

Pickens County, South Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

Prepared by:

Ralph Guarino, Finance Director for Pickens County

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR JUNE 30, 2014

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COUNTY OF PICKENS

www.co.pickens.sc.us



COUNCIL MEMBERS

G. NEIL SMITH, CHAIRMAN
TOM PONDER, VICE CHAIRMAN
JENNIFER H. WILLIS, VICE CHAIRMAN. PRO-TEM
JEFF MARTIN
TREY WHITEHURST
RANDY CRENSHAW

COUNTY ADMINISTRATOR
Matthew Delk
CLERK TO COUNCIL
Donna F. Owen

December 2, 2014

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, 2014, 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, 2014. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The Independent Auditors' report is presented in the Financial Section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

BUDGETARY CONTROLS

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

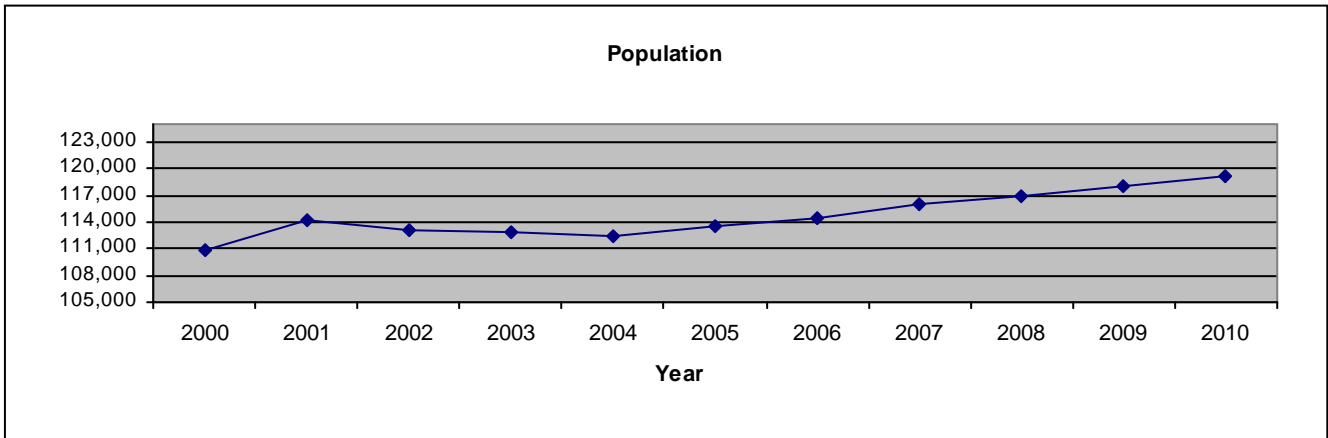
Local Economy

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

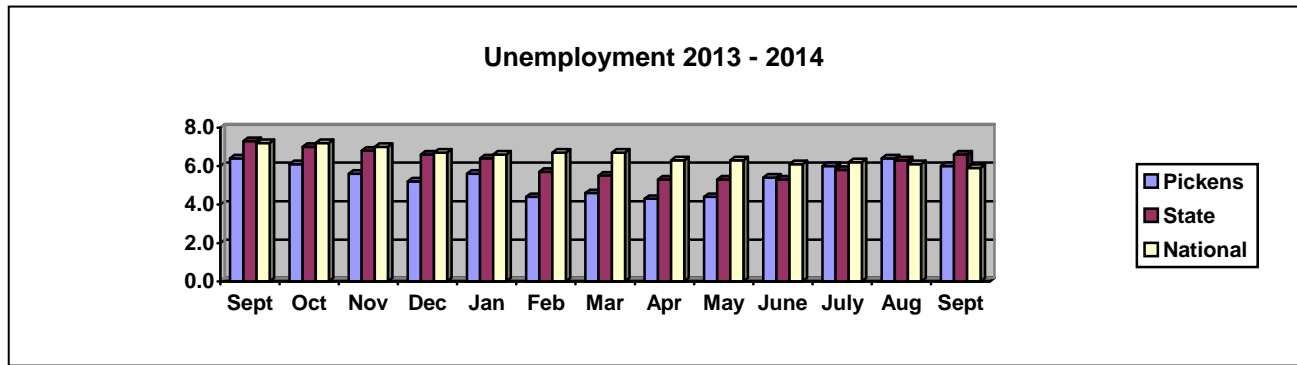
The County population grew 7.6% between the 2000 and 2010 censuses with average annual growth of .76% for the period. This has resulted in Pickens County lagging behind in the South Carolina Upstate region, which experienced an 11.2% population growth between censuses. The State of South Carolina experienced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

Expected Growth

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



According to the South Carolina Employment Security Commission, unemployment decreased in September (latest available numbers) from the previous year figure of 6.4% to 6.0%. This is below the State of South Carolina unemployment rate of 6.6% but higher for the United States at 5.9% for September 2014.



Long-Term Financial Planning

The County entered fiscal year 2014 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, 2014, in the General Fund was \$29,104,602 and \$20,915,924 respectively. This represents 82% and 59% of expenditures, respectively.

As part of the fiscal year 2015 budget, the County is renovating the former Liberty Middle School Auditorium into a multi-purpose complex. Once completed, the auditorium will have an approximately 600 seat auditorium for concert events, meeting facility, workshops and other type of entertainment and meeting events. The Complex will be located next to the newly renovated Central Magistrate Office which was formally part of the Liberty Middle School building. Other County plans could possibly include a substation in the Crosswell, Dacusville and Pumpkintown fire area.

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

Risk Management

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

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

Pension Plans

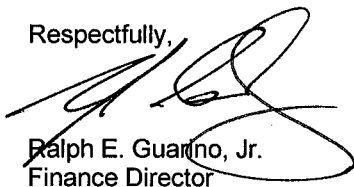
Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Retirement System (PORS), both of which are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board.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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickens County for its comprehensive annual financial report for the fiscal year ended June 30, 2014. 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 black ink, appearing to read 'R. Guarino, Jr.', written over a circular flourish.

Ralph E. Guarino, Jr.
Finance Director



Government Finance Officers Association

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

Presented to

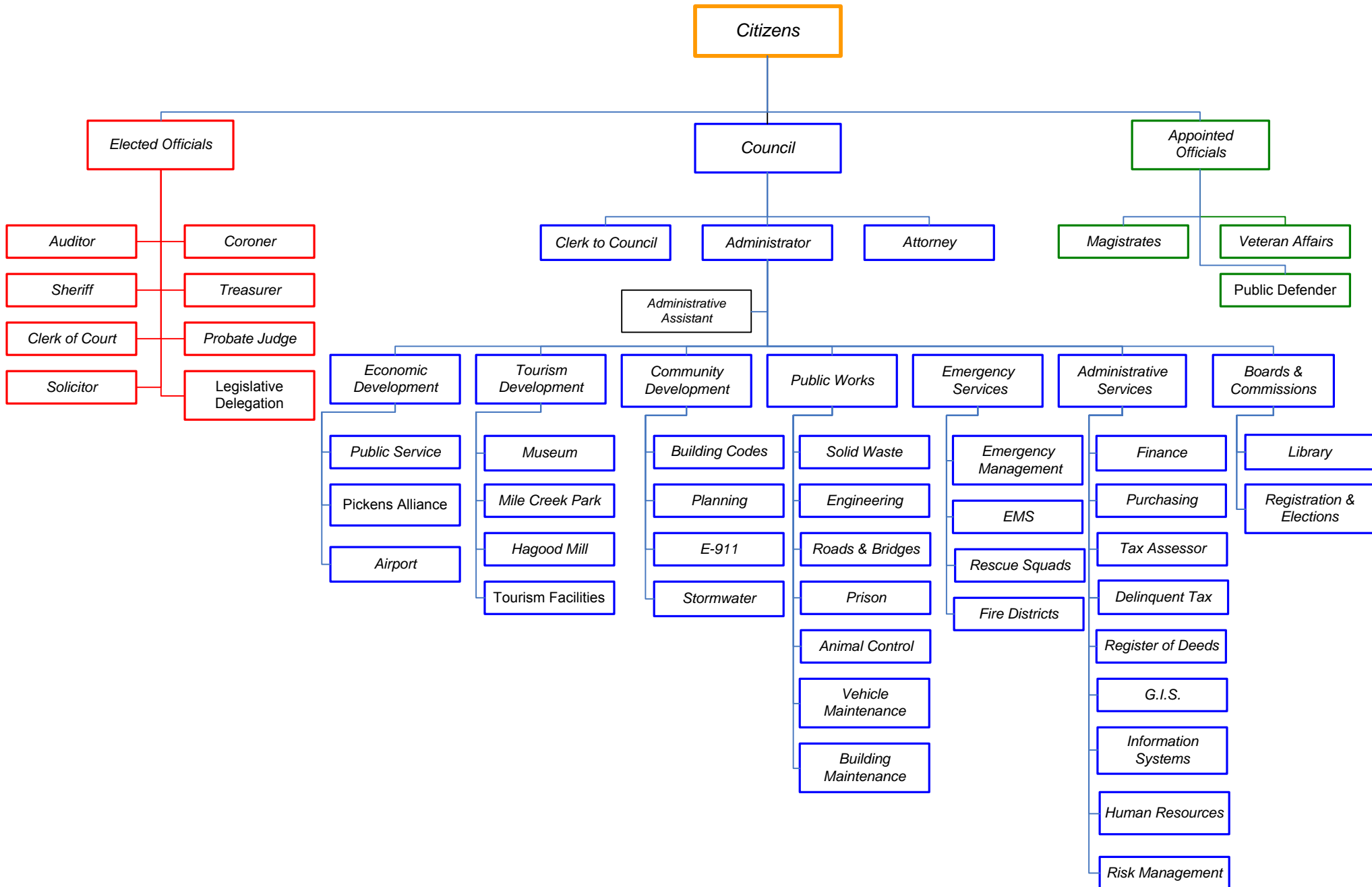
**Pickens County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Pickens County



PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2014

MEMBERS OF COUNTY COUNCIL

G. Neil Smith, Chairman
Tom E. Ponder, Vice Chairman
Jennifer H. Willis
Dr. Jeff Martin
Trey Whitehurst
Randy Crenshaw

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

FINANCIAL SECTION

Report of Independent Auditor

Pickens County Council
Pickens, 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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Fire District Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the County implemented the provisions of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 19 and the Schedule of Funding Progress – Other Postemployment Benefits on page 57 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 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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, compliance and other required supplementary 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 December 2, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Greenville, South Carolina
December 2, 2014

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, 2014. We encourage readers to read the information presented here in conjunction with additional information we have furnished in the County's financial statements, which follows this narrative.

Financial Highlights

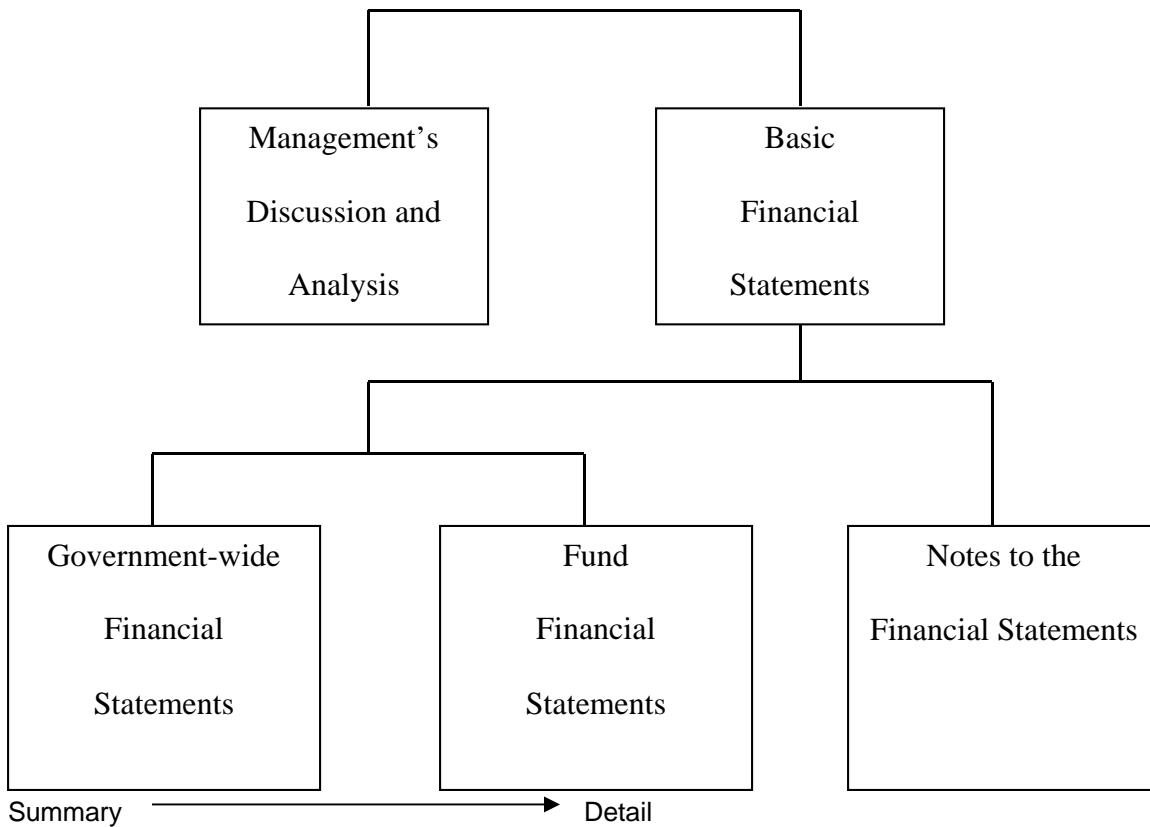
- The assets of Pickens County exceeded its liabilities at the close of the fiscal year by \$115,220,117. Of this amount \$43,231,299 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$3,426,687, several elements of this increase were due to the conservative approach Council makes toward estimating revenues for the budget, attrition of County employees and deferral of acquisitions of capital items.
- The County's unassigned General Fund balance increased by \$1,686,390 during the 2014 fiscal year due to a planned use of fund balance during the fiscal year 2013 budget process. Council allotted \$885,000 for several projects including the consolidation of four Magistrate Offices in Pickens County, testing for PCBs at the 12 Mile River, and \$350,000 for a new economic development office in the Commerce Park. In fiscal year 2014 Council allotted \$369,290 for future expenditures which included re-roofing the Central/Clemson EMS station, changing the HVAC control system at the Administration Building, upgrades to CAMA system in the Tax Assessor's Office and various other one time projects.
- The County had \$52,440,658 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$18,091,623 of these expenses. General revenues (primarily taxes and unrestricted grants) and net position of \$38,883,823 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 \$45,544,984, an increase of \$5,597,378 in comparison with the prior year. Approximately 61.3% of this total amount, or \$27,901,309, 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 \$20,915,924 or 58.9% of total general fund expenditures for the fiscal year.
- During the 2014 fiscal year, the County's governmental fund type revenues were \$57,645,354 compared to \$53,729,942 in the prior year.
- The total long-term liabilities of the governmental-type activities increased by \$320,807. The primary reason for this increase was due to the County issuing debt for the construction of a fire substation in the Liberty Fire District and the construction of three fire stations in the Pickens Fire District, offset by the principal repayment on long-term debt. The total long-term liabilities of the business-type activities decreased by \$126,038. The primary reason for this decrease was the principal repayment on long-term debt and no additional debt issues during fiscal year 2014.

Overview of the Financial Statements

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

Required Components of the Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets 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
	2014	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)
Current and other assets	\$ 53,883,782	\$ 48,325,611	\$ 1,993,084	\$ 2,243,019	\$ 55,876,866	\$ 50,568,630
Capital assets	59,504,265	60,005,765	34,610,192	35,867,985	94,114,457	95,873,750
Total assets	<u>113,388,047</u>	<u>108,331,376</u>	<u>36,603,276</u>	<u>38,111,004</u>	<u>149,991,323</u>	<u>146,442,380</u>
Long-term liabilities outstanding	20,354,091	19,985,024	6,476,573	6,609,381	26,830,664	26,594,405
Other liabilities	7,450,217	7,500,523	225,764	486,938	7,675,981	7,987,461
Total liabilities	<u>27,804,308</u>	<u>27,485,547</u>	<u>6,702,337</u>	<u>7,096,319</u>	<u>34,506,645</u>	<u>34,581,866</u>
Deferred inflows	<u>234,999</u>	<u>31,877</u>	<u>29,562</u>	<u>35,207</u>	<u>264,561</u>	<u>67,084</u>
Net position:						
Net investment in capital assets	43,964,937	44,803,759	28,023,881	29,155,636	71,988,818	73,959,395
Restricted	15,397,427	11,960,394	756,000	700,992	16,153,427	12,661,386
Unrestricted	25,986,376	24,049,799	1,091,496	1,122,850	27,077,872	25,172,649
Total net position	<u>\$ 85,348,740</u>	<u>\$ 80,813,952</u>	<u>\$ 29,871,377</u>	<u>\$ 30,979,478</u>	<u>\$ 115,220,117</u>	<u>\$ 111,793,430</u>

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets of Pickens County exceeded liabilities and deferred inflows by \$115,220,117 as of June 30, 2014. The County’s net position increased by \$3,426,687 for the fiscal year ended June 30, 2014. 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 \$71,998,818 (62.5% 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 \$16,153,427 (14%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$27,077,872 (23.5%) is unrestricted.

Pickens County's Changes in Net Position
Figure 3

	Governmental		Business-type		Total	Total
	Activities		Activities			
	2014	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)
Revenues:						
Program revenues:						
Charges for services	\$ 12,019,028	\$ 10,584,926	\$ 1,762,707	\$ 1,806,206	\$ 13,781,735	\$ 12,391,132
Operating grants and contributions	5,648,952	4,741,551	-	-	5,648,952	4,741,551
Capital grants and contributions	423,643	147,275	583,785	1,200,981	1,007,428	1,348,256
General revenues:						
Property taxes	26,088,813	24,673,429	-	-	26,088,813	24,673,429
Other taxes	8,364,331	7,933,295	-	-	8,364,331	7,933,295
Grants and contributions not restricted to specific programs	4,856,536	4,887,962	-	-	4,856,536	4,887,962
Other	244,051	462,762	-	-	244,051	462,762
Total revenues	<u>57,645,354</u>	<u>53,431,200</u>	<u>2,346,492</u>	<u>3,007,187</u>	<u>59,991,846</u>	<u>56,438,387</u>
Expenses:						
General government	11,469,811	11,088,305	-	-	11,469,811	11,088,305
Public safety	22,626,518	21,850,514	-	-	22,626,518	21,850,514
Public works	10,277,306	11,256,677	-	-	10,277,306	11,256,677
Health and welfare	877,186	864,265	-	-	877,186	864,265
Culture and recreation	4,541,962	4,246,760	-	-	4,541,962	4,246,760
Economic development	1,081,084	665,236	-	-	1,081,084	665,236
Assistance to other agencies	1,422,329	1,350,409	-	-	1,422,329	1,350,409
Unallocated interest expense and fees	535,849	605,613	-	-	535,849	605,613
Public service commission	-	-	2,816,922	2,699,977	2,816,922	2,699,977
Airport	-	-	916,192	947,016	916,192	947,016
Total expenses	<u>52,832,045</u>	<u>51,927,779</u>	<u>3,733,114</u>	<u>3,646,993</u>	<u>56,565,159</u>	<u>55,574,772</u>
Increase (decrease) in net position before transfers	4,813,309	1,503,421	(1,386,622)	(639,806)	3,426,687	863,615
Transfers	(278,521)	(158,405)	278,521	158,405	-	-
Increase (decrease) in net position	4,534,788	1,345,016	(1,108,101)	(481,401)	3,426,687	863,615
Net position, beginning	80,813,952	79,562,583	30,979,478	31,460,879	111,793,430	111,023,462
Change in accounting principle	-	(93,647)	-	-	-	(93,647)
Net assets - beginning, restated	80,813,952	79,468,936	30,979,478	31,460,879	111,793,430	110,929,815
Net position, ending	<u>\$ 85,348,740</u>	<u>\$ 80,813,952</u>	<u>\$ 29,871,377</u>	<u>\$ 30,979,478</u>	<u>\$ 115,220,117</u>	<u>\$ 111,793,430</u>

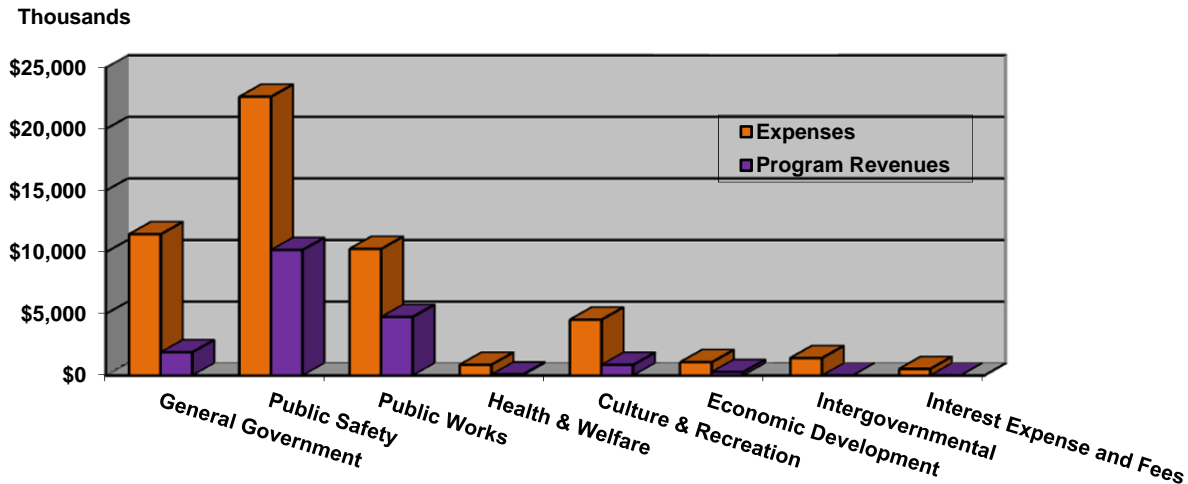
Changes in net position. The County total revenues increased from the prior year by \$3.55 million, or 6.3% (See figure 3 above). Property taxes accounts and program revenues (charges for services and restricted operating and capital grants) accounts for 43.5% and 34.1% of the County's revenues, respectively. Contributions and donation, other taxes, franchise fees and interest income account for the remainder of the revenue.

