30, 2017, there were no subrecipients.

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF ASSESSMENTS FOR VICTIM SERVICES

JUNE 30, 2017

Clerk of Court Collections

| | |
|----------------------------------|----------------|
| Fines and fees | \$ 271,943 |
| Assessments | 37,260 |
| Surcharges | 60,120 |
| Total Clerk of Court Collections | <u>369,322</u> |

Magistrate Court Collections

| | |
|--|----------------|
| Fines and fees | 363,878 |
| Assessments | 287,656 |
| Surcharges | 110,327 |
| Total Collections for Magistrate Court | <u>761,861</u> |

| | |
|---|---------------------|
| Total Collections for Clerk of Court and Magistrate Court | <u>\$ 1,131,183</u> |
|---|---------------------|

Clerk of Court Retainage

| | |
|--------------------------------|----------------|
| Fines and fees | \$ 105,331 |
| Assessments | 11,864 |
| Surcharges | 34,771 |
| Total Clerk of Court Retainage | <u>151,966</u> |

Magistrate Court Retainage

| | |
|----------------------------------|----------------|
| Fines and fees | 345,882 |
| Assessments | 26,099 |
| Surcharges | 15,086 |
| Total Magistrate Court Retainage | <u>387,067</u> |

| | |
|---|-------------------|
| Total Retainage for Clerk of Court and Magistrate Court | <u>\$ 539,033</u> |
|---|-------------------|

Amount Remitted to State Treasurer

| | |
|-----------------------|-------------------|
| Fines and Assessments | <u>\$ 592,150</u> |
|-----------------------|-------------------|

Amount of Funds Allocated to Victim Services by Fund Source

| | |
|---------------------------------|------------------|
| From Assessments and Surcharges | \$ 87,820 |
| | <u>\$ 87,820</u> |

| | |
|---|------------------|
| <u>Funds Carried Forward to Fiscal Year 2017 Designated as Victim Services Funds</u> | <u>\$ 80,948</u> |
|---|------------------|