The total cost of all programs increased \$1.0 million, or 1.8%, which includes depreciation for all capital assets as required under Governmental Accounting Standards Board Statement under number 34.

Governmental activities – Governmental activities increased the County's net position by \$4,534,788. Several particular aspects of the County's financial operations positively influenced the total governmental activities:

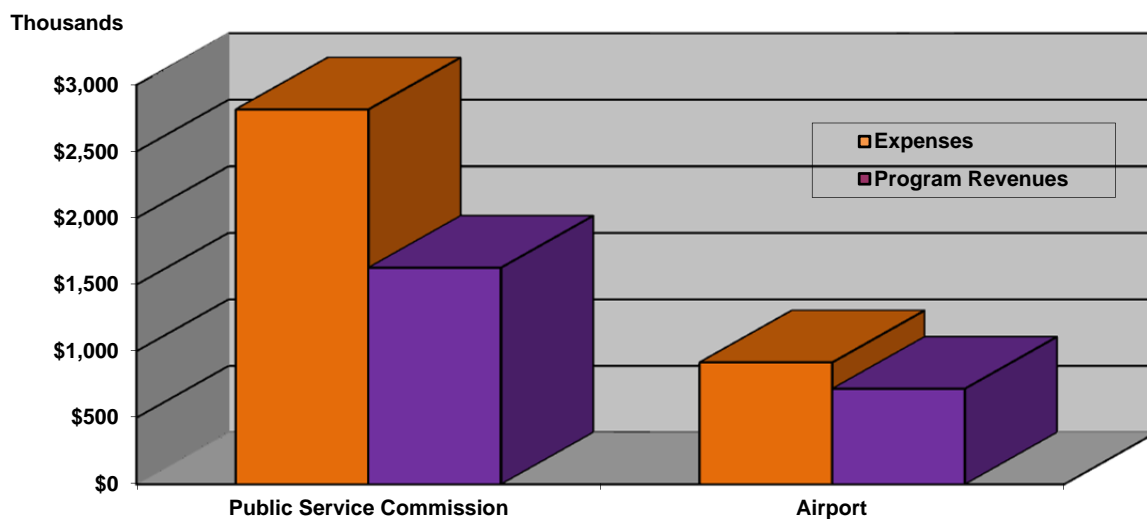
- After the budget was approved for fiscal year 2014 the County issued general obligation bonds (\$550,000) for the construction of a fire substation in the Liberty Fire District. Council also issued general obligation bonds for the construction of a fire headquarters and two fire substations in the Pickens Rural Fire District (\$2.45 million). The substation for the Liberty Fire District was substantially completed by the end of June, but the three stations in the Pickens Fire District had just begun construction at the end of June 2014. Also, the Sheriff's Office received approximately \$1.6 million in a drug raid when they, along with other law enforcement agencies, busted an Upstate illegal synthetic drug ring hiding in plain sight. Law enforcement officials said they also confiscated 300 pounds of synthetic drugs and nearly \$3 million in cash and bank accounts.

Expenses and Program Revenues - Governmental Activities



Business-type activities – Business-type activities decreased Pickens County's net position by \$1,108,101. This was attributable to the County receiving a capital grant in fiscal year 2013 for an upgrade to the Central North Waste Water Treatment Plant.

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 \$20,915,924, while total fund balance reached \$29,104,602. The County held the line in regards to expenditures for the fiscal year, however, one item contributed to the increase in the fund balance from fiscal year 2013. The County, along with the School District of Pickens County, settled their lawsuit with the City of Clemson over the distribution of surplus funds from the Tax Incrementing Financing (T.I.F.) districts. The County received an approximate one-time distribution of \$500,000 for fiscal year 2014, fiscal year 2013 and fiscal year 2012. Beginning in fiscal year 2015 the County will receive nearly \$165,000 per year in tax year revenue from surplus funds from the Clemson T.I.F. District. The T.I.F. District is set to expire in calendar year 2017. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 58.9% of total General Fund expenditures, while total fund balance represents 82.1% of that same amount.

At June 30, 2014, the governmental funds of Pickens County reported a combined fund balance of \$45,544,984, a 14% increase over last year.

General Fund Budgetary Highlights – During the fiscal year, the County revised the budget on one occasion. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted expenditures by \$856,256.

Proprietary Funds – Pickens County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Wastewater Treatment Fund at the end of the fiscal year amounted to \$1,091,196 and those for the Airport equaled \$300. The total change in net position for Public Service Commission and the Airport was \$(967,226) and \$(140,875), 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, 2014 totaled \$94,114,457 (net of accumulated depreciation). This is a net decrease of \$1,759,293 or 1.8%. 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 type of new equipment for Sheriff's Office, Solid Waste, Roads & Bridges and Emergency Medical Service Department
- Constructed an office and meeting facility for the Pickens Alliance Office
- Purchased land for the Airport for future development
- Installed perimeter fencing at the Airport
- Replaced several bridges within the County with Road User Fees

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

Figure 4

	Governmental Activities		Business-type Activities		Total	Total
	2014	2013	2014	2013	2014	2013
Land	\$ 7,081,256	\$ 7,081,256	\$ 2,060,937	\$ 1,799,434	\$ 9,142,193	\$ 8,880,690
Buildings	23,228,566	22,889,950	1,796,266	1,944,734	25,024,832	24,834,684
Improvements and infrastructure	18,713,126	19,081,576	30,528,536	31,628,953	49,241,662	50,710,529
Machinery and equipment	9,559,135	9,851,775	220,253	272,622	9,779,388	10,124,397
Construction in progress	922,182	1,101,208	4,200	222,242	926,382	1,323,450
Total	\$ 59,504,265	\$ 60,005,765	\$ 34,610,192	\$ 35,867,985	\$ 94,114,457	\$ 95,873,750

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, 2014, Pickens County had total bonded debt outstanding of \$10,977,125, part of which is debt backed by the full faith and credit of the County.

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

Figure 5

	Governmental Activities	
	2014	2013
General obligation bonds	<u>\$ 10,977,125</u>	<u>\$ 10,112,744</u>

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Pickens County is \$36,958,423. The County has \$5,570,834 in bonds and notes authorized at June 30, 2014, 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, 2015

The budget will remain relatively the same for fiscal year 2015. The total expenditures for fiscal year 2015 will be \$55,029,537 compared to \$54,567,373 for fiscal year 2014, which is a decrease of .1%. The budget includes a 3% one-time pay adjustment for employees, capital equipment replacement of \$2,603,421, and health insurance increase of 5%. The largest portion of the General Fund expenditures is personnel services which account for 67.7% of the budget. The largest portion on the revenue side is taxes and this accounts for 65.5% of the revenue. Taxes are made up of property taxes and sales and use taxes and account for 69.9% and 30.1% 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, 2014

	Governmental Activities	Business Type Activities	Total Primary Government	Alliance Pickens	Total Reporting Unit
ASSETS					
Current assets:					
Cash and investments	\$ 43,686,696	\$ 1,754,280	\$ 45,440,976	\$ 281,921	\$ 45,722,897
Property taxes receivable	2,812,108	-	2,812,108	-	2,812,108
Accounts receivable - other	1,332,136	154,012	1,486,148	113	1,486,261
Due from other governments	3,784,245	19,218	3,803,463	-	3,803,463
Note receivable	22,349	-	22,349	-	22,349
Inventories	300,707	65,574	366,281	-	366,281
Prepaid items	752,705	-	752,705	-	752,705
Total current assets	52,690,946	1,993,084	54,684,030	282,034	54,966,064
Non-current assets:					
Land held for resale	1,192,836	-	1,192,836	-	1,192,836
Capital assets, not being depreciated	8,003,438	2,065,137	10,068,575	-	10,068,575
Capital assets, net of accumulated depreciation	51,500,827	32,545,055	84,045,882	-	84,045,882
Total non-current assets	60,697,101	34,610,192	95,307,293	-	95,307,293
Total assets	113,388,047	36,603,276	149,991,323	282,034	150,273,357
LIABILITIES					
Current liabilities:					
Accounts payable	3,869,193	82,416	3,951,609	25,901	3,977,510
Accrued payroll	578,444	11,841	590,285	5,311	595,596
Accrued interest payable	92,231	-	92,231	-	92,231
Current portion, long-term debt	2,910,349	131,507	3,041,856	-	3,041,856
Total current liabilities	7,450,217	225,764	7,675,981	31,212	7,707,193
Non-current liabilities:					
Landfill closure and postclosure	2,482,716	-	2,482,716	-	2,482,716
Capital leases	306,119	-	306,119	-	306,119
Notes payable	3,677,978	-	3,677,978	-	3,677,978
General obligation bonds	8,826,867	-	8,826,867	-	8,826,867
Revenue bonds	-	6,455,005	6,455,005	-	6,455,005
Accrued compensated absences	692,479	21,568	714,047	-	714,047
Net OPEB obligation	4,367,932	-	4,367,932	-	4,367,932
Total non-current liabilities	20,354,091	6,476,573	26,830,664	-	26,830,664
Total liabilities	27,804,308	6,702,337	34,506,645	31,212	34,537,857
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	234,999	29,562	264,561	150,713	415,274
Total deferred inflows of resources	234,999	29,562	264,561	150,713	415,274
NET POSITION					
Net investment in capital assets	43,964,937	28,023,881	71,988,818	-	71,988,818
Restricted for:					
Debt service	547,833	-	547,833	-	547,833
Public works	4,778,143	-	4,778,143	-	4,778,143
Public safety	7,554,880	-	7,554,880	-	7,554,880
Cultural and recreation	2,084,504	-	2,084,504	-	2,084,504
Intergovernmental	432,067	-	432,067	-	432,067
USDA bonds	-	756,000	756,000	-	756,000
Net position, unrestricted	25,986,376	1,091,496	27,077,872	100,109	27,177,981
Total net position	\$ 85,348,740	\$ 29,871,377	\$ 115,220,117	\$ 100,109	\$ 115,320,226

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, 2014

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	\$ 11,469,811	\$ 1,297,344	\$ 538,650	\$ 60,000	\$ (9,573,817)	\$ -	\$ (9,573,817)	\$ -	\$ (9,573,817)
Public safety	22,626,518	9,161,649	967,455	61,643	(12,435,771)	-	(12,435,771)	-	(12,435,771)
Public works	10,277,306	989,904	3,770,683	-	(5,516,719)	-	(5,516,719)	-	(5,516,719)
Health and welfare	877,186	16,387	64,209	-	(796,590)	-	(796,590)	-	(796,590)
Cultural and recreation	4,541,962	553,744	307,955	7,000	(3,673,263)	-	(3,673,263)	-	(3,673,263)
Economic development	1,081,084	-	-	295,000	(786,084)	-	(786,084)	-	(786,084)
Assistance to other agencies	1,422,329	-	-	-	(1,422,329)	-	(1,422,329)	-	(1,422,329)
Debt service - other	535,849	-	-	-	(535,849)	-	(535,849)	-	(535,849)
Total governmental activities	<u>52,832,045</u>	<u>12,019,028</u>	<u>5,648,952</u>	<u>423,643</u>	<u>(34,740,422)</u>	<u>-</u>	<u>(34,740,422)</u>	<u>-</u>	<u>(34,740,422)</u>
Business-type activities:									
Public Service Commission	2,816,922	1,268,272	-	359,532	-	(1,189,118)	(1,189,118)	-	(1,189,118)
Airport	916,192	494,435	-	224,253	-	(197,504)	(197,504)	-	(197,504)
Total business-type activities	<u>3,733,114</u>	<u>1,762,707</u>	<u>-</u>	<u>583,785</u>	<u>-</u>	<u>(1,386,622)</u>	<u>(1,386,622)</u>	<u>-</u>	<u>(1,386,622)</u>
Total primary government	<u>\$ 56,565,159</u>	<u>\$ 13,781,735</u>	<u>\$ 5,648,952</u>	<u>\$ 1,007,428</u>	<u>\$ (34,740,422)</u>	<u>\$ (1,386,622)</u>	<u>\$ (36,127,044)</u>	<u>\$ -</u>	<u>\$ (36,127,044)</u>
Component unit:									
Alliance Pickens	\$ 472,450	\$ -	\$ 11,324	\$ -	\$ -	\$ -	\$ -	\$ (461,126)	\$ (461,126)
Total component units	<u>\$ 472,450</u>	<u>\$ -</u>	<u>\$ 11,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (461,126)</u>	<u>\$ (461,126)</u>
General revenues:									
Property taxes					\$ 26,088,813	\$ -	\$ 26,088,813	\$ -	\$ 26,088,813
Sales taxes					7,973,841	-	7,973,841	-	7,973,841
Franchise taxes					390,490	-	390,490	-	390,490
Grants and contributions not restricted to specific programs					4,856,536	-	4,856,536	-	4,856,536
Investment earnings					135,870	-	135,870	514	136,384
Gain on sale of capital assets					123,308	-	123,308	-	123,308
Miscellaneous					(15,127)	-	(15,127)	391,387	376,260
Transfers					(278,521)	278,521	-	-	-
Total general revenues and transfers					<u>39,275,210</u>	<u>278,521</u>	<u>39,553,731</u>	<u>391,901</u>	<u>39,945,632</u>
Change in net position					4,534,788	(1,108,101)	3,426,687	(69,225)	3,357,462
Net position - beginning					80,900,396	30,979,478	111,879,874	169,334	112,049,208
Change in accounting principle					(86,443)	-	(86,443)	-	(86,443)
Net position - beginning, restated					<u>80,813,952</u>	<u>30,979,478</u>	<u>111,793,430</u>	<u>169,334</u>	<u>111,962,764</u>
Net position - ending					<u>\$ 85,348,740</u>	<u>\$ 29,871,377</u>	<u>\$ 115,220,117</u>	<u>\$ 100,109</u>	<u>\$ 115,320,226</u>

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

PICKENS COUNTY, SOUTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS

Exhibit C-1

JUNE 30, 2014

	General Fund	Fire Districts	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 26,191,094	\$ 5,145,245	\$ 12,350,357	\$ 43,686,696
Property taxes receivable	1,649,741	607,868	554,499	2,812,108
Accounts receivable - EMS	1,022,597	-	-	1,022,597
Accounts receivable - other	242,671	437	66,431	309,539
Due from other governments	3,340,384	-	443,861	3,784,245
Note receivable	22,349	-	-	22,349
Advances to other funds	1,395,622	-	-	1,395,622
Inventories	300,707	-	-	300,707
Prepaid items	103,576	647,660	1,469	752,705
Land held for resale	1,192,836	-	-	1,192,836
Total assets	<u>\$ 35,461,577</u>	<u>\$ 6,401,210</u>	<u>\$ 13,416,617</u>	<u>\$ 55,279,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,296,715	\$ 195,710	\$ 376,768	\$ 3,869,193
Accrued payroll	484,087	32,406	61,951	578,444
Advances from general fund	-	1,395,622	-	1,395,622
Total liabilities	<u>3,780,802</u>	<u>1,623,738</u>	<u>438,719</u>	<u>5,843,259</u>
Deferred Inflows of Resources:				
Unavailable revenue - delinquent taxes	<u>2,576,173</u>	<u>565,607</u>	<u>749,381</u>	<u>3,891,161</u>
Total Deferred Inflows of Resources	<u>2,576,173</u>	<u>565,607</u>	<u>749,381</u>	<u>3,891,161</u>
Fund balances:				
Nonspendable:				
Prepaid items	103,576	647,660	1,469	752,705
Inventories	300,707	-	-	300,707
Land held for resale	1,192,836	-	-	1,192,836
Restricted	-	4,062,614	11,334,813	15,397,427
Committed	-	-	892,235	892,235
Assigned	6,591,559	-	-	6,591,559
Unassigned	20,915,924	(498,409)	-	20,417,515
Total fund balances	<u>29,104,602</u>	<u>4,211,865</u>	<u>12,228,517</u>	<u>45,544,984</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,461,577</u>	<u>\$ 6,401,210</u>	<u>\$ 13,416,617</u>	<u>\$ 55,279,404</u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit C-2

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

JUNE 30, 2014

Total Governmental Fund Balances \$ 45,544,984

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. 59,504,265

Deferred inflows reported in governmental funds balance sheet includes balances of taxes receivable and other receivables. The balances were deferred because funds were not available to pay current-period expenditures. 3,656,162

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Landfill closure and postclosure	(2,581,216)
Capital leases	(430,556)
Notes payable	(4,115,131)
General obligation bonds	(10,977,126)
Accrued compensated absences	(792,479)
Net OPEB obligation	(4,367,932)
Accrued interest payable	(92,231)

Net Position of Governmental Activities \$ 85,348,740

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-1

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

YEAR ENDED JUNE 30, 2014

	General Fund	Fire Districts	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 25,337,978	\$ 1,519,793	\$ 6,934,046	\$ 33,791,817
Intergovernmental	5,086,152	23,275	3,593,525	8,702,952
Fees, licenses and permits	691,447	2,733,531	2,758,710	6,183,688
Charges for services	5,851,912	-	150,616	6,002,528
Fines and forfeitures	597,299	-	1,696,272	2,293,571
Investment income	193,435	680	8,911	203,026
Rental income	24,204	-	-	24,204
Contributions	(500)	8,816	72,881	81,197
Miscellaneous	153,156	178,736	2,827	334,719
Total revenues	<u>37,935,083</u>	<u>4,464,831</u>	<u>15,217,788</u>	<u>57,617,702</u>
Expenditures				
Current:				
General government	10,230,371	-	195,088	10,425,459
Public safety	16,567,297	3,536,634	1,065,909	21,169,840
Public works	5,469,236	-	3,738,759	9,207,995
Health and welfare	832,310	-	202	832,512
Culture and recreation	645,938	-	3,566,591	4,212,529
Economic development and assistance	391,387	-	594,857	986,244
Other	387,531	-	1,041,784	1,429,315
Intergovernmental	89,475	-	-	89,475
Capital outlay	1,248,600	905,690	989,544	3,143,834
Debt service:				
Principal retirement	-	193,401	2,485,792	2,679,193
Interest and fiscal charges	-	86,298	479,109	565,407
Total expenditures	<u>35,862,145</u>	<u>4,722,023</u>	<u>14,157,635</u>	<u>54,741,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,072,938</u>	<u>(257,192)</u>	<u>1,060,153</u>	<u>2,875,899</u>
Other financing sources (uses)				
Issuance of debt	-	3,000,000	-	3,000,000
Transfers in (out)	(1,603,585)	-	1,325,064	(278,521)
Total other financing sources (uses)	<u>(1,603,585)</u>	<u>3,000,000</u>	<u>1,325,064</u>	<u>2,721,479</u>
Net change in fund balances	469,353	2,742,808	2,385,217	5,597,378
Fund balance - beginning	<u>28,635,249</u>	<u>1,469,057</u>	<u>9,843,300</u>	<u>39,947,606</u>
Fund balance - beginning, adjusted	<u>28,635,249</u>	<u>1,469,057</u>	<u>9,843,300</u>	<u>39,947,606</u>
Fund balance - ending	<u>\$ 29,104,602</u>	<u>\$ 4,211,865</u>	<u>\$ 12,228,517</u>	<u>\$ 45,544,984</u>

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

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

YEAR ENDED JUNE 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 5,597,378

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$3,600,359 exceeded capital outlay of \$3,143,834 in the current period. (456,525)

Net gain on disposal of assets not recorded in funds 123,308
 Proceeds of sales not recorded in governmental activities (168,283)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:
 Property taxes 72,627

Proceeds from debt issues are an other financing source in the fund, but a debt issue increases long-term liabilities in the statement of net position. (3,000,000)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,679,193

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due. 29,558

Compensated absences that have not matured, together with expenditures associated with changes in compensated absence accruals, are not reported at the fund level. 75,094

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:
 Landfill closure and postclosure costs 213,786
 Change in net OPEB obligation (631,348)

Change in net position of governmental activities \$ 4,534,788

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-3

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 24,087,242	\$ 24,087,242	\$ 25,337,978	\$ 1,250,736
Intergovernmental	5,098,371	5,146,371	5,086,152	(60,219)
Fees, licenses and permits	595,900	595,900	691,447	95,547
Charges for services	6,081,536	6,206,536	5,851,912	(354,624)
Fines and forfeitures	585,000	585,000	597,299	12,299
Investment income	177,565	177,565	193,435	15,870
Rental income	20,760	20,760	24,204	3,444
Contributions	-	-	(500)	(500)
Miscellaneous	100,000	100,000	153,156	53,156
Total revenues	<u>36,746,374</u>	<u>36,919,374</u>	<u>37,935,083</u>	<u>1,015,709</u>
Expenditures				
Current:				
General government	10,261,692	10,892,179	10,230,371	661,808
Public safety	16,103,695	16,654,698	16,567,297	87,401
Public works	5,660,162	5,735,693	5,469,236	266,457
Health and welfare	827,995	848,571	832,310	16,261
Culture and recreation	1,211,620	1,220,446	645,938	574,508
Other	397,459	397,881	387,531	10,350
Intergovernmental	772,114	127,327	89,475	37,852
Capital outlay	1,564,213	1,696,741	1,248,600	448,141
Total expenditures	<u>36,798,950</u>	<u>37,573,536</u>	<u>35,862,145</u>	<u>1,711,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,576)</u>	<u>(654,162)</u>	<u>2,072,938</u>	<u>2,727,100</u>
Other financing sources (uses)				
Transfers in (out)	(1,637,859)	(1,637,860)	(1,603,585)	34,275
Total other financing uses	<u>(1,637,859)</u>	<u>(1,637,860)</u>	<u>(1,603,585)</u>	<u>34,275</u>
Net change in fund balances	<u>\$ (1,690,435)</u>	<u>\$ (2,292,022)</u>	469,353	<u>\$ 2,761,375</u>
Fund balance - beginning			<u>28,635,249</u>	
Fund balance - ending			<u>\$ 29,104,602</u>	

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-4

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,447,762	\$ 1,447,762	\$ 1,519,793	\$ 72,031
Intergovernmental	71,011	71,011	23,275	(47,736)
Fees, licenses and permits	2,749,256	2,749,256	2,733,531	(15,725)
Investment income	2,000	2,000	680	(1,320)
Contributions	-	-	8,816	8,816
Miscellaneous	2,300	2,300	178,736	176,436
Total revenues	<u>4,272,329</u>	<u>4,272,329</u>	<u>4,464,831</u>	<u>192,502</u>
Expenditures				
Current:				
Public safety	3,651,838	3,651,838	3,536,634	115,204
Capital outlay	353,239	3,354,239	905,690	2,448,549
Debt service:				
Principal retirement	342,635	342,635	193,401	149,234
Interest and fiscal charges	107,299	107,299	86,298	21,001
Total expenditures	<u>4,455,011</u>	<u>7,456,011</u>	<u>4,722,023</u>	<u>2,733,988</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(182,682)</u>	<u>(3,183,682)</u>	<u>(257,192)</u>	<u>2,926,490</u>
Proceeds from bond issuance	-	3,000,000	3,000,000	-
Total other financing uses	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (182,682)</u>	<u>\$ (183,682)</u>	<u>2,742,808</u>	<u>\$ 2,926,490</u>
Fund balance - beginning			<u>1,469,057</u>	
Fund balance - ending			<u>\$ 4,211,865</u>	

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

Exhibit E

JUNE 30, 2014

	Enterprise Funds		
	Public Service Commission	Airport	Total
	Commission	Airport	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,807,621	\$ (53,341)	\$ 1,754,280
Accounts receivable - other	154,012	-	154,012
Due from other governments	19,218	-	19,218
Inventories	-	65,574	65,574
Total current assets	<u>1,980,851</u>	<u>12,233</u>	<u>1,993,084</u>
Capital assets:			
Land	336,166	1,724,771	2,060,937
Construction in process	4,200	-	4,200
Capacity	5,938,636	-	5,938,636
Buildings	372,442	2,797,136	3,169,578
Improvements other than buildings	33,356,434	4,825,273	38,181,707
Machinery and equipment	426,163	390,688	816,851
Less accumulated depreciation	<u>(11,258,340)</u>	<u>(4,303,377)</u>	<u>(15,561,717)</u>
Total noncurrent assets	<u>29,175,701</u>	<u>5,434,491</u>	<u>34,610,192</u>
Total assets	<u>31,156,552</u>	<u>5,446,724</u>	<u>36,603,276</u>
LIABILITIES			
Current liabilities:			
Accounts payable	75,391	7,025	82,416
Accrued payroll	9,485	2,356	11,841
Unearned revenue	29,562	-	29,562
Current portion of long-term debt	<u>131,507</u>	<u>-</u>	<u>131,507</u>
Total current liabilities	<u>245,945</u>	<u>9,381</u>	<u>255,326</u>
Long-term liabilities:			
Revenue bonds	6,455,005	-	6,455,005
Accrued compensated absences	<u>19,016</u>	<u>2,552</u>	<u>21,568</u>
Total noncurrent liabilities	<u>6,474,021</u>	<u>2,552</u>	<u>6,476,573</u>
Total liabilities	<u>6,719,966</u>	<u>11,933</u>	<u>6,731,899</u>
NET POSITION			
Net investment in capital assets	22,589,390	5,434,491	28,023,881
Restricted for USDA	756,000	-	756,000
Unrestricted	<u>1,091,196</u>	<u>300</u>	<u>1,091,496</u>
Total net position	<u>\$ 24,436,586</u>	<u>\$ 5,434,791</u>	<u>\$ 29,871,377</u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit F

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

YEAR ENDED JUNE 30, 2014

	Enterprise Funds		
	Public Service Commission	Airport	Total
	Commission	Airport	Total
Operating revenues			
Charges for services	\$ 1,208,993	\$ 494,435	\$ 1,703,428
Miscellaneous	59,279	-	59,279
Total operating revenues	<u>1,268,272</u>	<u>494,435</u>	<u>1,762,707</u>
Operating expenses			
Salaries and benefits	450,192	114,196	564,388
Depreciation	1,122,090	394,339	1,516,429
Other expenses	977,869	407,657	1,385,526
Total operating expenses	<u>2,550,151</u>	<u>916,192</u>	<u>3,466,343</u>
Operating loss	<u>(1,281,879)</u>	<u>(421,757)</u>	<u>(1,703,636)</u>
Nonoperating expense			
Interest and fiscal charges	(266,771)	-	(266,771)
Total nonoperating expense	<u>(266,771)</u>	<u>-</u>	<u>(266,771)</u>
Loss before transfers and contributions	(1,548,650)	(421,757)	(1,970,407)
Transfers in	221,892	56,629	278,521
Capital contributions	359,532	224,253	583,785
Change in net assets	<u>(967,226)</u>	<u>(140,875)</u>	<u>(1,108,101)</u>
Total net position - beginning	<u>25,403,812</u>	<u>5,575,666</u>	<u>30,979,478</u>
Total net position - ending	<u>\$ 24,436,586</u>	<u>\$ 5,434,791</u>	<u>\$ 29,871,377</u>

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

Exhibit G

YEAR ENDED JUNE 30, 2014

	Enterprise Funds		
	Public Service Commission	Airport	Total
Operating activities			
Receipts from customers and users	\$ 1,196,034	\$ 729,314	\$ 1,925,348
Payments to suppliers	(1,029,848)	(646,451)	(1,676,299)
Payments to employees	(449,788)	(113,968)	(563,756)
Other receipts	59,279	-	59,279
Net cash used in operating activities	<u>(224,323)</u>	<u>(31,105)</u>	<u>(255,428)</u>
Noncapital financing activities			
Transfers from other funds	221,892	56,629	278,521
Net cash provided by noncapital financing activities	<u>221,892</u>	<u>56,629</u>	<u>278,521</u>
Capital and related financing activities			
Capital contributions	359,532	224,253	583,785
Capital transfers from other funds	-	(49,851)	(49,851)
Acquisition and construction of capital assets	(5,269)	(253,367)	(258,636)
Principal paid on capital debt	(126,038)	-	(126,038)
Interest paid on capital debt	(266,771)	-	(266,771)
Net cash used in capital and related financing activities	<u>(38,546)</u>	<u>(78,965)</u>	<u>(117,511)</u>
Net decrease in cash and cash equivalents/investments	(40,977)	(53,441)	(94,418)
Cash and investments			
Beginning of year	1,848,598	100	1,848,698
End of year	<u>\$ 1,807,621</u>	<u>\$ (53,341)</u>	<u>\$ 1,754,280</u>
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	\$ (1,281,879)	\$ (421,757)	\$ (1,703,636)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	1,122,090	394,339	1,516,429
Change in assets and liabilities			
Increase (decrease) in accounts receivable - other and due from other governments	(7,314)	234,879	227,565
Increase in inventories	-	(22,197)	(22,197)
Decrease in accounts payable and accrued expenses	(51,575)	(216,369)	(267,944)
Decrease in unearned revenue	(5,645)	-	(5,645)
Total adjustments	<u>1,057,556</u>	<u>390,652</u>	<u>1,448,208</u>
Net cash used in operating activities	<u>\$ (224,323)</u>	<u>\$ (31,105)</u>	<u>\$ (255,428)</u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit H

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

JUNE 30, 2014

	Total Agency Funds
ASSETS	
Cash and investments	\$ 26,437,719
Property taxes receivable	6,713,801
Total assets	<u>\$ 33,151,520</u>
LIABILITIES	
Accounts payable	\$ 61,539
Due to others	33,089,981
Total liabilities	<u>\$ 33,151,520</u>

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014

Note 1 – Summary of significant accounting policies – continued

Basis of Presentation – continued

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

The major funds types are as follows:

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

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

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1 – Summary of significant accounting policies – continued

Basis of Presentation – continued

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1 – Summary of significant accounting policies – continued

Measurement Focus and Basis of Accounting – continued

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

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

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

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

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

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

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

Cash and Investments

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

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1 – Summary of significant accounting policies – continued

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

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

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

Receivables and Payables

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

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

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

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

Due from Other Governments

Amounts due from state and federal grants represent reimbursable costs which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

Note Receivable

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

Inventories and Prepaid Items

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

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

Land Held for Resale

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1 – Summary of significant accounting policies – continued

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

Capital Assets and Depreciation

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

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

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

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

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

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

Landfill Closure and Postclosure Care Costs

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 80%. 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 does not have any items that qualify for reporting in the category for the year ended June 30, 2014.

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 only has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue – taxes*, is reported only in the governmental funds statement of net position. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position and Fund Balances

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

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

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

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

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014, the County’s governmental fund balances were classified as follows:

	<u>General Fund</u>	<u>Fire Districts</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Net position				
Nonspendable				
Prepaid items	\$ 103,576	\$ 645,992	\$ 1,469	\$ 751,037
Inventories	300,707	1,668	-	302,375
Land held for resale	1,192,836	-	-	1,192,836
Total nonspendable	<u>1,597,119</u>	<u>647,660</u>	<u>1,469</u>	<u>2,246,248</u>
Restricted				
Tri-County Tech	-	-	432,067	432,067
Fixed nuclear	-	-	42,613	42,613
Law enforcement	-	-	1,977,703	1,977,703
Library	-	-	1,486,696	1,486,696
Culture and recreation	-	-	597,808	597,808
Transportation roads	-	-	4,778,143	4,778,143
Emergency phone system	-	-	1,471,950	1,471,950
Debt service	-	-	547,833	547,833
Fire rescue	-	4,062,614	-	4,062,614
Total restricted	<u>-</u>	<u>4,062,614</u>	<u>11,334,813</u>	<u>15,397,427</u>
Committed				
Capital projects	-	-	892,235	892,235
Total committed	<u>-</u>	<u>-</u>	<u>892,235</u>	<u>892,235</u>
Assigned				
Advances and encumbrances	2,369,918	-	-	2,369,918
Capital projects	4,221,641	-	-	4,221,641
Total assigned	<u>6,591,559</u>	<u>-</u>	<u>-</u>	<u>6,591,559</u>
Unassigned	<u>20,915,924</u>	<u>(498,409)</u>	<u>-</u>	<u>20,417,515</u>
Total fund balances	<u>\$ 29,104,602</u>	<u>\$ 4,211,865</u>	<u>\$ 12,228,517</u>	<u>\$ 45,544,984</u>

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%: generate additional revenue, implement a hiring freeze on non-critical positions, or reduce expenditures through a budget cut.

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1 – Summary of significant accounting policies – continued

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

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for periods beginning after December 15, 2012, identifies deferred outflows and inflows that are to be separated from assets and liabilities under GASB Statement No. 63 and provides for immediate recognition of certain costs and fees. This standard also provides financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. Implementation of this statement resulted in the County recognizing a deferred inflow of resources for unavailable tax revenues from property taxes and special assessments. The amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

New 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. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014, replaces the requirements of Statement No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The standard requires government employers to recognize as a liability, for the first time, their long-term obligation for pension benefits. The employer liability is to be measured as the difference between the present value of projected benefit payments to be provided through the pension plan for past periods of service less the amount of the pension plan's fiduciary net position, with obligations for employers with cost sharing plans based on their proportionate share of contributions to the pension plan. The standard also requires more immediate recognition of annual service cost, interest and changes in benefits for pension expense, specifies requirements for discount rates and actuarial methods and changes disclosure requirements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013, establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for periods beginning after June 15, 2013, establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., nonexchange financial guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit.

Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, job related illnesses and accidents. The County pays premiums to a public entity risk pool for workman's compensation insurance and for property and casualty coverage. The public entity risk pool promises to pay to or on behalf of the insured for covered economic losses sustained during policy period in accordance with insurance policy and benefit program limits.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1 – Summary of significant accounting policies – continued

Risk Management – continued

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

Estimates

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

Note 2 – Stewardship, compliance and accountability

Budgets and Budgetary Accounting

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, Museum 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, 2014, the Six Mile Fire District Fund had an unassigned deficit of \$424,980. This fund deficit will be replenished over the next 7 years as the fire district pays the County for an advancement on the construction of a new station.

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

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund, special revenue fund and capital projects fund. Restricted, committed, and assigned fund balances include encumbrances at June 30, 2014, as follows:

General Fund	\$	605,005
Fire Districts		1,511,195
Other Governmental Funds		892,589
	\$	<u>3,008,789</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 3 – Deposits and investments

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

Deposits for the Authority

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

The County places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts. The County from time to time may have amounts on deposit in excess of the insured limits. The County's deposits had a carrying value of \$71,878,695 and the bank balance was \$71,064,758, of which \$21,250,000 was covered by FDIC insurance and \$49,814,758 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, 2014, the Alliance's deposits had a carrying value of \$281,921 and a bank balance of \$283,980. Of this bank balance, \$250,000 was covered by FDIC insurance and \$33,980 was in excess of federal and state depository insurance limits and was uncollateralized.

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

Unrestricted cash, including time deposits	\$ 45,440,976
Agency fund cash (not included in government-wide statement)	\$ 26,437,719
	<u>\$ 71,878,695</u>

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

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

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 4 – Property taxes

The County's property taxes are levied each September (except vehicles which are annually assessed on the first day of the month the vehicles are registered) on the assessed value as of the prior December 31 for all real and personal property located in the County. Assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates ranging from 4 to 10.5 percent of the estimated market value. The assessed value as of June 30, 2014 was \$461,980,292. The estimated market value was \$8,311,532,266 making the assessed value approximately 5.6 percent of the estimated market value.

The County is permitted under South Carolina law to levy property taxes for general governmental services and principal and interest on long-term debt. The combined tax rate to finance general governmental services and principal and interest on long-term debt for the year ended June 30, 2014 was \$65.60 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 three percent penalty is added on January 16. If taxes remain unpaid on February 2, a seven percent penalty is added to the original tax. If taxes remain unpaid on the March 17 lien date, an additional 5 percent penalty is added to the original levy, totaling a 15% penalty. The County bills and collects its own property taxes and also those for all other taxing entities within the County which are accounted for in various agency funds.

Property taxes receivable and allowances for doubtful accounts at June 30, 2014, are summarized as follows:

	General	Fire	Other	Total	Agency
	Fund	Districts	Governmental	Government	Funds
	Funds	Funds	Funds	Funds	Funds
Gross receivables	\$ 1,736,570	\$ 640,976	\$ 582,569	\$ 2,960,115	\$ 7,067,158
Allowance for doubtful accounts	(86,829)	(33,108)	(28,070)	(148,007)	(353,357)
	<u>\$ 1,649,741</u>	<u>\$ 607,868</u>	<u>\$ 554,499</u>	<u>\$ 2,812,108</u>	<u>\$ 6,713,801</u>

Note 5 – Accounts receivable

Accounts receivable at June 30, 2014 are summarized as follows:

	Fund Wide Statements					
	General	Fire	Other	Total	Government	
	Fund	Districts	Governmental	Funds	Wide	Funds
	Funds	Funds	Funds	Funds	Statements	Funds
EMS fees	\$ 10,225,976	\$ -	\$ -	\$ 10,225,976	\$ 10,225,976	\$ -
Less allowance for doubtful accounts	(9,203,379)	-	-	(9,203,379)	(9,203,379)	-
	<u>1,022,597</u>	<u>-</u>	<u>-</u>	<u>1,022,597</u>	<u>1,022,597</u>	<u>-</u>
Interest	91,005	437	7,890	99,332	99,332	-
Landfill	26,546	-	-	26,546	26,546	-
Other	125,120	-	58,541	183,661	183,661	-
	<u>242,671</u>	<u>437</u>	<u>66,431</u>	<u>309,539</u>	<u>309,539</u>	<u>-</u>
	<u>\$ 1,265,268</u>	<u>\$ 437</u>	<u>\$ 66,431</u>	<u>\$ 1,332,136</u>	<u>\$ 1,332,136</u>	<u>\$ -</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 6 – Capital assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,081,256	\$ -	\$ -	\$ 7,081,256
Construction in progress	1,101,208	1,379,518	(1,558,544)	922,182
Total capital assets not being depreciated:	<u>8,182,464</u>	<u>1,379,518</u>	<u>(1,558,544)</u>	<u>8,003,438</u>
Capital assets being depreciated:				
Buildings	35,545,055	1,280,259	-	36,825,314
Improvements and infrastructure	30,259,892	442,947	-	30,702,839
Machinery and equipment	27,888,354	1,599,653	(272,850)	29,215,157
Total capital assets being depreciated	<u>93,693,301</u>	<u>3,322,859</u>	<u>(272,850)</u>	<u>96,743,310</u>
Less accumulated depreciation:				
Buildings	(12,655,105)	(941,643)	-	(13,596,748)
Improvements and infrastructure	(11,178,316)	(811,397)	-	(11,989,713)
Machinery and equipment	(18,036,579)	(1,847,318)	277,875	(19,656,022)
Total accumulated depreciation	<u>(41,870,000)</u>	<u>(3,600,358)</u>	<u>227,875</u>	<u>(45,242,483)</u>
Total capital assets being depreciated, net	<u>51,823,301</u>	<u>(277,499)</u>	<u>(44,975)</u>	<u>51,500,827</u>
Governmental activities capital assets, net	<u>\$ 60,005,765</u>	<u>\$ 1,102,019</u>	<u>\$ (1,603,519)</u>	<u>\$ 59,504,265</u>
	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,799,434	\$ 261,503	\$ -	\$ 2,060,937
Construction in progress	222,242	247,403	(465,445)	4,200
Total capital assets not being depreciated:	<u>2,021,676</u>	<u>508,906</u>	<u>(465,445)</u>	<u>2,065,137</u>
Capital assets being depreciated:				
Capacity	5,938,636	-	-	5,938,636
Buildings	3,169,578	-	-	3,169,578
Improvements and infrastructure	37,971,799	209,908	-	38,181,707
Machinery and equipment	811,583	5,269	-	816,852
Total capital assets being depreciated	<u>47,891,596</u>	<u>215,177</u>	<u>-</u>	<u>48,106,773</u>
Less accumulated depreciation:				
Capacity	(688,474)	(82,767)	-	(771,241)
Buildings	(1,224,844)	(148,468)	-	(1,373,312)
Improvements and infrastructure	(11,593,008)	(1,227,558)	-	(12,820,566)
Machinery and equipment	(538,961)	(57,638)	-	(596,599)
Total accumulated depreciation	<u>(14,045,287)</u>	<u>(1,516,431)</u>	<u>-</u>	<u>(15,561,718)</u>
Total capital assets being depreciated, net	<u>33,846,309</u>	<u>(1,301,254)</u>	<u>-</u>	<u>32,545,055</u>
Business-type activities capital assets, net	<u>\$ 35,867,985</u>	<u>\$ (792,348)</u>	<u>\$ (465,445)</u>	<u>\$ 34,610,192</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 6 – Capital assets – continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 398,298
Public Safety	1,403,167
Public Works	1,279,924
Health and Welfare	44,913
Cultural and Recreation	340,609
Economic Development	94,840
Intergovernmental	38,607
Total	<u>\$ 3,600,358</u>

Construction in progress in the Governmental Activities as of June 30, 2014 represents costs incurred to date on the Shady Grove Land Acquisition, Liberty Magistrate Building, Liberty Auditorium, Liberty Fire Building, Station 1 Concord Church, Station 2 Fox Squirrel Ridge, Station 3 Wilson Way, Ponderosa Ball Field – Restrooms, Elevator Access Control and VOIP UCS Phone System Upgrade. Construction in progress in the Business-type Activities as of June 30, 2014 represents costs of construction for the Septic System at Stockade.

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	\$ 10,112,744	\$ 3,000,000	\$ 2,135,619	\$ 10,977,125	\$ 2,150,258
Capital leases	550,518	-	119,962	430,556	124,437
Notes payable	4,538,744	-	423,613	4,115,131	437,153
Compensated absences	867,576	10,751	85,848	792,479	100,000
Net OPEB obligation	3,736,584	631,348	-	4,367,932	-
Landfill closure & postclosure	2,795,000	-	213,783	2,581,217	98,501
Total	<u>\$ 22,601,166</u>	<u>\$ 3,642,099</u>	<u>\$ 2,978,825</u>	<u>\$ 23,264,440</u>	<u>\$ 2,910,349</u>

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

General obligation (general purpose) bonds payable at June 30, 2014, are comprised of the following individual issues:

\$6,665,000 2003 general obligation bond used for the construction of the Easley Library; due in annual installments of \$125,000 to \$1,300,000 through March 1, 2016; interest at 3.00% to 5.00%	\$ 2,550,000
\$1,100,000 2004 general obligation bond used for the Vineyard Building project and purchase of fire trucks; due in annual installments of \$40,000 to \$102,000 through March 1, 2019; interest at 4.134%	465,000

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

\$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%	750,526
\$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%	2,479,150
\$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%	140,000
\$1,800,000 2008 general obligation bond used for the Springs Building project and purchase of a fire truck; due in annual installments of principal and interest of \$112,571 to \$145,901 through March 1, 2023; interest at 4.03%	1,214,002
\$800,000 2004 general obligation bond used for the Shady Grove Building project and purchase of fire trucks; due in annual installments of \$65,000 to \$95,000 through March 1, 2015; interest at 3.130%	95,000
\$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%.	564,000
\$1,000,000 2013 general obligation bond used to fund Pickens Fire Districts; due in annual installments of principal and interest in the amount of \$151,072 through May 1, 2020; interest of 1.58%.	856,307
\$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%.	1,863,140
	<u>10,977,125</u>
Less current portion	2,150,258
Long-term portion outstanding	\$ <u><u>8,826,867</u></u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2014, are as follows:

Year Ending June 30	Principal	Interest	Totals
2015	\$ 2,150,258	\$ 304,348	\$ 2,454,606
2016	2,130,353	236,034	2,366,387
2017	851,706	171,429	1,023,135
2018	873,323	148,461	1,021,784
2019	743,210	126,594	869,804
2020 to 2024	2,635,963	372,536	3,008,499
2025 to 2028	1,592,312	83,188	1,675,500
	<u>\$ 10,977,125</u>	<u>\$ 1,442,590</u>	<u>\$ 12,419,715</u>

Capital leases payable at June 30, 2014, are comprised of the following individual leases:

\$284,300 capital lease to a bank used for the purchase of a fire truck; payable in annual installments of principal and interest of \$34,374 through June 2015 at 3.610%; collateralized by equipment	\$ 33,177
\$222,725 capital lease to a bank used for the purchase of a fire truck; payable in annual installments of principal and interest of \$27,459 through March 2016 at 3.999%; collateralized by equipment	51,790
\$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	158,869
\$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	186,720
	<u>430,556</u>
Less current portion	124,437
Long-term portion outstanding	<u>\$ 306,119</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

Annual requirements to amortize all capital leases outstanding as of June 30, 2014 are as follows:

Year Ending June 30	Principal	Interest	Totals
2015	\$ 124,437	\$ 16,213	\$ 140,650
2016	94,705	11,571	106,276
2017	70,822	7,995	78,817
2018	73,435	5,382	78,817
2019	32,923	2,673	35,596
2020	34,234	1,363	35,597
	<u>\$ 430,556</u>	<u>\$ 45,197</u>	<u>\$ 475,753</u>

As of June 30, 2014, the County had assets under capital leases with a total cost of \$1,175,549.

Notes payable at June 30, 2014 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%	\$ 1,094,295
\$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%	1,900,491
\$1,988,315 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority used for the Georges Creek (Trunk Line) project; payable in monthly installments of principal and interest of \$10,500 through September 2024 at 3.75%	<u>1,120,345</u>
	4,115,131
Less current portion	437,153
Long-term portion outstanding	<u>\$ 3,677,978</u>

Annual requirements to amortize all notes payable outstanding as of June 30, 2014 are as follows:

Year Ending June 30	Principal	Interest	Totals
2015	\$ 437,153	\$ 136,741	\$ 573,894
2016	451,157	122,738	573,895
2017	465,641	108,253	573,894
2018	480,624	93,271	573,895
2019	496,123	77,772	573,895
2020 to 2024	1,625,011	191,976	1,816,987
2025	159,422	2,157	161,579
	<u>\$ 4,115,131</u>	<u>\$ 732,908</u>	<u>\$ 4,848,039</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 7 – Long-term debt – continued

Business-Type Activities Debt

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

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 6,712,350	\$ -	\$ 126,038	\$ 6,586,312	\$ 131,307
Compensated absences	23,268	-	1,500	21,768	200
Total	<u>\$ 6,735,618</u>	<u>\$ -</u>	<u>\$ 127,538</u>	<u>\$ 6,608,080</u>	<u>\$ 131,507</u>

Revenue bonds payable recorded in the Public Service Commission Enterprise Fund at June 30, 2014 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, 2013, pledged revenue was \$112,140.	\$ 1,645,720
\$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, 2013, pledged revenue was \$203,364.	2,984,739
\$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, 2013, pledged revenue was zero for the Central-North Waste Water Treatment bond.	338,584
\$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, 2013, pledged revenue was \$8,880 for the Central-North Waste Water Treatment bond.	1,617,269
	<u>6,586,312</u>
Less current portion	131,307
Long-term portion outstanding	<u>\$ 6,455,005</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 7 – Long-term debt – continued

Business-Type Activities Debt – continued

Annual requirements to amortize all revenue bonds outstanding as of June 30, 2014 are as follows:

Year Ending June 30	Principal	Interest	Totals
2015	\$ 131,307	\$ 261,501	\$ 392,808
2016	136,696	256,112	392,808
2017	142,563	250,245	392,808
2018	148,577	244,231	392,808
2019	154,861	237,947	392,808
2020 to 2024	878,769	1,085,272	1,964,041
2025 to 2029	1,084,730	879,311	1,964,041
2030 to 2034	1,342,170	621,873	1,964,043
2035 to 2039	1,664,571	299,469	1,964,040
2040 to 2044	370,023	78,339	448,362
2045 to 2049	345,380	41,140	386,520
2050 to 2052	186,665	5,445	192,110
	<u>\$ 6,586,312</u>	<u>4,260,885</u>	<u>10,847,197</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, 2014, management of the Public Service Commission believes they are in compliance with the following reserve requirements:

Reserved for debt services	\$ 333,564
Reserved for depreciation funding	264,684
Reserved for contingency fund	157,752
Total	<u>\$ 756,000</u>

Note 8 – Inter-fund receivables, payables and transfers inter-fund receivables and payables

	Advance Receivable	Advance Payable
Major Governmental Fund:		
General Fund	\$ 1,395,622	\$ -
Fire Districts	-	1,395,622
	<u>\$ 1,395,622</u>	<u>\$ 1,395,622</u>

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 8 – Inter-fund receivables, payables and transfers – continued

Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Fund:		
General Fund	\$ -	\$ 1,603,585
Non-major Governmental Funds	1,325,064	-
Major Enterprise Funds:		
Public Service Commission Fund	221,892	-
Airport	56,629	-
	<u>\$ 1,603,585</u>	<u>\$ 1,603,585</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

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

SCRS and PORS Class II plan members are required to contribute 7.50% and 7.84%, respectively, of their annual covered salary. The County is required to contribute an actuarially determined rate. The current rates for the SCRS and PORS Class II are 10.45% and 12.44% 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 9 – Employee pension plans – continued

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 the PORS (average membership of 581) are summarized as follows:

Year Ended June 30,	Employer			
	SCRS	Percent of Covered Payroll	PORS	Percent of Covered Payroll
2014	\$ 1,469,041	10.45%	\$ 854,195	12.44%
2013	\$ 1,464,897	10.60%	\$ 800,549	12.30%
2012	\$ 1,317,178	9.54%	\$ 780,925	11.76%

Year Ended June 30,	Employee			
	SCRS	Percent of Covered Payroll	PORS	Percent of Covered Payroll
2014	\$ 1,039,405	7.50%	\$ 521,562	7.84%
2013	\$ 967,652	7.00%	\$ 455,597	7.00%
2012	\$ 898,023	6.50%	\$ 431,525	6.50%

The contributions are equal to the required contributions for each year.

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 26 employees retired and under the age of 65 that were receiving insurance benefits. For the year ended June 30, 2014, the County incurred net expenditures for the plan of approximately \$114,802 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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

Plan Summary – Continued

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	-	\$42.13	\$3.60
Employee + Spouse	\$576.16	\$675.74	\$39.70
Employee + Child(ren)	\$327.08	\$382.98	\$47.85
Employee + Family	\$842.15	\$919.62	\$85.74

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

Funding Policy and Annual OPEB Cost

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

Annual required contribution	\$ 906,358
Interest on OPEB obligation	168,146
Adjustment to ARC	<u>(224,383)</u>
Annual OPEB cost, end of year	850,121
Net estimated employer contributions	<u>(218,773)</u>
Increase in net OPEB obligation	631,348
Net OPEB obligation as of beginning of the year	3,736,584
Net OPEB obligation as of end of year	<u>\$ 4,367,932</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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

Funding Policy and Annual OPEB Cost – Continued

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending June 30, 2013 and the preceding two fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 1,103,289	\$ 282,534	25.6%	\$ 3,085,836
June 30, 2013	\$ 859,916	\$ 209,168	24.3%	\$ 3,736,584
June 30, 2014	\$ 850,121	\$ 218,773	25.7%	\$ 4,367,932

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, 2014, is as follows:

<u>Actuarial Valuation Date as of June 30</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (d)</u>	<u>Ratio of UAAL to Annual Covered Payroll (b-a)/d</u>
2012	\$ -	\$ 7,989,143	\$ 7,989,143	0.0%	\$ 21,305,124	37.5%

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

Actuarial Methods and Assumptions

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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

Actuarial Methods and Assumptions – Continued

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

Actuarial Methods and Assumptions

Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level dollar
Amortization period	Open 30 year period
Inflation	3.0% per annum
Medical and drug trend	9.0% in 2012 decreasing by .5% to 4.5% in 2021 and later
Dental trend	4.5% per year

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

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

On October 9, 1991, federal regulations issued by the Environmental Protection agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills as well as post closure maintenance for a period of 30 years after closure. The \$2.58 million liability reported as landfill closure and post closure represents total costs to date, as of June 30, 2014 based on 100% use of two landfills and 80% of one landfill. Actual cost for closure and postclosure care may vary due to inflation, developments in technology or changes in laws and regulations.

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

<u>Landfill</u>	<u>Post Closure Years Remaining</u>	<u>Percent Used</u>	<u>Open/ Close Year</u>	<u>Closure/ Post Closure Costs</u>
Easley	18	100%	2003	\$ 1,049,000
Central	8	100%	1994	258,000
C & D	20	80%	1998	1,274,217
				<u>\$ 2,581,217</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 12 – Commitments and contingencies

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

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

PICKENS COUNTY, SOUTH CAROLINA

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

JUNE 30, 2014

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
2011	2010	\$ -	\$ 9,239,019	\$ 9,239,019	0%	\$ 19,815,268	47%
2012	2010	-	9,239,019	9,239,019	0%	19,950,505	46%
2013	2012	-	7,989,143	7,989,143	0%	20,605,809	39%
2014	2012	-	7,989,143	7,989,143	0%	21,305,124	37%

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 24,087,242	\$ 24,087,242	\$ 25,337,978	\$ 1,250,736
Intergovernmental	5,098,371	5,146,371	5,086,152	(60,219)
Fees, licenses and permits	595,900	595,900	691,447	95,547
Charges for services	6,081,536	6,206,536	5,853,815	(352,721)
Fines and forfeitures	585,000	585,000	595,396	10,396
Investment income	177,565	177,565	193,435	15,870
Rental income	20,760	20,760	24,204	3,444
Contributions	-	-	(500)	(500)
Miscellaneous	100,000	100,000	153,156	53,156
Total revenues	36,746,374	36,919,374	37,935,083	1,015,709
Expenditures				
Current				
General government				
County council	223,198	234,016	230,969	3,047
County attorney	93,000	199,639	190,625	9,014
State solicitor	780,281	796,888	789,834	7,054
Public defender	98,003	98,820	90,524	8,296
Probate judge	282,679	296,755	296,610	145
Register of deeds	255,899	377,356	316,812	60,544
Clerk of court	631,671	650,292	640,308	9,984
Administrator	358,907	298,869	229,224	69,645
Purchasing	55,945	58,080	57,993	87
Finance	480,131	494,482	491,334	3,148
Building maintenance	1,788,797	1,981,826	1,748,253	233,573
Human resources	157,189	161,862	160,788	1,074
Delinquent tax	250,424	254,927	253,380	1,547
Risk manager	42,407	51,213	51,114	99
Circuit judge	6,825	7,145	7,142	3
Treasurer	446,416	458,797	458,704	93
Auditor	333,429	340,556	330,085	10,471
Tax assessor	771,850	806,814	774,597	32,217
Board of appeals	4,000	4,000	3,950	50
GIS mapping	306,327	323,614	301,971	21,643
Registration and elections	409,747	416,105	320,474	95,631
Planning commission	188,516	196,367	194,845	1,522
Information services	998,927	1,055,033	995,824	59,209
County magistrates	598,131	612,880	604,424	8,456
Vehicle maintenance	554,818	566,356	551,595	14,761
Public relations	28,375	33,687	29,979	3,708
Retiree health and dental	115,800	115,800	109,013	6,787
	10,261,692	10,892,179	10,230,371	661,808

PICKENS COUNTY, SOUTH CAROLINA

Schedule 1 - continued

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Public safety				
Sheriff's department	\$ 9,176,251	\$ 9,583,930	\$ 9,630,457	\$ (46,527)
Emergency management	351,072	368,354	366,971	1,383
County coroner	206,757	220,417	231,339	(10,922)
Prison camp	1,222,572	1,240,040	1,124,282	115,758
Emergency medical services	4,799,395	4,885,262	4,865,600	19,662
Building codes	320,048	327,875	320,185	7,690
County radio system	26,760	26,760	26,458	302
Fire district	840	2,060	2,005	55
	<u>16,103,695</u>	<u>16,654,698</u>	<u>16,567,297</u>	<u>87,401</u>
Public works				
Roads and bridges	2,363,678	2,400,713	2,224,485	176,228
Solid waste department	3,191,374	3,227,366	3,140,410	86,956
Engineering	105,110	107,614	104,341	3,273
	<u>5,660,162</u>	<u>5,735,693</u>	<u>5,469,236</u>	<u>266,457</u>
Health and welfare				
Health department	27,956	27,956	27,271	685
Animal control	431,642	438,614	427,688	10,926
Humane society	70,000	70,320	70,320	-
Veterans affairs	102,078	108,865	106,776	2,089
Storm water management	164,319	170,816	168,255	2,561
Pickens County health partners	20,000	20,000	20,000	-
Meals on Wheels	12,000	12,000	12,000	-
	<u>827,995</u>	<u>848,571</u>	<u>832,310</u>	<u>16,261</u>
Culture and recreation				
Cultural commission	1,017,246	1,021,349	446,963	574,386
Parks department	194,374	199,097	198,975	122
	<u>1,211,620</u>	<u>1,220,446</u>	<u>645,938</u>	<u>574,508</u>
Intergovernmental				
Legislative delegation	20,424	20,846	18,489	2,357
Department of social services	49,362	49,362	47,351	2,011
Medically indigent fund	205,000	205,000	199,248	5,752
SC Appalachian Council of Governments	45,593	45,593	45,593	-
Clemson extension	74,080	74,080	73,850	230
Soil and water conservation	3,000	3,000	3,000	-
	<u>397,459</u>	<u>397,881</u>	<u>387,531</u>	<u>10,350</u>

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1 - continued

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Other				
Contingency	\$ 703,089	\$ 58,802	\$ 35,485	\$ 23,317
SCAC	59,025	59,025	53,990	5,035
Non-departmental	10,000	9,500	-	9,500
	<u>772,114</u>	<u>127,327</u>	<u>89,475</u>	<u>37,852</u>
Capital outlay	<u>1,564,213</u>	<u>1,696,741</u>	<u>1,248,600</u>	<u>448,141</u>
Total expenditures	<u>36,798,950</u>	<u>37,573,536</u>	<u>35,862,145</u>	<u>1,711,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,576)</u>	<u>(654,162)</u>	<u>2,072,938</u>	<u>2,727,100</u>
Other financing sources (uses)				
Transfers in (out)	<u>(1,637,859)</u>	<u>(1,637,860)</u>	<u>(1,603,585)</u>	<u>(34,275)</u>
Total other financing uses	<u>(1,637,859)</u>	<u>(1,637,860)</u>	<u>(1,603,585)</u>	<u>(34,275)</u>
Net change in fund balances	<u><u>\$ (1,690,435)</u></u>	<u><u>\$ (2,292,022)</u></u>	469,353	<u><u>\$ 2,761,375</u></u>
Fund balance - beginning			<u>28,635,249</u>	
Fund balance - ending			<u><u>\$ 29,104,602</u></u>	

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

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

Schedule 2

JUNE 30, 2014

	<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	\$ 104,537	\$ 600,197	\$ 58,109	\$ 702,161	\$ 27,369	\$ 2,032,703	\$ 232,625
Property taxes receivable	97,099	104,414	18,753	114,568	34,036	81,152	46,775
Accounts receivable - other	-	-	-	-	-	437	-
Prepaid items	-	1,668	-	-	-	645,678	-
Total assets	<u>\$ 201,636</u>	<u>\$ 706,279</u>	<u>\$ 76,862</u>	<u>\$ 816,729</u>	<u>\$ 61,405</u>	<u>\$ 2,759,970</u>	<u>\$ 279,400</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 5,140	\$ 116,355	\$ 1,539	\$ 3,969	\$ 6,328	\$ 10,907	\$ 2,231
Accrued payroll	-	-	-	7,237	1,348	790	1,509
Advances from general fund	-	474,177	-	474,177	447,268	-	-
Total liabilities	<u>5,140</u>	<u>590,532</u>	<u>1,539</u>	<u>485,383</u>	<u>454,944</u>	<u>11,697</u>	<u>3,740</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	89,266	96,020	17,218	108,990	31,441	72,682	44,096
Total Deferred Inflows of Resources	<u>89,266</u>	<u>96,020</u>	<u>17,218</u>	<u>108,990</u>	<u>31,441</u>	<u>72,682</u>	<u>44,096</u>
Fund balances:							
Nonspendable							
Prepaid items	-	1,668	-	-	-	645,678	-
Restricted	107,230	91,488	58,105	222,356	-	2,029,913	231,564
Unassigned	-	(73,429)	-	-	(424,980)	-	-
Total fund balances	<u>107,230</u>	<u>19,727</u>	<u>58,105</u>	<u>222,356</u>	<u>(424,980)</u>	<u>2,675,591</u>	<u>231,564</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 201,636</u>	<u>\$ 706,279</u>	<u>\$ 76,862</u>	<u>\$ 816,729</u>	<u>\$ 61,405</u>	<u>\$ 2,759,970</u>	<u>\$ 279,400</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 2 - continued

COMBINING BALANCE SHEET - MAJOR FUND - FIRE DISTRICTS

JUNE 30, 2014

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
ASSETS							
Cash and investments	\$ 92,640	\$ 160,859	\$ 233,015	\$ 14,301	\$ 358,171	\$ 528,558	\$ 5,145,245
Property taxes receivable	11,920	20,516	5,149	175	49,996	23,315	607,868
Accounts receivable - other	-	-	-	-	-	-	437
Prepaid items	-	-	212	-	102	-	647,660
Total assets	<u>\$ 104,560</u>	<u>\$ 181,375</u>	<u>\$ 238,376</u>	<u>\$ 14,476</u>	<u>\$ 408,269</u>	<u>\$ 551,873</u>	<u>\$ 6,401,210</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 536	\$ 19,011	\$ 4,646	\$ -	\$ 9,141	\$ 15,907	\$ 195,710
Accrued payroll	-	-	4,419	-	17,103	-	32,406
Advances from general fund	-	-	-	-	-	-	1,395,622
Total liabilities	<u>536</u>	<u>19,011</u>	<u>9,065</u>	<u>-</u>	<u>26,244</u>	<u>15,907</u>	<u>1,623,738</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	11,034	22,143	4,920	175	44,737	22,885	565,607
Total Deferred Inflows of Resources	<u>11,034</u>	<u>22,143</u>	<u>4,920</u>	<u>175</u>	<u>44,737</u>	<u>22,885</u>	<u>565,607</u>
Fund balances:							
Nonspendable							
Prepaid items	-	-	212	-	102	-	647,660
Restricted	92,990	140,221	224,179	14,301	337,186	513,081	4,062,614
Unassigned	-	-	-	-	-	-	(498,409)
Total fund balances	<u>92,990</u>	<u>140,221</u>	<u>224,391</u>	<u>14,301</u>	<u>337,288</u>	<u>513,081</u>	<u>4,211,865</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 104,560</u>	<u>\$ 181,375</u>	<u>\$ 238,376</u>	<u>\$ 14,476</u>	<u>\$ 408,269</u>	<u>\$ 551,873</u>	<u>\$ 6,401,210</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 3

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

YEAR ENDED JUNE 30, 2014

	<u>Easley</u>	<u>Liberty</u>	<u>Pumpkintown</u>	<u>Crosswell</u>	<u>Six Mile</u>	<u>Pickens</u>	<u>Dacusville</u>
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	23,275
Fees, licenses and permits	467,141	457,863	132,288	592,229	187,399	456,881	200,808
Investment income	-	-	-	263	-	417	-
Contributions	-	213	5,213	213	2,325	-	213
Miscellaneous	-	-	168,126	-	-	2,353	-
Total revenues	<u>467,141</u>	<u>458,076</u>	<u>305,627</u>	<u>592,705</u>	<u>189,724</u>	<u>459,651</u>	<u>224,296</u>
Expenditures							
Current:							
Personnel services	-	-	-	382,482	76,125	23,179	69,096
Supplies	-	3,487	16,998	30,523	5,698	10,404	10,269
Contractual services	467,340	212,075	1,277	1,314	2,565	331,248	7,394
Utilities	-	7,228	11,663	11,122	12,312	-	11,979
Repairs and maintenance	-	12,887	24,897	6,853	19,375	-	6,735
Fuel and oil	-	-	9,712	10,229	5,672	344	5,824
Furniture, machinery and equipment	-	3,064	1,385	4,025	11,367	1,628	-
Insurance, bonds and licenses	-	4,847	12,416	7,874	5,860	-	9,916
Rent	-	58	-	-	-	-	-
Other	-	8,269	4,689	13,854	36,879	104	42,784
Contingency	-	4,366	-	-	-	-	-
Capital outlay	-	493,152	191,832	79,236	-	133,970	-
Debt service:							
Principal retirement	-	-	33,418	76,465	-	-	32,021
Interest and fiscal charges	-	20,486	3,661	31,648	16,593	-	2,354
Total expenditures	<u>467,340</u>	<u>769,919</u>	<u>311,948</u>	<u>655,625</u>	<u>192,446</u>	<u>500,877</u>	<u>198,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(199)</u>	<u>(311,843)</u>	<u>(6,321)</u>	<u>(62,920)</u>	<u>(2,722)</u>	<u>(41,226)</u>	<u>25,924</u>
Other financing sources (uses)							
Proceeds from bond issuance	-	550,000	-	-	-	2,450,000	-
Transfers (out) in	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,450,000</u>	<u>-</u>
Net change in fund balances	<u>(199)</u>	<u>238,157</u>	<u>(6,321)</u>	<u>(62,920)</u>	<u>(2,722)</u>	<u>2,408,774</u>	<u>25,924</u>
Fund balance - beginning	<u>107,429</u>	<u>(218,430)</u>	<u>64,426</u>	<u>285,276</u>	<u>(422,258)</u>	<u>266,817</u>	<u>205,640</u>
Fund balance - ending	<u>\$ 107,230</u>	<u>\$ 19,727</u>	<u>\$ 58,105</u>	<u>\$ 222,356</u>	<u>\$ (424,980)</u>	<u>\$ 2,675,591</u>	<u>\$ 231,564</u>

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, 2014

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
Revenues							
Taxes	\$ -	\$ -	\$ 268,242	\$ -	\$ 679,484	\$ 572,067	\$ 1,519,793
Intergovernmental	-	-	-	-	-	-	23,275
Fees, licenses and permits	61,621	174,229	-	3,072	-	-	2,733,531
Investment income	-	-	-	-	-	-	680
Contributions	-	-	213	213	-	213	8,816
Miscellaneous	2,197	-	6,060	-	-	-	178,736
Total revenues	63,818	174,229	274,515	3,285	679,484	572,280	4,464,831
Expenditures							
Current:							
Personnel services	-	-	113,018	-	840,476	42	1,504,418
Supplies	3,192	5,517	26,721	-	22,419	21,886	157,114
Contractual services	191	86,244	151,963	2,657	5,439	4,793	1,274,500
Utilities	8,472	3,638	6,443	-	21,565	9,445	103,867
Repairs and maintenance	4,348	5,154	5,559	310	33,589	10,648	130,355
Fuel and oil	1,749	1,728	5,122	-	12,229	5,297	57,906
Furniture, machinery and equipment	1,750	22,037	4,223	-	17,115	7,069	73,663
Insurance, bonds and licenses	3,431	3,895	2,984	333	14,520	4,774	70,850
Rent	-	-	-	-	64	-	122
Other	5,732	1,761	627	-	12,274	12,566	139,539
Contingency	-	-	19,934	-	-	-	24,300
Capital outlay	-	-	7,500	-	-	-	905,690
Debt service:							
Principal retirement	24,411	27,086	-	-	-	-	193,401
Interest and fiscal charges	3,047	8,509	-	-	-	-	86,298
Total expenditures	56,323	165,569	344,094	3,300	979,690	76,520	4,722,023
Excess (deficiency) of revenues over (under) expenditures	7,495	8,660	(69,579)	(15)	(300,206)	495,760	(257,192)
Other financing sources (uses)							
Proceeds from bond issuance	-	-	-	-	-	-	3,000,000
Transfers (out) in	-	-	-	-	411,651	(411,651)	-
Total other financing sources (uses)	-	-	-	-	411,651	(411,651)	3,000,000
Net change in fund balances	7,495	8,660	(69,579)	(15)	111,445	84,109	2,742,808
Fund balance - beginning	85,495	131,561	293,970	14,316	225,843	428,972	1,469,057
Fund balance - ending	\$ 92,990	\$ 140,221	\$ 224,391	\$ 14,301	\$ 337,288	\$ 513,081	\$ 4,211,865

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 460,000	\$ 460,000	\$ 467,141	\$ 7,141
Total revenues	<u>460,000</u>	<u>460,000</u>	<u>467,141</u>	<u>7,141</u>
Expenditures				
Current:				
Contractual services	460,000	460,000	467,340	(7,340)
Total expenditures	<u>460,000</u>	<u>460,000</u>	<u>467,340</u>	<u>(7,340)</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>(199)</u>	<u>(199)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(199)</u>	<u>\$ (199)</u>
Fund balance - beginning			<u>107,429</u>	
Fund balance - ending			<u>\$ 107,230</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 5

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 455,000	\$ 455,000	\$ 457,863	\$ 2,863
Contributions	-	-	213	213
Total revenues	455,000	455,000	458,076	3,076
Expenditures				
Current:				
Supplies	5,100	5,100	3,487	1,613
Contractual services	211,700	211,700	212,075	(375)
Utilities	24,000	24,000	7,228	16,772
Repairs and maintenance	26,000	26,000	12,887	13,113
Furniture, machinery and equipment	29,000	29,000	3,064	25,936
Insurance, bonds and licenses	10,000	10,000	4,847	5,153
Rent	-	-	58	(58)
Other	11,000	11,000	8,269	2,731
Contingency	27,276	27,276	4,366	22,910
Capital outlay	-	551,000	493,152	57,848
Debt service:				
Principal retirement	70,438	70,438	-	70,438
Interest and fiscal charges	41,486	41,486	20,486	21,000
Total expenditures	456,000	1,007,000	769,919	237,081
Deficiency of revenues under expenditures	(1,000)	(552,000)	(311,843)	240,157
Other financing sources (uses)				
Proceeds from bond issuance	-	550,000	550,000	-
Total other financing sources (uses)	-	550,000	550,000	-
Net change in fund balances	\$ (1,000)	\$ (2,000)	238,157	\$ 240,157
Fund balance - beginning			(218,430)	
Fund balance - ending			<u>\$ 19,727</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 6

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 131,420	\$ 131,420	\$ 132,288	\$ 868
Contributions	-	-	5,213	5,213
Miscellaneous	-	-	168,126	168,126
Total revenues	<u>131,420</u>	<u>131,420</u>	<u>305,627</u>	<u>174,207</u>
Expenditures				
Current:				
Supplies	25,720	25,720	16,998	8,722
Contractual services	800	800	1,277	(477)
Utilities	11,500	11,500	11,663	(163)
Repairs and maintenance	10,000	10,000	24,897	(14,897)
Fuel and oil	8,000	8,000	9,712	(1,712)
Furniture, machinery and equipment	6,000	6,000	1,385	4,615
Insurance, bonds and licenses	10,000	10,000	12,416	(2,416)
Other	6,900	6,900	4,689	2,211
Contingency	1,420	1,420	-	1,420
Capital outlay	-	-	191,832	(191,832)
Debt service:				
Principal retirement	47,418	47,418	33,418	14,000
Interest and fiscal charges	3,662	3,662	3,661	1
Total expenditures	<u>131,420</u>	<u>131,420</u>	<u>311,948</u>	<u>(180,528)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(6,321)</u>	<u>(6,321)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(6,321)</u>	<u>\$ (6,321)</u>
Fund balance - beginning			<u>64,426</u>	
Fund balance - ending			<u>\$ 58,105</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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 608,000	\$ 608,000	\$ 592,229	\$ (15,771)
Investment income	1,000	1,000	263	(737)
Contributions	-	-	213	213
Total revenues	<u>609,000</u>	<u>609,000</u>	<u>592,705</u>	<u>(16,295)</u>
Expenditures				
Current:				
Personnel services	364,150	364,150	382,482	(18,332)
Supplies	31,650	32,122	30,523	1,599
Contractual services	2,000	1,400	1,314	86
Utilities	10,825	10,825	11,122	(297)
Repairs and maintenance	34,500	34,500	6,853	27,647
Fuel and oil	9,000	10,000	10,229	(229)
Furniture, machinery and equipment	4,000	4,128	4,025	103
Insurance, bonds and licenses	7,150	7,150	7,874	(724)
Other	19,100	18,100	13,854	4,246
Contingency	9,496	9,496	-	9,496
Capital outlay	157,421	157,421	79,236	78,185
Debt service:				
Principal retirement	114,441	114,441	76,465	37,976
Interest and fiscal charges	31,648	31,648	31,648	-
Total expenditures	<u>795,381</u>	<u>795,381</u>	<u>655,625</u>	<u>139,756</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(186,381)</u>	<u>(186,381)</u>	<u>(62,920)</u>	<u>123,461</u>
Net change in fund balances	<u>\$ (186,381)</u>	<u>\$ (186,381)</u>	(62,920)	<u>\$ 123,461</u>
Fund balance - beginning			<u>285,276</u>	
Fund balance - ending			<u>\$ 222,356</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 8

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 212,000	\$ 212,000	\$ 187,399	\$ (24,601)
Contributions	-	-	2,325	2,325
Total revenues	<u>212,000</u>	<u>212,000</u>	<u>189,724</u>	<u>(22,276)</u>
Expenditures				
Current:				
Personnel services	71,117	71,117	76,125	(5,008)
Supplies	6,200	6,200	5,698	502
Contractual services	200	200	2,565	(2,365)
Utilities	12,560	12,560	12,312	248
Repairs and maintenance	10,000	10,000	19,375	(9,375)
Fuel and oil	6,500	6,500	5,672	828
Furniture, machinery and equipment	10,000	10,000	11,367	(1,367)
Insurance, bonds and licenses	6,000	6,000	5,860	140
Other	4,500	4,500	36,879	(32,379)
Debt service				
Principal retirement	26,820	26,820	-	26,820
Interest and fiscal charges	16,593	16,593	16,593	-
Total expenditures	<u>170,490</u>	<u>170,490</u>	<u>192,446</u>	<u>(21,956)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,510</u>	<u>41,510</u>	<u>(2,722)</u>	<u>(44,232)</u>
Net change in fund balances	<u>\$ 41,510</u>	<u>\$ 41,510</u>	<u>(2,722)</u>	<u>\$ (44,232)</u>
Fund balance - beginning			<u>(422,258)</u>	
Fund balance - ending			<u>\$ (424,980)</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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 452,262	\$ 452,262	\$ 456,881	\$ 4,619
Investment income	1,000	1,000	417	(583)
Miscellaneous	-	-	2,353	2,353
Total revenues	<u>453,262</u>	<u>453,262</u>	<u>459,651</u>	<u>6,389</u>
Expenditures				
Current:				
Personnel services	-	-	23,179	(23,179)
Supplies	-	-	10,404	(10,404)
Contractual services	310,000	310,000	331,248	(21,248)
Fuel and oil	-	-	344	(344)
Furniture, machinery and equipment	-	-	1,628	(1,628)
Other	-	-	104	(104)
Contingency	3,262	3,262	-	3,262
Capital outlay	140,000	2,590,000	133,970	2,456,030
Total expenditures	<u>453,262</u>	<u>2,903,262</u>	<u>500,877</u>	<u>2,402,385</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,450,000)</u>	<u>(41,226)</u>	<u>2,408,774</u>
Other financing sources (uses)				
Proceeds from bond issuance	-	2,450,000	2,450,000	-
Total other financing sources (uses)	<u>-</u>	<u>2,450,000</u>	<u>2,450,000</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>2,408,774</u>	<u>\$ 2,408,774</u>
Fund balance - beginning			<u>266,817</u>	
Fund balance - ending			<u>\$ 2,675,591</u>	

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

YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 71,011	\$ 71,011	\$ 23,275	\$ (47,736)
Fees, licenses and permits	200,000	200,000	200,808	808
Investment income	-	-	-	-
Contributions	-	-	213	213
Total revenues	<u>271,011</u>	<u>271,011</u>	<u>224,296</u>	<u>(46,715)</u>
Expenditures				
Current:				
Personnel services	64,680	64,680	69,096	(4,416)
Supplies	22,000	22,000	10,269	11,731
Contractual services	5,425	5,425	7,394	(1,969)
Utilities	11,750	11,750	11,979	(229)
Repairs and maintenance	19,000	19,000	6,735	12,265
Fuel and oil	6,000	6,000	5,824	176
Furniture, machinery and equipment	3,000	3,000	-	3,000
Insurance, bonds and licenses	11,500	11,500	9,916	1,584
Other	41,200	41,200	42,784	(1,584)
Capital outlay	55,818	55,818	-	55,818
Debt service:				
Principal retirement	32,021	32,021	32,021	-
Interest and fiscal charges	2,354	2,354	2,354	-
Total expenditures	<u>274,748</u>	<u>274,748</u>	<u>198,372</u>	<u>76,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,737)</u>	<u>(3,737)</u>	<u>25,924</u>	<u>29,661</u>
Net change in fund balances	<u>\$ (3,737)</u>	<u>\$ (3,737)</u>	<u>25,924</u>	<u>\$ 29,661</u>
Fund balance - beginning			<u>205,640</u>	
Fund balance - ending			<u>\$ 231,564</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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 60,290	\$ 60,290	\$ 61,621	\$ 1,331
Investment income	-	-	-	-
Miscellaneous	2,300	2,300	2,197	(103)
Total revenues	<u>62,590</u>	<u>62,590</u>	<u>63,818</u>	<u>1,228</u>
Expenditures				
Current:				
Personnel services	500	500	-	500
Supplies	14,142	14,142	3,192	10,950
Contractual services	-	-	191	(191)
Utilities	8,300	8,300	8,472	(172)
Repairs and maintenance	2,500	2,500	4,348	(1,848)
Fuel and oil	2,000	2,000	1,749	251
Furniture, machinery and equipment	200	200	1,750	(1,550)
Insurance, bonds and licenses	3,000	3,000	3,431	(431)
Other	3,500	3,500	5,732	(2,232)
Contingency	990	990	-	990
Debt service:				
Principal retirement	24,411	24,411	24,411	-
Interest and fiscal charges	3,047	3,047	3,047	-
Total expenditures	<u>62,590</u>	<u>62,590</u>	<u>56,323</u>	<u>6,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>7,495</u>	<u>7,495</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	7,495	<u>\$ 7,495</u>
Fund balance - beginning			<u>85,495</u>	
Fund balance - ending			<u>\$ 92,990</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 12

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

YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 167,184	\$ 167,184	\$ 174,229	\$ 7,045
Investment income	-	-	-	-
Total revenues	<u>167,184</u>	<u>167,184</u>	<u>174,229</u>	<u>7,045</u>
Expenditures				
Current:				
Supplies	8,750	8,750	5,517	3,233
Contractual services	75,652	75,652	86,244	(10,592)
Utilities	3,700	3,700	3,638	62
Repairs and maintenance	6,000	6,000	5,154	846
Fuel and oil	2,500	2,500	1,728	772
Furniture, machinery and equipment	22,701	22,701	22,037	664
Insurance, bonds and licenses	4,537	4,537	3,895	642
Other	3,825	3,825	1,761	2,064
Contingency	3,924	3,924	-	3,924
Debt service:				
Principal retirement	27,086	27,086	27,086	-
Interest and fiscal charges	8,509	8,509	8,509	-
Total expenditures	<u>167,184</u>	<u>167,184</u>	<u>165,569</u>	<u>1,615</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>8,660</u>	<u>8,660</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>8,660</u>	<u>\$ 8,660</u>
Fund balance - beginning			<u>131,561</u>	
Fund balance - ending			<u>\$ 140,221</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 13

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 259,850	\$ 259,850	\$ 268,242	\$ 8,392
Investment income	-	-	-	-
Contributions	-	-	213	213
Miscellaneous	-	-	6,060	6,060
Total revenues	<u>259,850</u>	<u>259,850</u>	<u>274,515</u>	<u>14,665</u>
Expenditures				
Current:				
Personnel services	-	-	113,018	(113,018)
Supplies	300	300	26,721	(26,421)
Contractual services	224,900	224,900	151,963	72,937
Utilities	-	-	6,443	(6,443)
Repairs and maintenance	2,000	2,000	5,559	(3,559)
Fuel and oil	-	-	5,122	(5,122)
Furniture, machinery and equipment	-	-	4,223	(4,223)
Insurance, bonds and licenses	7,000	7,000	2,984	4,016
Other	-	-	627	(627)
Contingency	25,650	25,650	19,934	5,716
Capital outlay	-	-	7,500	(7,500)
Total expenditures	<u>259,850</u>	<u>259,850</u>	<u>344,094</u>	<u>(84,244)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(69,579)</u>	<u>(69,579)</u>
 Net change in fund balances	 <u>\$ -</u>	 <u>\$ -</u>	 (69,579)	 <u>\$ (69,579)</u>
Fund balance - beginning			<u>293,970</u>	
Fund balance - ending			<u>\$ 224,391</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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 3,100	\$ 3,100	\$ 3,072	\$ (28)
Contributions	-	-	213	213
Total revenues	<u>3,100</u>	<u>3,100</u>	<u>3,285</u>	<u>185</u>
Expenditures				
Current:				
Supplies	530	530	-	530
Contractual services	2,217	2,217	2,657	(440)
Repairs and maintenance	-	-	310	(310)
Insurance, bonds and licenses	353	353	333	20
Debt service				
Total expenditures	<u>3,100</u>	<u>3,100</u>	<u>3,300</u>	<u>(200)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(15)</u>	<u>(15)</u>
 Net change in fund balances	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u>(15)</u>	 <u><u>\$ (15)</u></u>
Fund balance - beginning			<u>14,316</u>	
Fund balance - ending			<u><u>\$ 14,301</u></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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 657,912	\$ 657,912	\$ 679,484	\$ 21,572
Investment income	-	-	-	-
Total revenues	<u>657,912</u>	<u>657,912</u>	<u>679,484</u>	<u>21,572</u>
Expenditures				
Current:				
Personnel services	868,763	868,763	840,476	28,287
Supplies	24,700	24,700	22,419	2,281
Contractual services	5,800	5,800	5,439	361
Utilities	24,000	24,000	21,565	2,435
Repairs and maintenance	34,000	34,000	33,589	411
Fuel and oil	12,000	12,000	12,229	(229)
Furniture, machinery and equipment	17,500	17,500	17,115	385
Insurance, bonds and licenses	17,000	17,000	14,520	2,480
Rent	300	300	64	236
Other	15,500	15,500	12,274	3,226
Contingency	50,000	50,000	-	50,000
Debt service:				
Total expenditures	<u>1,069,563</u>	<u>1,069,563</u>	<u>979,690</u>	<u>89,873</u>
Deficiency of revenues under expenditures	<u>(411,651)</u>	<u>(411,651)</u>	<u>(300,206)</u>	<u>111,445</u>
Other financing sources (uses)				
Transfers (out) in	<u>411,651</u>	<u>411,651</u>	<u>411,651</u>	<u>-</u>
Total other financing sources (uses)	<u>411,651</u>	<u>411,651</u>	<u>411,651</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	111,445	<u>\$ 111,445</u>
Fund balance - beginning			<u>225,843</u>	
Fund balance - ending			<u>\$ 337,288</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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 530,000	\$ 530,000	\$ 572,067	\$ 42,067
Contributions	-	-	213	213
Total revenues	<u>530,000</u>	<u>530,000</u>	<u>572,280</u>	<u>42,280</u>
Expenditures				
Current:				
Personnel services	-	-	42	(42)
Supplies	29,300	29,300	21,886	7,414
Contractual services	12,963	12,963	4,793	8,170
Utilities	16,500	16,500	9,445	7,055
Repairs and maintenance	14,000	14,000	10,648	3,352
Fuel and oil	8,000	8,000	5,297	2,703
Furniture, machinery and equipment	10,200	10,200	7,069	3,131
Insurance, bonds and licenses	5,600	5,600	4,774	826
Rent	750	750	-	750
Other	12,600	12,600	12,566	34
Debt service				
Total expenditures	<u>109,913</u>	<u>109,913</u>	<u>76,520</u>	<u>33,393</u>
Excess of revenues over expenditures	<u>420,087</u>	<u>420,087</u>	<u>495,760</u>	<u>75,673</u>
Other financing sources (uses)				
Transfers (out) in	<u>(411,651)</u>	<u>(411,651)</u>	<u>(411,651)</u>	-
Total other financing sources (uses)	<u>(411,651)</u>	<u>(411,651)</u>	<u>(411,651)</u>	-
Net change in fund balances	<u>\$ 8,436</u>	<u>\$ 8,436</u>	84,109	<u>\$ 75,673</u>
Fund balance - beginning			<u>428,972</u>	
Fund balance - ending			<u>\$ 513,081</u>	

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PICKENS COUNTY, SOUTH CAROLINA

COMBINING SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2014

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 10,957,259	\$ 496,419	\$ 896,679	\$ 12,350,357
Property taxes receivable	339,359	215,140	-	554,499
Accounts receivable - other	66,431	-	-	66,431
Due from other governments	408,115	35,746	-	443,861
Prepaid items	1,469	-	-	1,469
Total assets	<u>\$ 11,772,633</u>	<u>\$ 747,305</u>	<u>\$ 896,679</u>	<u>\$ 13,416,617</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 372,324	\$ -	\$ 4,444	\$ 376,768
Accrued payroll	61,951	-	-	61,951
Total liabilities	<u>434,275</u>	<u>-</u>	<u>4,444</u>	<u>438,719</u>
Deferred Inflows of Resources:				
Unavailable revenue - delinquent taxes	549,909	199,472	-	749,381
Total Deferred Inflows of Resources	<u>549,909</u>	<u>199,472</u>	<u>-</u>	<u>749,381</u>
Fund balances:				
Prepaid items	1,469	-	-	1,469
Restricted	10,786,980	547,833	-	11,334,813
Committed	-	-	892,235	892,235
Total fund balances	<u>10,788,449</u>	<u>547,833</u>	<u>892,235</u>	<u>12,228,517</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,772,633</u>	<u>\$ 747,305</u>	<u>\$ 896,679</u>	<u>\$ 13,416,617</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 18

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

YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 4,059,065	\$ 2,874,981	\$ -	\$ 6,934,046
Intergovernmental	3,298,525	-	295,000	3,593,525
Fees, licenses and permits	2,758,710	-	-	2,758,710
Charges for services	150,616	-	-	150,616
Fines and forfeitures	1,696,272	-	-	1,696,272
Investment income	8,911	-	-	8,911
Contributions	72,881	-	-	72,881
Miscellaneous	2,827	-	-	2,827
Total revenues	<u>12,047,807</u>	<u>2,874,981</u>	<u>295,000</u>	<u>15,217,788</u>
Expenditures				
Current:				
General government	195,088	-	-	195,088
Public safety	1,065,909	-	-	1,065,909
Public works	3,738,759	-	-	3,738,759
Health and welfare	202	-	-	202
Culture and recreation	3,566,591	-	-	3,566,591
Economic development and assistance	594,857	-	-	594,857
Other	1,041,784	-	-	1,041,784
Capital outlay	447,653	-	541,891	989,544
Debt service:				
Principal retirement	-	2,485,792	-	2,485,792
Interest and fiscal charges	-	479,109	-	479,109
Total expenditures	<u>10,650,843</u>	<u>2,964,901</u>	<u>541,891</u>	<u>14,157,635</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,396,964</u>	<u>(89,920)</u>	<u>(246,891)</u>	<u>1,060,153</u>
Other financing sources (uses)				
Transfers in (out)	<u>1,374,408</u>	<u>(45,833)</u>	<u>(3,511)</u>	<u>1,325,064</u>
Total other financing sources (uses)	<u>1,374,408</u>	<u>(45,833)</u>	<u>(3,511)</u>	<u>1,325,064</u>
Net change in fund balances	2,771,372	(135,753)	(250,402)	2,385,217
Fund balance - beginning	<u>8,017,077</u>	<u>683,586</u>	<u>1,142,637</u>	<u>9,843,300</u>
Fund balance - beginning, adjusted	<u>8,017,077</u>	<u>683,586</u>	<u>1,142,637</u>	<u>9,843,300</u>
Fund balance - ending	<u>\$ 10,788,449</u>	<u>\$ 547,833</u>	<u>\$ 892,235</u>	<u>\$ 12,228,517</u>

PICKENS COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2014

	<u>Tri-County Tech</u>	<u>Fixed Nuclear</u>	<u>Sheriff Special</u>	<u>Library</u>	<u>Victim Rights</u>	<u>State Road C-Fund</u>	<u>Grants</u>
ASSETS							
Cash and investments	\$ 400,525	\$ 47,141	\$ 1,966,977	\$ 1,508,995	\$ 11,702	\$ 4,167,154	\$ 144,362
Property taxes receivable	101,072	-	-	238,287	-	-	-
Accounts receivable - other	-	-	328	-	-	7,890	-
Due from other governments	24,355	-	-	55,237	-	133,676	173,975
Prepaid items	-	-	-	1,436	-	-	-
Total assets	<u>\$ 525,952</u>	<u>\$ 47,141</u>	<u>\$ 1,967,305</u>	<u>\$ 1,803,955</u>	<u>\$ 11,702</u>	<u>\$ 4,308,720</u>	<u>\$ 318,337</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 3,280	\$ 38	\$ 49,543	\$ 209	\$ 36,395	\$ 78,640
Accrued payroll	-	1,248	-	45,254	1,057	-	4,699
Total liabilities	<u>-</u>	<u>4,528</u>	<u>38</u>	<u>94,797</u>	<u>1,266</u>	<u>36,395</u>	<u>83,339</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	93,885	-	-	221,026	-	-	234,998
Total Deferred Inflows of Resources	<u>93,885</u>	<u>-</u>	<u>-</u>	<u>221,026</u>	<u>-</u>	<u>-</u>	<u>234,998</u>
Fund balances:							
Nonspendable:							
Prepaid items	-	-	-	1,436	-	-	-
Restricted	432,067	42,613	1,967,267	1,486,696	10,436	4,272,325	-
Total fund balances	<u>432,067</u>	<u>42,613</u>	<u>1,967,267</u>	<u>1,488,132</u>	<u>10,436</u>	<u>4,272,325</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 525,952</u>	<u>\$ 47,141</u>	<u>\$ 1,967,305</u>	<u>\$ 1,803,955</u>	<u>\$ 11,702</u>	<u>\$ 4,308,720</u>	<u>\$ 318,337</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 19 - continued

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2014

	Law Enforcement Block Grants	Museum Restricted Resources	Accommodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Total Nonmajor Special Revenue Funds
Assets							
Cash and investments	\$ -	\$ 165,647	\$ 65,618	\$ 634,127	\$ 378,725	\$ 1,466,286	\$ 10,957,259
Property taxes receivable	-	-	-	-	-	-	339,359
Accounts receivable - other	-	-	-	-	27,192	31,021	66,431
Due from other governments	-	-	20,872	-	-	-	408,115
Prepaid items	-	33	-	-	-	-	1,469
Total assets	<u>\$ -</u>	<u>\$ 165,680</u>	<u>\$ 86,490</u>	<u>\$ 634,127</u>	<u>\$ 405,917</u>	<u>\$ 1,497,307</u>	<u>\$ 11,772,633</u>
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$ -	\$ 1,183	\$ 55,000	\$ 126,892	\$ 396	\$ 20,748	\$ 372,324
Accrued payroll	-	574	-	1,417	3,093	4,609	61,951
Total liabilities	<u>-</u>	<u>1,757</u>	<u>55,000</u>	<u>128,309</u>	<u>3,489</u>	<u>25,357</u>	<u>434,275</u>
Deferred Inflows of Resources:							
Unavailable revenue - delinquent taxes	-	-	-	-	-	-	549,909
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,909</u>
Fund balances:							
Nonspendable:							
Prepaid items	-	33	-	-	-	-	1,469
Restricted	-	163,890	31,490	505,818	402,428	1,471,950	10,786,980
Total fund balances	<u>-</u>	<u>163,923</u>	<u>31,490</u>	<u>505,818</u>	<u>402,428</u>	<u>1,471,950</u>	<u>10,788,449</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 165,680</u>	<u>\$ 86,490</u>	<u>\$ 634,127</u>	<u>\$ 405,917</u>	<u>\$ 1,497,307</u>	<u>\$ 11,772,633</u>

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

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds

YEAR ENDED JUNE 30, 2014

	Tri-County Tech	Fixed Nuclear	Sheriff Special	Library	Victim Rights	State Road C-Fund	Grants
Revenues							
Taxes	\$ 1,198,982	\$ -	\$ -	\$ 2,860,083	\$ -	\$ -	\$ -
Intergovernmental	-	86,440	-	149,304	-	1,783,358	791,183
Fees, licenses and permits	-	-	-	-	-	-	-
Charges for services	-	-	-	113,713	-	-	-
Fines and forfeitures	-	-	1,589,624	-	106,648	-	-
Investment income	-	-	250	-	-	8,661	-
Contributions	-	-	27,194	12,313	-	-	-
Miscellaneous	-	-	-	(4)	-	-	-
Total revenues	1,198,982	86,440	1,617,068	3,135,409	106,648	1,792,019	791,183
Expenditures							
Current:							
General government	-	-	-	-	-	-	195,088
Public safety	-	106,198	51,222	-	89,627	-	176,588
Public works	-	-	-	-	-	1,008,922	65,266
Health and welfare	-	-	-	-	-	-	202
Culture and recreation	-	-	-	3,086,325	-	-	(46)
Economic development and assistance	-	-	-	-	-	-	594,857
Other	1,041,784	-	-	-	-	-	-
Capital outlay	-	-	-	17,255	-	100,835	147,892
Debt service:							
Total expenditures	1,041,784	106,198	51,222	3,103,580	89,627	1,109,757	1,179,847
Excess (deficiency) of revenues over (under) expenditures	157,198	(19,758)	1,565,846	31,829	17,021	682,262	(388,664)
Other financing sources (uses)							
Transfers in (out)	-	13,785	-	-	-	-	388,664
Total other financing sources (uses)	-	13,785	-	-	-	-	388,664

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

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds

YEAR ENDED JUNE 30, 2014

	<u>Tri-County Tech</u>	<u>Fixed Nuclear</u>	<u>Sheriff Special</u>	<u>Library</u>	<u>Victim Rights</u>	<u>State Road C-Fund</u>	<u>Grants</u>
Net change in fund balances	157,198	(5,973)	1,565,846	31,829	17,021	682,262	-
Fund balance - beginning	<u>274,869</u>	<u>48,586</u>	<u>401,421</u>	<u>1,456,303</u>	<u>(6,585)</u>	<u>3,590,063</u>	-
Fund balance - ending	<u><u>\$ 432,067</u></u>	<u><u>\$ 42,613</u></u>	<u><u>\$ 1,967,267</u></u>	<u><u>\$ 1,488,132</u></u>	<u><u>\$ 10,436</u></u>	<u><u>\$ 4,272,325</u></u>	<u><u>\$ -</u></u>

PICKENS COUNTY, SOUTH CAROLINA

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

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds

YEAR ENDED JUNE 30, 2014

	Law Enforcement Block Grants	Museum Restricted Resources	Accommodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Total Nonmajor Special Revenue Funds
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,059,065
Intergovernmental	70,337	-	85,811	-	-	332,092	3,298,525
Fees, licenses and permits	-	-	-	1,978,664	293,903	486,143	2,758,710
Charges for services	-	36,903	-	-	-	-	150,616
Fines and forfeitures	-	-	-	-	-	-	1,696,272
Investment income	-	-	-	-	-	-	8,911
Contributions	-	33,374	-	-	-	-	72,881
Miscellaneous	-	2,831	-	-	-	-	2,827
Total revenues	70,337	73,108	85,811	1,978,664	293,903	818,235	12,047,807
Expenditures							
Current:							
General government	-	-	-	-	-	-	195,088
Public safety	45,258	-	-	-	-	597,016	1,065,909
Public works	-	-	-	2,664,571	-	-	3,738,759
Health and welfare	-	-	-	-	-	-	202
Culture and recreation	-	74,343	64,021	-	341,948	-	3,566,591
Economic development and assistance	-	-	-	-	-	-	594,857
Other	-	-	-	-	-	-	1,041,784
Capital outlay	25,079	-	-	130,950	-	25,642	447,653
Debt service:							
Total expenditures	70,337	74,343	64,021	2,795,521	341,948	622,658	10,650,843
Excess (deficiency) of revenues over (under) expenditures	-	(1,235)	21,790	(816,857)	(48,045)	195,577	1,396,964
Other financing sources (uses)							
Transfers in (out)	-	-	(28,041)	1,000,000	-	-	1,374,408
Total other financing sources (uses)	-	-	(28,041)	1,000,000	-	-	1,374,408

PICKENS COUNTY, SOUTH CAROLINA

Schedule 20 - continued

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

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds**

YEAR ENDED JUNE 30, 2014

	Law Enforcement Block Grants	Museum Restricted Resources	Accomodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Total Nonmajor Special Revenue Funds
Net change in fund balances	-	(1,235)	(6,251)	183,143	(48,045)	195,577	2,771,372
Fund balance - beginning	-	165,158	37,741	322,675	450,473	1,276,373	8,017,077
Fund balance - ending	<u>\$ -</u>	<u>\$ 163,923</u>	<u>\$ 31,490</u>	<u>\$ 505,818</u>	<u>\$ 402,428</u>	<u>\$ 1,471,950</u>	<u>\$ 10,788,449</u>

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,165,000	\$ 1,165,000	\$ 1,198,982	\$ 33,982
Total revenues	<u>1,165,000</u>	<u>1,165,000</u>	<u>1,198,982</u>	<u>33,982</u>
Expenditures				
Current:				
Other	1,165,000	1,165,000	1,041,784	123,216
Debt service:				
Total expenditures	<u>1,165,000</u>	<u>1,165,000</u>	<u>1,041,784</u>	<u>123,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>157,198</u>	<u>157,198</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>157,198</u>	<u>\$ 157,198</u>
Fund balance - beginning			<u>274,869</u>	
Fund balance - ending			<u>\$ 432,067</u>	

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 86,440	\$ 86,440	\$ 86,440	\$ -
Total revenues	<u>86,440</u>	<u>86,440</u>	<u>86,440</u>	<u>-</u>
Expenditures				
Current:				
Public safety	99,359	99,359	106,198	(6,839)
Debt service:				
Total expenditures	<u>99,359</u>	<u>99,359</u>	<u>106,198</u>	<u>(6,839)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,919)</u>	<u>(12,919)</u>	<u>(19,758)</u>	<u>(6,839)</u>
Other financing sources (uses)				
Transfers (out) in	<u>12,919</u>	<u>12,919</u>	<u>13,785</u>	<u>866</u>
Total other financing sources (uses)	<u>12,919</u>	<u>12,919</u>	<u>13,785</u>	<u>866</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(5,973)</u>	<u>\$ (5,973)</u>
Fund balance - beginning			<u>48,586</u>	
Fund balance - ending			<u>\$ 42,613</u>	

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

YEAR ENDED JUNE 30, 2014

	<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	\$ 2,738,495	\$ 2,738,495	\$ 2,860,083	\$ -	\$ 2,860,083	\$ 121,588
Intergovernmental	160,126	160,126	40,370	108,934	149,304	(10,822)
Charges for services	113,000	113,000	113,713	-	113,713	713
Investment income	3,000	3,000	-	-	-	(3,000)
Contributions	8,000	8,000	12,313	-	12,313	4,313
Miscellaneous	-	-	(4)	-	(4)	(4)
Total revenues	<u>3,022,621</u>	<u>3,022,621</u>	<u>3,026,475</u>	<u>108,934</u>	<u>3,135,409</u>	<u>112,788</u>
Expenditures						
Current:						
Personnel services	2,183,517	2,183,517	2,197,364	-	2,197,364	(13,847)
Library collections	201,664	201,664	124,623	149,028	273,651	(71,987)
Supplies	63,600	63,600	60,584	-	60,584	3,016
Contractual services	126,278	126,278	102,310	-	102,310	23,968
Utilities	163,019	163,019	164,062	-	164,062	(1,043)
Repairs and maintenance	60,490	60,490	159,565	-	159,565	(99,075)
Fuel and oil	3,500	3,500	2,113	-	2,113	1,387
Furniture, machinery and equipment	50,927	50,927	25,629	-	25,629	25,298
Insurance, bonds and licenses	41,120	41,120	38,842	-	38,842	2,278
Rent	44,450	44,450	30,077	-	30,077	14,373
Retiree health and dental	-	-	5,789	-	5,789	(5,789)
Other	26,675	26,675	26,339	-	26,339	336
Capital outlay	17,255	17,255	17,255	-	17,255	-
Total expenditures	<u>2,982,495</u>	<u>2,982,495</u>	<u>2,954,552</u>	<u>149,028</u>	<u>3,103,580</u>	<u>(121,085)</u>
Excess of revenues over expenditures	<u>40,126</u>	<u>40,126</u>	<u>71,923</u>	<u>(40,094)</u>	<u>31,829</u>	<u>(8,297)</u>
Net change in fund balances	<u>\$ 40,126</u>	<u>\$ 40,126</u>	<u>71,923</u>	<u>(40,094)</u>	<u>31,829</u>	<u>\$ (8,297)</u>
Fund balance - beginning			<u>1,456,303</u>	<u>-</u>	<u>1,456,303</u>	
Fund balance - ending			<u>\$ 1,528,226</u>	<u>\$ (40,094)</u>	<u>\$ 1,488,132</u>	

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fines and forfeitures	\$ 90,200	\$ 90,200	\$ 106,648	\$ 16,448
Total revenues	<u>90,200</u>	<u>90,200</u>	<u>106,648</u>	<u>16,448</u>
Expenditures				
Current:				
Personnel services	95,964	95,255	80,172	15,083
Supplies	3,035	2,924	1,178	1,746
Contractual services	600	600	206	394
Utilities	1,215	1,215	990	225
Repairs and maintenance	1,200	2,400	2,400	-
Fuel and oil	2,784	2,404	2,500	(96)
Insurance, bonds and licenses	1,708	1,708	1,774	(66)
Other	50	50	407	(357)
Debt service:				
Total expenditures	<u>106,556</u>	<u>106,556</u>	<u>89,627</u>	<u>16,929</u>
Excess of revenues over expenditures	<u>(16,356)</u>	<u>(16,356)</u>	<u>17,021</u>	<u>33,377</u>
Other financing sources (uses)				
Transfers (out) in	16,356	16,356	-	(16,356)
Total other financing sources (uses)	<u>16,356</u>	<u>16,356</u>	<u>-</u>	<u>(16,356)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	17,021	<u>\$ 17,021</u>
Fund balance - beginning			<u>(6,585)</u>	
Fund balance - ending			<u>\$ 10,436</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 25

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

YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 577,762	\$ 577,762	\$ 791,183	\$ 213,421
Total revenues	<u>577,762</u>	<u>577,762</u>	<u>791,183</u>	<u>213,421</u>
Expenditures				
Current:				
General government	351,154	351,154	195,088	156,066
Public safety	162,264	162,264	176,588	(14,324)
Public works	121,774	121,774	65,266	56,508
Health and welfare	1,000	1,000	202	798
Culture and recreation	14,550	14,550	(46)	14,596
Economic development and assistance	609,750	609,750	594,857	14,893
Capital outlay	137,801	137,801	147,892	(10,091)
Debt service:				
Total expenditures	<u>1,398,293</u>	<u>1,398,293</u>	<u>1,179,847</u>	<u>218,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(820,531)</u>	<u>(820,531)</u>	<u>(388,664)</u>	<u>431,867</u>
Other financing sources (uses)				
Transfers (out) in	-	-	388,664	388,664
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>388,664</u>	<u>388,664</u>
Net change in fund balances	<u>\$ (820,531)</u>	<u>\$ (820,531)</u>	-	<u>\$ 820,531</u>
Fund balance - ending			<u>\$ -</u>	

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Charges for services	\$ 51,500	\$ 51,500	\$ 36,903	\$ (14,597)
Contributions	149,000	31,537	33,374	1,837
Miscellaneous	-	-	2,831	2,831
Total revenues	<u>200,500</u>	<u>83,037</u>	<u>73,108</u>	<u>(9,929)</u>
Expenditures				
Current:				
Culture and recreation	200,500	230,117	74,343	155,774
Capital outlay	-	-	-	-
Debt service:				
Total expenditures	<u>200,500</u>	<u>230,117</u>	<u>74,343</u>	<u>155,774</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(147,080)</u>	<u>(1,235)</u>	<u>145,845</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (147,080)</u>	<u>(1,235)</u>	<u>\$ 145,845</u>
Fund balance - beginning			<u>165,158</u>	
Fund balance - ending			<u>\$ 163,923</u>	

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - ACCOMMODATION TAX FUNDS**

YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 85,811	\$ (29,189)
Total revenues	<u>115,000</u>	<u>115,000</u>	<u>85,811</u>	<u>(29,189)</u>
Expenditures				
Current:				
Direct assistance	85,500	120,048	64,021	56,027
Total expenditures	<u>85,500</u>	<u>120,048</u>	<u>64,021</u>	<u>56,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,500</u>	<u>(5,048)</u>	<u>21,790</u>	<u>26,838</u>
Other financing uses				
Transfers (out) in	<u>(29,500)</u>	<u>(29,500)</u>	<u>(28,041)</u>	<u>1,459</u>
Total other financing uses	<u>(29,500)</u>	<u>(29,500)</u>	<u>(28,041)</u>	<u>1,459</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (34,548)</u>	<u>(6,251)</u>	<u>\$ 28,297</u>
Fund balance - beginning			<u>37,741</u>	
Fund balance - ending			<u>\$ 31,490</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 28

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

YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ -	\$ -	\$ 1,978,664	\$ 1,978,664
Total revenues	<u>-</u>	<u>-</u>	<u>1,978,664</u>	<u>1,978,664</u>
Expenditures				
Current:				
Public works	(4,689)	2,844,153	2,664,571	179,582
Capital outlay	202,399	202,399	130,950	71,449
Debt service:				
Total expenditures	<u>197,710</u>	<u>3,046,552</u>	<u>2,795,521</u>	<u>251,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(197,710)</u>	<u>(3,046,552)</u>	<u>(816,857)</u>	<u>2,229,695</u>
Other financing uses				
Transfers (out) in	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (197,710)</u>	<u>\$ (2,046,552)</u>	183,143	<u>\$ 2,229,695</u>
Fund balance - beginning			<u>322,675</u>	
Fund balance - ending			<u>\$ 505,818</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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 260,000	\$ 260,000	\$ 293,903	\$ 33,903
Total revenues	<u>260,000</u>	<u>260,000</u>	<u>293,903</u>	<u>33,903</u>
Expenditures				
Current:				
Personnel services	134,549	134,549	105,441	29,108
Supplies	22,000	22,000	19,953	2,047
Contractual services	600	600	600	-
Utilities	-	-	35	(35)
Repairs and maintenance	7,500	7,500	213,306	(205,806)
Fuel and oil	-	-	16	(16)
Rent	-	-	1,141	(1,141)
Direct assistance	-	-	1,456	(1,456)
Capital outlay	-	212,787	-	212,787
Total expenditures	<u>164,649</u>	<u>377,436</u>	<u>341,948</u>	<u>35,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>95,351</u>	<u>(117,436)</u>	<u>(48,045)</u>	<u>69,391</u>
Net change in fund balances	<u>\$ 95,351</u>	<u>\$ (117,436)</u>	<u>(48,045)</u>	<u>\$ 69,391</u>
Fund balance - beginning			<u>450,473</u>	
Fund balance - ending			<u>\$ 402,428</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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ 235,860	\$ 235,860	\$ 332,092	\$ 96,232
Fees, licenses and permits	400,000	400,000	486,143	86,143
Total revenues	635,860	635,860	818,235	182,375
Expenditures				
Current:				
Personnel services	233,369	233,369	221,449	11,920
Supplies	5,848	7,748	6,513	1,235
Contractual services	113,920	113,920	108,103	5,817
Utilities	165,460	165,460	165,661	(201)
Repairs and maintenance	3,900	3,900	139	3,761
Fuel and oil	1,840	1,840	926	914
Furniture, machinery and equipment	3,800	61,917	76,694	(14,777)
Insurance, bonds and licenses	6,473	6,473	2,337	4,136
Other	14,750	17,750	15,194	2,556
Capital outlay	62,000	55,744	25,642	30,102
Debt service:				
Total expenditures	611,360	668,121	622,658	45,463
Excess (deficiency) of revenues over (under) expenditures	24,500	(32,261)	195,577	227,838
Net change in fund balances	\$ 24,500	\$ (32,261)	195,577	\$ 227,838
Fund balance - beginning			1,276,373	
Fund balance - ending			\$ 1,471,950	

PICKENS COUNTY, SOUTH CAROLINA
COMBINING SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

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

PICKENS COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 2,700,067	\$ 2,700,067	\$ 2,874,981	\$ 174,914
Total revenues	<u>2,700,067</u>	<u>2,700,067</u>	<u>2,874,981</u>	<u>174,914</u>
Expenditures				
Current:				
Debt service:				
Principal retirement	2,205,240	2,205,240	2,485,792	(280,552)
Interest and fiscal charges	448,994	448,994	479,109	(30,115)
Total expenditures	<u>2,654,234</u>	<u>2,654,234</u>	<u>2,964,901</u>	<u>(310,667)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,833</u>	<u>45,833</u>	<u>(89,920)</u>	<u>(135,753)</u>
Other financing sources (uses):				
Transfers (out) in	(45,833)	(45,833)	(45,833)	-
Total other financing sources (uses)	<u>(45,833)</u>	<u>(45,833)</u>	<u>(45,833)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(135,753)	<u>\$ (135,753)</u>
Fund balance - beginning			<u>683,586</u>	
Fund balance - ending			<u>\$ 547,833</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.

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

YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2014</u>
School District Fund				
Assets				
Cash	\$ 24,736,276	\$ 163,650,764	\$ 163,106,718	\$ 25,280,322
Accounts receivable - other	1,364	-	1,364	-
Property taxes receivable, net	5,309,504	505,550	25,277	5,789,777
	<u>\$ 30,047,144</u>	<u>\$ 164,156,314</u>	<u>\$ 163,133,359</u>	<u>\$ 31,070,099</u>
Liabilities				
Due to others	\$ 30,047,144	\$ 164,156,314	\$ 163,133,359	\$ 31,070,099
	<u>\$ 30,047,144</u>	<u>\$ 164,156,314</u>	<u>\$ 163,133,359</u>	<u>\$ 31,070,099</u>
Municipal Fund				
Assets				
Cash	\$ 87,663	\$ 9,055,731	\$ 9,081,855	\$ 61,539
Property taxes receivable, net	823,289	106,036	5,301	924,024
	<u>\$ 910,952</u>	<u>\$ 9,161,767</u>	<u>\$ 9,087,156</u>	<u>\$ 985,563</u>
Liabilities				
Accounts payable	\$ 87,662	\$ 8,950,580	\$ 8,976,703	\$ 61,539
Due to others	823,290	211,187	110,453	924,024
	<u>\$ 910,952</u>	<u>\$ 9,161,767</u>	<u>\$ 9,087,156</u>	<u>\$ 985,563</u>
Mini-bottle Fund				
Assets				
Cash	\$ -	\$ 181,127	\$ 181,127	\$ -
Liabilities				
Due to others	\$ -	\$ 181,127	\$ 181,127	\$ -
Fire District Fund				
Assets				
Cash	\$ -	\$ 213,945	\$ 213,945	\$ -
Liabilities				
Due to others	\$ -	\$ 213,945	\$ 213,945	\$ -
Magistrates' Fund				
Assets				
Cash	\$ 61,127	\$ 1,036,730	\$ 1,035,078	\$ 62,779
Liabilities				
Due to others	\$ 61,127	\$ 1,036,730	\$ 1,035,078	\$ 62,779

PICKENS COUNTY, SOUTH CAROLINA

Schedule 32 - continued

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

YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>June 30, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
Family Court Fund				
Assets				
Cash and investments	\$ 18,399	\$ 6,730,542	\$ 6,729,455	\$ 19,486
Liabilities				
Due to others	\$ 18,399	\$ 6,730,542	\$ 6,729,455	\$ 19,486
Clerk of Court Fund				
Assets				
Cash and investments	\$ 1,046,604	\$ 811,006	\$ 873,388	\$ 984,222
Liabilities				
Due to others	\$ 1,046,604	\$ 811,006	\$ 873,388	\$ 984,222
Prison				
Assets				
Cash and investments	\$ 5,672	\$ 118,615	\$ 120,145	\$ 4,142
Liabilities				
Due to others	\$ 5,672	\$ 118,615	\$ 120,145	\$ 4,142
Museum				
Assets				
Cash and investments	\$ 2,757	\$ 74	\$ 2,831	\$ -
Liabilities				
Due to others	\$ 2,757	\$ 74	\$ 2,831	\$ -
Library Foundation				
Assets				
Cash and investments	\$ 60,986	\$ 768	\$ 196	\$ 61,558
Liabilities				
Due to others	\$ 60,986	\$ 768	\$ 196	\$ 61,558
Total of all Agency Funds				
Assets				
Cash and investments	\$ 25,983,155	\$ 181,799,302	\$ 181,344,738	\$ 26,437,719
Accounts receivable - other	1,364	-	1,364	-
Property taxes receivable	6,132,793	611,586	30,578	6,713,801
Total assets	<u>\$ 32,117,312</u>	<u>\$ 182,410,888</u>	<u>\$ 181,376,680</u>	<u>\$ 33,151,520</u>
Liabilities				
Accounts payable	\$ 87,662	\$ 8,950,580	\$ 8,976,703	\$ 61,539
Due to others	32,029,650	173,460,308	172,399,977	33,089,981
Total liabilities	<u>\$ 32,117,312</u>	<u>\$ 182,410,888</u>	<u>\$ 181,376,680</u>	<u>\$ 33,151,520</u>

PICKENS COUNTY, SOUTH CAROLINA

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

JUNE 30, 2014

Function	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Improvements and Infrastructure	Total
General government	\$ 1,778,247	\$ 307,296	\$ 10,892,543	\$ 1,953,482	\$ -	\$ 14,931,568
Public safety	397,283	609,415	9,500,350	15,474,907	92,751	26,074,706
Public works	1,088,914	-	1,308,565	10,590,384	28,385,431	41,373,294
Public health and welfare	26,902	-	998,301	345,376	-	1,370,579
Culture and recreation	778,549	5,471	11,015,481	830,188	308,135	12,937,824
Economic development	3,011,361	-	1,926,324	-	1,916,522	6,854,207
Intergovernmental	-	-	1,183,750	20,820	-	1,204,570
Total governmental funds capital assets	\$ 7,081,256	\$ 922,182	\$ 36,825,314	\$ 29,215,157	\$ 30,702,839	\$ 104,746,748

PICKENS COUNTY, SOUTH CAROLINA

Schedule 34

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

JUNE 30, 2014

Function	Beginning of Year	Additions	Deletions	Transfers		End of Year
				In	Out	
General government administration	\$ 14,592,649	\$ 300,545	\$ -	\$ 38,374	\$ -	\$ 14,931,568
Public safety	24,711,072	1,628,774	255,076	71,975	82,039	26,074,706
Public works	40,785,204	608,270	5,100	37,826	52,906	41,373,294
Public health and welfare	1,333,298	55,849	-	-	18,568	1,370,579
Culture and recreation	12,831,398	134,583	12,674	-	15,483	12,937,824
Economic development	6,438,395	415,812	-	-	-	6,854,207
Intergovernmental	1,183,749	-	-	20,821	-	1,204,570
Total governmental funds capital assets	<u>\$ 101,875,765</u>	<u>\$ 3,143,833</u>	<u>\$ 272,850</u>	<u>\$ 168,996</u>	<u>\$ 168,996</u>	<u>\$ 104,746,748</u>

STATISTICAL SECTION

PICKENS COUNTY, SOUTH CAROLINA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities										
Net investment in capital assets	\$ 13,090,011	\$ 18,309,975	\$ 38,341,795	\$ 41,537,095	\$ 33,371,208	\$ 35,269,425	\$ 34,058,641	\$ 41,896,168	\$ 44,803,759	\$ 43,964,937
Restricted	14,398,760	12,205,788	13,038,304	13,002,730	12,314,922	11,358,716	11,628,296	11,835,113	11,960,394	15,397,427
Unrestricted	10,188,977	16,849,075	15,010,111	15,754,877	22,977,434	25,011,349	32,630,194	25,831,302	24,136,243	25,986,376
Total governmental activities net position	<u>37,677,748</u>	<u>47,364,838</u>	<u>66,390,210</u>	<u>70,294,702</u>	<u>68,663,564</u>	<u>71,639,490</u>	<u>78,317,131</u>	<u>79,562,583</u>	<u>80,900,396</u>	<u>85,348,740</u>
Business-type Activities										
Net investment in capital assets	23,508,097	22,851,882	23,533,189	27,584,777	28,137,870	28,304,398	29,301,120	29,786,626	29,155,636	28,023,881
Restricted	351,373	414,481	477,589	540,697	603,805	631,008	631,008	682,544	700,992	756,000
Unrestricted (Deficit)	(26,653)	215,564	(249,782)	324,284	2,155,050	2,012,819	1,149,004	929,489	1,122,850	1,091,496
Total business-type activities net position	<u>23,832,817</u>	<u>23,481,927</u>	<u>23,760,996</u>	<u>28,449,758</u>	<u>30,896,725</u>	<u>30,948,225</u>	<u>31,081,132</u>	<u>31,398,659</u>	<u>30,979,478</u>	<u>29,871,377</u>
Component Unit										
Net investment in capital assets	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (Deficit)	-	-	-	-	337,586	373,588	320,221	288,705	169,334	100,109
Total component unit net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,586</u>	<u>373,588</u>	<u>320,221</u>	<u>288,705</u>	<u>169,334</u>	<u>100,109</u>
Primary Government										
Net investment in capital assets	36,598,108	41,161,857	61,874,984	69,121,872	61,509,078	63,573,823	63,359,761	71,682,794	73,959,395	71,988,818
Restricted	14,750,133	12,620,269	13,515,893	13,543,427	12,918,727	11,989,724	12,259,304	12,517,657	12,661,386	16,153,427
Unrestricted	10,162,324	17,064,639	14,760,329	14,760,329	25,470,070	27,397,756	34,099,419	27,049,496	25,428,427	27,177,981
Total primary government net position	<u>\$ 61,510,565</u>	<u>\$ 70,846,765</u>	<u>\$ 90,151,206</u>	<u>\$ 97,425,628</u>	<u>\$ 99,897,875</u>	<u>\$ 102,961,303</u>	<u>\$ 109,718,484</u>	<u>\$ 111,249,947</u>	<u>\$ 112,049,208</u>	<u>\$ 115,320,226</u>

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
<u>Governmental activities:</u>										
General government	\$ 9,354,229	\$ 9,292,433	\$ 9,531,581	\$ 10,383,406	\$ 11,629,191	\$ 11,104,765	\$ 10,917,949	\$ 10,988,712	\$ 11,088,305	\$ 11,469,811
Public safety	14,377,237	17,028,781	17,381,994	18,701,286	20,164,030	20,917,120	20,465,118	20,300,914	21,850,514	22,626,518
Public works	9,324,127	10,061,181	10,182,540	11,342,672	12,499,271	10,179,397	9,094,190	10,590,594	11,256,677	10,277,306
Health and welfare	894,069	690,329	734,956	329,074	1,217,282	1,229,437	1,078,351	1,188,284	864,265	877,186
Cultural and recreation	3,334,446	3,615,200	4,168,650	4,197,104	5,433,793	5,206,481	5,520,862	5,415,087	4,246,760	4,541,962
Economic development	968,303	562,665	568,792	589,302	419,161	427,052	381,571	762,985	665,236	1,081,084
Intergovernmental	1,664,330	1,573,120	1,769,773	1,696,013	-	-	-	38,607	1,350,409	1,422,329
Interest on long-term debt	551,100	483,791	423,517	432,473	140,600	94,907	92,815	-	-	-
Debt service - other	-	-	-	-	934,897	901,755	827,473	732,303	605,613	535,849
Total governmental activities expenses	40,467,841	43,307,500	44,761,803	47,671,330	52,438,225	50,060,914	48,378,329	50,017,486	51,927,779	52,832,045
<u>Business-type activities:</u>										
Public Service Commission	2,216,662	2,086,584	2,041,793	2,025,662	2,273,647	2,493,077	2,451,997	2,563,062	2,699,977	2,816,922
Airport	489,946	588,187	641,239	860,893	880,955	817,008	903,663	983,591	947,016	916,192
Total business-type activities expense	2,706,608	2,674,771	2,683,032	2,886,555	3,154,602	3,310,085	3,355,660	3,546,653	3,646,993	3,733,114
Total Primary Government Expenses	43,174,449	45,982,271	47,444,835	50,557,885	55,592,827	53,370,999	51,733,989	53,564,139	55,574,772	56,565,159
<u>Component unit activities:</u>										
Alliance Pickens	-	-	-	-	578,695	357,901	414,629	556,630	794,974	472,450
Total component unit expenses	-	-	-	-	578,695	357,901	414,629	556,630	794,974	472,450
Total expenses	43,174,449	45,982,271	47,444,835	50,557,885	56,171,522	53,728,900	52,148,618	54,120,769	56,369,746	57,037,609
Program Revenues										
<u>Governmental activities:</u>										
<u>Charges for services</u>										
General government	1,471,204	1,810,994	1,676,604	2,141,308	1,317,074	1,285,073	1,229,792	1,214,622	1,301,297	1,297,344
Public safety	5,375,064	6,666,736	6,833,609	6,738,601	6,833,279	7,042,849	7,295,934	7,355,656	7,719,457	9,161,649
Public works	1,360,549	1,236,061	3,281,515	3,355,920	1,189,219	1,135,204	1,242,067	1,236,597	999,045	989,904
Health and welfare	115	-	28,988	22,741	330	13,965	12,495	11,572	4,426	16,387
Cultural and recreation	292,931	379,457	551,901	592,737	416,725	440,966	519,084	521,452	560,701	553,744
Economic development	16,148	11,842	21,732	26,612	-	-	-	-	-	-
Operating grants and contributions	4,833,323	5,751,643	5,090,312	3,543,585	4,755,930	4,998,531	5,743,390	4,710,501	4,741,551	5,648,952
Capital grants and contributions	906,154	585,721	609,054	1,923,909	631,301	717,022	497,965	113,796	147,275	423,643
Total governmental activities program revenues	14,255,488	16,442,454	18,093,715	18,345,413	15,143,858	15,633,610	16,540,727	15,164,196	15,473,752	18,091,623

PICKENS COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Business-type activities:										
Charges for services										
Public Service Commission	1,118,346	1,248,421	1,111,067	1,195,127	949,682	1,223,966	1,228,583	1,186,460	1,255,385	1,268,272
Airport	147,886	253,965	287,119	413,056	474,368	433,935	507,926	570,777	550,821	494,435
Operating grants and contributions	-	10,672	-	69,971	884	-	-	-	-	-
Capital grants and contributions	1,983,498	110,896	710,863	1,170,716	2,088,611	1,179,087	1,023,482	1,940,208	1,200,981	583,785
Total business-type activities program revenues	<u>3,249,730</u>	<u>1,623,954</u>	<u>2,109,049</u>	<u>2,848,870</u>	<u>3,513,545</u>	<u>2,836,988</u>	<u>2,759,991</u>	<u>3,697,445</u>	<u>3,007,187</u>	<u>2,346,492</u>
Total Primary Government Program Revenues	<u>17,505,218</u>	<u>18,066,408</u>	<u>20,202,764</u>	<u>21,194,283</u>	<u>18,657,403</u>	<u>18,470,598</u>	<u>19,300,718</u>	<u>18,861,641</u>	<u>18,480,939</u>	<u>20,438,115</u>
Component unit activities:										
Alliance Pickens	-	-	-	-	192,613	393,903	19,104	172,887	232,887	11,324
Total component unit revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,613</u>	<u>393,903</u>	<u>19,104</u>	<u>172,887</u>	<u>232,887</u>	<u>11,324</u>
Total revenues	<u>17,505,218</u>	<u>18,066,408</u>	<u>20,202,764</u>	<u>21,194,283</u>	<u>18,850,016</u>	<u>18,864,501</u>	<u>19,319,822</u>	<u>19,034,528</u>	<u>18,713,826</u>	<u>20,449,439</u>
Net (Expense) Revenue										
Governmental activities	(26,212,353)	(26,865,046)	(26,668,088)	(29,325,917)	(37,294,367)	(34,427,304)	(31,837,602)	(34,853,290)	(36,461,230)	(34,740,422)
Business-type activities	543,122	(1,050,817)	(573,983)	(37,685)	358,943	(473,097)	(595,669)	150,792	(639,806)	(1,386,622)
Component unit activities	-	-	-	-	(386,082)	36,002	(395,525)	(383,743)	(562,087)	(461,126)
Total Primary Government	<u>(25,669,231)</u>	<u>(27,915,863)</u>	<u>(27,242,071)</u>	<u>(29,363,602)</u>	<u>(37,321,506)</u>	<u>(34,864,399)</u>	<u>(32,828,796)</u>	<u>(35,086,241)</u>	<u>(37,663,123)</u>	<u>(36,588,170)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes	25,261,022	28,051,248	28,144,246	29,960,665	31,541,678	32,288,793	32,953,640	31,646,911	32,606,724	34,453,144
Grants and contributions	5,271,087	5,495,186	6,139,217	6,774,688	6,626,329	5,592,546	4,664,736	4,132,297	4,887,962	4,856,536
Investment earnings	380,469	548,420	966,546	682,166	299,313	111,949	117,105	120,662	108,448	135,870
Fees, licenses, and permits	132,091	143,335	-	-	-	-	-	-	-	-
Miscellaneous	1,311,031	3,018,377	391,397	269,712	330,760	84,577	1,425,212	212,954	334,963	(15,127)
Gain on sale of capital assets	-	-	(509)	53,454	(323,162)	-	92,409	152,653	19,351	123,308
Transfers	(521,911)	(699,927)	(872,089)	(4,798,421)	(2,463,024)	(674,635)	(737,861)	(166,735)	(158,405)	(278,521)
Total governmental activities	<u>31,833,789</u>	<u>36,556,639</u>	<u>34,768,808</u>	<u>32,942,264</u>	<u>36,011,894</u>	<u>37,403,230</u>	<u>38,515,241</u>	<u>36,098,742</u>	<u>37,799,043</u>	<u>39,275,210</u>

PICKENS COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Gain on sale of capital assets	-	-	-	-	-	-	(9,285)	-	-	-
Transfers	521,911	699,927	872,089	4,798,421	2,088,024	674,635	737,861	166,735	158,405	278,521
Total business-type activities	521,911	699,927	872,089	4,798,421	2,088,024	674,635	728,576	166,735	158,405	278,521
Total Primary Government	32,355,700	37,256,566	35,640,897	37,740,685	38,099,918	38,077,865	39,243,817	36,265,477	37,957,448	39,553,731
Component Unit Activities:										
Investment Earnings	-	-	-	-	-	-	2,158	1,590	666	514
Transfers	-	-	-	-	375,000	-	340,000	350,637	442,050	391,387
Total component unit activities	-	-	-	-	375,000	-	342,158	352,227	442,716	391,901
Change in Net Assets										
Governmental activities	5,621,436	9,691,593	8,100,720	3,616,347	(1,282,473)	2,975,926	6,677,639	1,245,452	1,337,813	4,534,788
Business-type activities	1,065,033	(350,890)	298,106	4,760,736	2,446,967	201,538	132,907	317,527	(481,401)	(1,108,101)
Total Primary Government	6,686,469	9,340,703	8,398,826	8,377,083	1,164,494	3,177,464	6,810,546	1,562,979	856,412	3,426,687
Component unit activities	-	-	-	-	(11,082)	36,002	(53,367)	(31,516)	(119,371)	(69,225)
Total Reporting Unit	\$ 6,686,469	\$ 9,340,703	\$ 8,398,826	\$ 8,377,083	\$ 1,153,412	\$ 3,213,466	\$ 6,757,179	\$ 1,531,463	\$ 737,041	\$ 3,357,462

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUED BASIS OF ACCOUNTING)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 1,914,549	\$ 1,784,717	\$ 1,597,235	\$ 2,455,301	\$ 3,713,840	\$ 3,045,149				
Unreserved	13,130,692	16,862,916	21,527,579	23,882,694	20,870,743	23,176,899				
Total General Fund	<u>15,045,241</u>	<u>18,647,633</u>	<u>23,124,814</u>	<u>26,337,995</u>	<u>24,584,583</u>	<u>26,222,048</u>				
All Other Governmental Funds										
Reserved										
Debt service	1,135,204	843,318	535,141	541,633	541,633	314,693				
Other reserves	1,057,463	328,664	620,352	2,000,027	558,733	1,417,705				
Unreserved, reported in:										
Special revenue funds	11,829,130	12,118,506	12,938,696	11,793,525	10,705,047	9,184,588				
Debt service funds	-	-	-	-	(102,627)	-				
Capital project funds	1,527,628	1,214,214	671,084	887,462	444,405	441,815				
Total All Other Governmental Funds	<u>15,549,425</u>	<u>14,504,702</u>	<u>14,765,273</u>	<u>15,222,647</u>	<u>12,147,191</u>	<u>11,358,801</u>				
Total Governmental Fund Balance	<u>\$ 30,594,666</u>	<u>\$ 33,152,335</u>	<u>\$ 37,890,087</u>	<u>\$ 41,560,642</u>	<u>\$ 36,731,774</u>	<u>\$ 37,580,849</u>				

General Fund										
Nonspendable							\$ 1,706,049	\$ 1,954,935	\$ 1,586,053	\$ 1,597,119
Restricted							-	-	-	-
Committed							1,594,752	2,846,104	3,199,414	-
Assigned							3,814,159	3,734,180	4,639,991	6,591,559
Unassigned							20,039,896	20,406,845	19,209,791	20,915,924
Total General Fund							<u>27,154,856</u>	<u>28,942,064</u>	<u>28,635,249</u>	<u>29,104,602</u>
All Other Governmental Funds										
Nonspendable							1,240	349	1,703	649,129
Restricted							11,791,094	11,562,227	7,833,127	15,397,427
Committed							426,766	207,703	3,604,377	892,235
Assigned							71,813	91,243	-	-
Unassigned							(235,865)	(122,200)	(126,849)	(498,409)
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>
Total Governmental Fund Balance							<u>\$ 39,209,904</u>	<u>\$ 40,681,386</u>	<u>\$ 39,947,607</u>	<u>\$ 45,544,984</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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 25,315,693	\$ 27,909,119	\$ 27,883,001	\$ 29,593,673	\$ 29,907,909	\$ 31,463,280	\$ 31,809,502	\$ 31,964,892	\$ 32,335,013	\$ 33,791,817
Fees, licenses and permits	4,560,429	4,894,813	5,108,915	5,461,999	5,307,166	5,429,003	5,706,190	5,789,261	6,098,332	6,183,688
Intergovernmental	8,699,593	9,335,262	11,210,389	11,045,142	10,109,495	9,050,636	8,462,632	6,758,120	7,602,068	8,702,952
Charges for services	4,790,488	5,722,544	6,398,628	6,251,805	5,886,863	6,324,966	6,454,395	6,461,207	6,269,400	6,002,528
Fines and forfeitures	808,594	938,369	942,141	975,288	832,055	899,557	789,030	815,979	757,288	2,293,571
Investment income	593,511	1,024,978	1,520,297	1,176,242	451,499	179,095	173,499	174,974	178,351	203,026
Rental income					22,103	20,052	27,210	20,930	66,518	24,204
Contributions	255,299	115,668	74,446	148,642	21,720	15,136	290,243	48,630	12,891	81,197
Miscellaneous	651,182	705,252	159,906	190,062	1,522,903	114,601	1,545,885	429,327	410,081	334,719
Total Revenues	45,674,789	50,646,005	53,297,723	54,842,853	54,061,713	53,496,326	55,258,586	52,463,320	53,729,942	57,617,702
Expenditures										
General government	8,616,734	8,932,315	9,155,233	9,861,628	10,307,518	10,099,195	9,633,375	9,733,134	9,996,701	10,425,459
Public safety	14,971,515	17,207,330	16,249,967	17,453,255	19,122,790	19,700,901	19,265,676	19,010,099	20,487,005	21,169,840
Public works	8,858,010	10,324,117	8,939,715	9,914,630	11,877,268	9,375,375	8,100,479	9,140,139	10,052,522	9,207,995
Health and welfare	644,549	661,020	690,162	778,940	823,673	758,168	744,985	809,118	824,990	832,512
Culture and recreation	3,145,300	3,483,387	3,863,186	3,892,592	3,938,808	3,779,990	4,058,464	4,082,413	3,921,338	4,212,529
Economic development	904,739	1,050,117	548,535	570,531	397,421	397,622	2,173	365,817	586,003	986,244
Other	133,632	127,681	169,233	73,067	452,016	1,587,236	1,522,448	1,412,603	1,357,395	1,429,315
Intergovernmental	1,530,698	1,422,564	1,577,665	1,673,392	1,325,975	94,907	92,815	(306)	103,512	89,475
Capital outlay	6,218,964	959,939	3,930,308	4,120,698	7,085,512	3,672,026	7,116,474	2,872,562	3,932,728	3,143,834
Debt service										
Principal	2,007,512	2,810,309	1,767,801	1,767,006	2,135,545	2,018,689	2,132,390	2,324,544	2,418,939	2,679,193
Interest	928,310	982,353	845,923	790,629	902,872	896,901	832,393	724,331	624,183	565,407
Total Expenditures	47,959,963	47,961,132	47,737,728	50,896,368	58,369,398	52,381,010	53,501,672	50,474,454	54,305,316	54,741,803
Excess of Revenues Over (Under) Expenditures	(2,285,174)	2,684,873	5,559,995	3,946,485	(4,307,685)	1,115,316	1,756,914	1,988,866	(575,374)	2,875,899
Other Financing Sources (Uses)										
Proceeds from capital lease	284,300	572,725	-	360,000	490,510	408,394	-	-	-	-
Proceeds from notes payable	-	-	-	-	-	-	-	-	-	-
Proceeds from bond issuance	800,000	-	-	3,874,344	1,800,000	-	950,000	-	-	3,000,000
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfer of capital asset	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	56,566	-	-	-	-	-	-	-	-	-
Transfers in (out)	(521,911)	(699,927)	(872,089)	(4,798,421)	(2,463,024)	(674,635)	(1,077,861)	(166,735)	(158,405)	(278,521)
Transfers to Pickens Alliance	-	-	-	-	-	-	-	(350,649)	-	-
Total Other Financing Sources (Uses)	618,955	(127,202)	(872,089)	(564,077)	(172,514)	(266,241)	(127,861)	(517,384)	(158,405)	2,721,479
Net Change in Fund Balance	\$ (1,666,219)	\$ 2,557,671	\$ 4,687,906	\$ 3,382,408	\$ (4,480,199)	\$ 849,075	\$ 1,629,053	\$ 1,471,482	\$ (733,779)	\$ 5,597,378
Debt Service as a percentage of noncapital expenditures	7.03%	8.07%	5.97%	5.47%	5.92%	5.99%	6.39%	6.40%	6.04%	6.29%

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
2005	2004	\$ 203,068,376	\$ 115,654,380		\$ 318,722,756	74.80	\$ 6,206,812,380	5.14%
2006	2005	269,309,178	116,884,194		386,193,372	70.00	6,623,699,956	5.83%
2007	2006	282,718,664	113,649,991		396,368,655	69.10	6,870,455,103	5.77%
2008	2007	290,390,511	112,850,047		403,240,558	69.10	7,090,308,644	5.69%
2009	2008	310,458,774	110,238,582		420,697,356	69.10	7,423,479,505	5.67%
2010	2009	319,731,823	102,207,991		421,939,814	69.10	7,505,625,497	5.62%
2011	2010	341,121,845	100,901,520		442,023,365	65.60	7,956,831,166	5.56%
2012	2011	344,028,258	100,149,585		444,177,843	65.60	8,045,411,232	5.52%
2013	2012	346,468,573	105,416,061		451,884,634	65.60	8,178,289,922	5.53%
2014	2013	349,020,293	112,959,999		461,980,292	65.60	8,311,532,266	5.56%

(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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Wide Tax Rates										
General County	65.9	60.9	60.0	60.0	60.0	60.0	57.1	57.1	57.1	57.1
Tri-County Technical	3.0	2.7	2.7	2.7	2.7	2.7	2.5	2.5	2.5	2.5
Library	5.9	6.4	6.4	6.4	6.4	6.4	6.0	6.0	6.0	6.0
Total Direct Rate	74.8	70.0	69.1	69.1	69.1	69.1	65.6	65.6	65.6	65.6
City Rates										
Easley	61.7	59.0	61.0	61.0	61.0	61.0	58.0	58.0	58.0	58.0
Liberty	87.0	77.5	77.5	77.5	77.5	77.5	74.0	80.0	80.0	80.0
Norris	75.0	77.2	77.2	77.2	77.2	77.2	72.2	72.2	72.2	72.2
Central	63.0	59.0	61.0	63.0	64.8	67.3	67.0	70.0	72.0	72.0
Clemson	81.6	76.9	77.9	79.5	81.0	81.0	78.6	83.4	83.4	83.4
Six Mile	37.0	36.0	36.0	36.0	36.0	36.0	35.8	35.8	31.8	31.8
Pickens	48.0	46.7	46.7	48.5	50.0	52.0	47.6	51.9	58.3	60.3
School District Rate	138.2	130.9	128.0	167.0	165.0	159.0	160.0	162.0	160.5	160.5
Special District Rates										
Keowee Vineyards	57.6	34.0	32.7	36.2	37.3	38.9	38.4	38.4	38.4	38.4
Pumpkintown	14.2	-	-	-	-	-	-	-	-	-
Shady Grove	26.8	19.0	14.5	12.9	12.0	11.5	11.3	11.6	11.6	11.6
County Sewer	1.6	0.5	0.5	1.5	1.5	1.5	1.9	1.9	1.9	1.9
Georges Creek	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6
Sedgewood	8.4	7.3	7.0	5.0	4.3	4.3	4.0	5.0	6.0	6.5
Saluda Lake	15.0	10.6	10.6	10.6	10.6	10.6	9.5	-	-	-

Note: Property was reassessed as of 1999-2000

Source: Pickens County Auditor's Office

PICKENS COUNTY, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS

CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Taxpayer	2014		Taxpayer	2005	
	Taxable Assessed	Percent of Total Taxable Assessed		Taxable Assessed	Percent of Total Taxable Assessed
	Value	Value		Value	Value
Duke Energy Corporation	\$ 19,119,010	4.14%	Duke Energy Corporation	\$ 19,260,220	6.04%
Blue Ridge Electric Coop., Inc	6,131,010	1.33%	Blue Ridge Electric Coop., Inc	4,835,510	1.52%
Bellsouth Telecommunications	2,727,110	0.59%	Bellsouth Telecommunications	4,327,160	1.36%
Pacesetter Inc	1,677,944	0.36%	Cliffs at Keowee Springs LLC	3,095,048	0.97%
Reliable Automatic Sprinkler	1,569,759	0.34%	Alice Manufacturing Company	2,952,610	0.93%
Shaw Industries Group Inc	1,418,370	0.31%	Keowee River Club LLC	2,226,830	0.70%
Chimney Ridge II LLC	1,404,080	0.30%	Honeywell Nylon Inc	2,164,513	0.68%
Keowee River Club LLC	1,357,485	0.29%	Keowee Investment Group LLC	1,929,500	0.61%
It-Spe LLC	1,236,910	0.27%	Milliken & Company Inc	1,638,681	0.51%
Urbana Cliffs RE LLC	1,197,480	0.26%	Sauer Danfoss NA Company	1,354,691	0.43%
Total	\$ 37,839,158	8.19%		\$ 43,784,763	13.74%

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, 2014	Estimated Tax Collections to Date (3)	
		Amount	Percentage of Adjusted Levy		Estimated Amount	Percentage of Adjusted Levy
2005	\$ 16,375,917	\$ 14,769,963	90.19%	\$ 56,198	\$ 16,319,719	99.66%
2006	17,824,985	16,133,203	90.51%	58,205	17,766,780	99.67%
2007	17,398,589	15,977,443	91.83%	102,327	17,296,262	99.41%
2008	17,475,608	16,600,160	94.99%	109,250	17,366,358	99.37%
2009	18,379,527	17,426,581	94.82%	123,876	18,255,651	99.33%
2010	19,009,045	17,968,836	94.53%	159,029	18,850,016	99.16%
2011	18,945,172	18,015,888	95.09%	174,950	18,770,222	99.08%
2012	19,789,534	18,858,885	95.30%	203,201	19,586,333	98.97%
2013	19,270,020	18,528,689	96.15%	265,102	19,004,918	98.62%
2014	18,619,253	18,033,263	96.85%	606,368	18,012,885	96.74%

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
RADIOS 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			
2005	\$ 13,405,000	\$ 1,228,464	\$ 2,119,865	\$ 7,364,442	\$ 5,329,156	\$ 170,834	\$ 29,617,761	1.05%	259
2006	12,506,000	-	2,314,240	7,059,933	5,265,412	120,833	27,266,418	0.90%	236
2007	11,529,000	-	1,840,176	6,743,196	5,198,573	70,833	25,381,778	0.79%	217
2008	14,353,470	-	1,812,503	6,413,737	5,128,488	20,833	27,729,031	0.83%	234
2009	15,405,526	-	1,258,102	6,071,047	5,055,001	-	27,789,676	0.85%	233
2010	14,121,644	-	1,291,643	5,714,593	4,977,946	-	26,105,826	0.79%	219
2011	13,599,219	-	1,002,447	5,343,822	4,897,151	-	24,842,639	0.73%	208
2012	11,891,027	-	780,652	4,949,266	6,829,510	-	24,450,455	0.70%	204
2013	10,112,744	-	550,518	4,538,744	6,712,349	-	21,914,355	0.62%	183
2014	10,977,125	-	430,555	4,115,130	6,586,312	-	22,109,122	0.62%	184

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)
2005	\$ 13,405,000	\$ -	\$ 13,405,000	0.22%	117
2006	12,506,000	-	12,506,000	0.19%	108
2007	11,529,000	-	11,529,000	0.17%	99
2008	14,353,470	-	14,353,470	0.20%	121
2009	15,405,526	-	15,405,526	0.21%	129
2010	14,121,644	-	14,121,644	0.19%	118
2011	13,599,219	-	13,599,219	0.17%	114
2012	11,891,027	446,811	11,444,216	0.14%	96
2013	10,112,744	605,669	9,507,075	0.12%	79
2014	10,977,125	751,499	10,225,626	0.12%	85

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 2014

Assessed valuation	\$ 461,980,292
Less: exemptions	<u>-</u>
Net assessed value	<u>\$ 461,980,292</u>
Debt limit - 8 percent of total assessed value	\$ 36,958,423
Amount of debt applicable to debt limit	<u>5,570,834</u>
Legal debt margin	<u>\$ 31,387,589</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 24,380,890	\$ 29,973,504	\$ 31,709,492	\$ 32,259,245	\$ 33,655,788	\$ 33,755,185	\$ 35,361,869	\$ 35,534,227	\$ 36,150,771	\$ 36,958,423
Total net debt applicable to limit	<u>17,140,942</u>	<u>15,393,073</u>	<u>14,368,521</u>	<u>13,287,022</u>	<u>12,163,299</u>	<u>10,977,065</u>	<u>9,738,018</u>	<u>8,410,849</u>	<u>7,025,234</u>	<u>5,570,834</u>
Legal debt margin	<u>\$ 7,239,948</u>	<u>\$ 14,580,431</u>	<u>\$ 17,340,971</u>	<u>\$ 18,972,223</u>	<u>\$ 21,492,489</u>	<u>\$ 22,778,120</u>	<u>\$ 25,623,851</u>	<u>\$ 27,123,378</u>	<u>\$ 29,125,537</u>	<u>\$ 31,387,589</u>
Total net debt applicable to the limit as a percentage of debt limit	70.30%	51.36%	45.31%	41.19%	36.14%	32.52%	27.54%	23.67%	19.43%	15.07%

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	
2005	\$ 352,022	\$ 257,661	\$ 94,361	1.000
2006	n/a	n/a	n/a	n/a
2007	n/a	n/a	n/a	n/a
2008	n/a	n/a	n/a	n/a
2009	n/a	n/a	n/a	n/a
2010	n/a	n/a	n/a	n/a
2011	n/a	n/a	n/a	n/a
2012	n/a	n/a	n/a	n/a
2013	n/a	n/a	n/a	n/a
2014	n/a	n/a	n/a	n/a

Sewer System Revenue Bonds (2)				
Funding Source: Capital charges and transfers				
Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2005	\$ 315,504	\$ 60,794	\$ 254,710	1.000
2006	315,504	63,745	251,759	1.000
2007	315,504	66,840	248,664	1.000
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	140,650	119,962	20,688	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
2005	114,344	\$ 2,831,737,000	\$ 24,765	5.1%
2006	115,570	3,020,869,000	26,139	6.7%
2007	116,815	3,202,068,000	27,411	5.8%
2008	118,330	3,339,905,000	28,225	5.3%
2009	119,183	3,268,690,000	27,426	8.6%
2010	119,202	3,293,763,000	27,632	10.6%
2011	119,449	3,416,081,000	28,599	9.3%
2012	119,670	3,513,816,000	29,363	8.7%
2013	119,941	3,550,409,332	29,601	7.4%
2014	120,213	3,587,383,751	29,842	5.6%

Notes:

(1) Personal Income and Per Capita Personal Income for 2013 and 2014 were estimated based on the average yearly change over the previous five years.

Last updated: May 30, 2014

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

PICKENS COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Company or Organization	June 30, 2014	
	Number of Employees	Percent of Total County Employment
Clemson University	3,529	6.53%
School District of Pickens County	1,893	3.50%
Aramark Services	800	1.48%
Palmetto Baptist Medical Center	656	1.21%
YH America, South Carolina, LLC	619	1.14%
Pickens County	592	1.09%
Milliken & Co - Pendleton Finishing Plant	400	0.74%
St. Jude Medical, Inc.	400	0.74%
Reliable Automatic Sprinkler Company, Inc.	390	0.72%
Comatrol (formerly Sauer-Danfoss)	335	0.62%
	9,614	17.78%

Company or Organization	June 30, 2005	
	Number of Employees	Percent of Total County Employment
Clemson University	7,521	15.63%
SC State Budget and Control Board	3,476	7.22%
Pickens County School District	2,000	4.16%
OWT Industries	823	1.71%
Palmetto Baptist Medical Center	750	1.56%
Central Textiles, Inc. ²	570	1.18%
Pickens County Government	547	1.14%
Honeywell	391	0.81%
Mark IV Automotive	390	0.81%
Alice Mfg Co-Foster Plt	380	0.79%
	16,848	35.00%

Source: Appalachian Council of Governments and InfoMentum.

PICKENS COUNTY, SOUTH CAROLINA**AUTHORIZED COUNTY EMPLOYEE POSITIONS BY FUNCTION**

LAST TEN FISCAL YEARS

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	150	147	147	148	150	146	135	135	132	133
Public safety	251	262	268	267	275	278	284	291	297	300
Public works	102	105	105	104	102	97	96	96	94	91
Health and welfare	9	9	9	9	10	11	11	12	12	12
Culture and recreation	68	70	70	70	69	70	70	71	72	73
Transportation	3	4	4	4	4	3	3	3	3	3
Economic Development	3	3	3	0	0	0	2	3	3	3
Intergovernmental	1	1	1	1	1	1	1	1	1	1
Total authorized positions	<u>587</u>	<u>601</u>	<u>607</u>	<u>603</u>	<u>611</u>	<u>606</u>	<u>602</u>	<u>612</u>	<u>614</u>	<u>616</u>

Source: County's Adopted Budget

PICKENS COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM

FISCAL YEARS 2005-2014

Function/Program	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
General government										
Probate Court estate cases	694	739	716	785	737	716	770	845	851	895
Marriage license applications	801	769	796	718	762	739	807	798	781	746
Register of Deeds documents filed	26,845	29,363	27,188	19,605	21,543	20,292	19,061	20,280	21,481	19,907
Clerk of Court civil cases filed	1,905	1,989	1,921	2,233	3,092	3,652	2,735	2,835	1,656	1,562
Clerk of Court warrants received	4,041	4,194	3,384	3,615	3,009	3,545	3,244	3,367	3,808	3,986
Vehicle bills and renewals processed	192,371	115,319	109,141	111,797	117,633	115,593	115,636	116,570	117,159	118,097
Magistrate case filings	16,780	19,040	16,791	20,685	17,384	18,162	17,951	16,419	14,896	15,372
Public Safety										
Sheriff 911 calls received	36,726	37,014	35,295	38,167	39,364	44,835	45,756	47,779	49,271	47,354
Coroner's Office investigations	204	196	200	n/a	426	568	566	653	756	796
Prison inmates received	560	597	621	742	678	709	643	588	608	473
EMS ambulance calls	12,110	12,608	14,498	15,158	14,810	14,494	14,289	14,704	15,012	14,979
Victim Rights services and assistance	7,103	7,208	7,792	8,026	8,191	6,965	7,288	6,600	7,674	6,822
Building Code commercial permits	-	-	-	-	-	-	110	100	70	100
Building Code residential permits	-	-	-	-	-	-	580	723	597	639
Public Works										
Solid Waste transfer station tonnage	44,407	41,464	44,356	42,042	40,785	39,974	36,784	36,409	36,482	36,545
Recyclables tonnage	9,290	9,030	3,558	7,742	6,618	5,078	6,365	6,407	4,842	4,670
Roads paved	35	36	65	n/a	113	89	55	64	58	111
Signs installed/repared	428	457	1,649	n/a	114	270	728	494	1,400	928
Health and Welfare										
Animal Control calls received	11,455	9,985	9,713	9,808	10,292	11,143	11,666	13,834	14,183	13,243
Veteran's Affairs claims/actions	23,359	23,073	21,517	24,662	24,706	24,792	25,675	25,963	21,884	20,112
Culture and Recreation										
County Park										
Park camping and day use passes	5,882	6,713	5,787	7,360	7,993	7,229	6,929	7,403	6,619	6,901
Museum & Mill visitors (1)	21,456	19,277	32,527	33,789	34,171	33,665	32,226	33,885	33,487	24,119
Library visitors	355,840	426,075	426,829	480,822	546,557	575,410	543,194	542,872	544,840	489,578
Public Service Commission										
Wastewater Treated /Gallons	306,732,858	280,842,244	333,899,990	298,610,000	307,653,081	323,979,349	300,900,343	250,146,013	309,780,415	368,137,345

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Sheriff Patrol units	94	101	101	101	102	102	102	100	101	105
EMS Stations	6	7	7	7	8	8	8	8	8	8
Public Works										
Solid Waste convenience centers	8	8	8	8	8	8	8	8	8	8
Roads (miles)	174.1	181.2	182.0	183.6	184.8	185.3	657.0	662.3	669.4	669.4
Bridges	66	68	68	73	74	74	74	74	74	74
Public Service Commission										
Sanitary sewers (miles)	26.5	26.75	28.29	28.61	28.81	28.81	35.97	36.20	36.20	36.20
Culture and Recreation										
Number of county parks	2	2	2	2	2	2	2	2	2	2

Source: County's Adopted Budget and County departments

SINGLE AUDIT SECTION

**Independent Auditor's Report 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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 2, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Cherry Behaert LHP

Greenville, South Carolina
December 2, 2014

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

Pickens County Council
Pickens County, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Pickens County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

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

Cherrey Bebaert LHP

Greenville, South Carolina
December 2, 2014

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major federal programs:

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

Noncompliance material to federal awards yes no

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

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
20.106	Airport Improvement Program – Federal Aviation Administration

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

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

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

\$ 300,000

Auditee qualified as low-risk auditee?

X yes no

Section II. Financial Statement Findings

There were no audit findings.

Section III. Federal Award Questioned Costs & Findings

There were no audit findings.

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

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, 2014

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant / Award Number</u>	<u>Federal Expenditures</u>
<u>US Department of Justice</u>			
FY2010 Justice Assistance Grant (G*228)	16.738	2010-DJ-BX-0909	\$ 24,783
FY2011 Justice Assistance Grant (G*254)	16.738	2011-DJ-BX-2795	8,346
FY2012 Justice Assistance Grant (G*273)	16.738	2012-DJ-BX-0733	18,953
FY2013 Justice Assistance Grant (G*292)	16.738	2013-DJ-BX-1091	17,959
Passed through SC Department of Public Safety			
VAWA Domestic Investigator/Advocate Year 12 (G*298)	16.588	1K13014	40,977
2013 State Criminal Alien Assistance Program (G*300)	16.606	2013-H1873-SC-AP	4,190
			<u>115,208</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		13,250
Dept. of Social Services Title IV-D Unit Cost	93.563		152,461
Dept. of Social Services Title IV-D Incentives	93.563		29,377
			<u>195,088</u>
<u>US Department of Homeland Security</u>			
Passed through SC Office of Adjutant General, Emergency Preparedness Division			
Emergency Management Performance Grant(s)			
FY 2012 LEMPG (Supplemental) (G*303)	97.042	12EMPG01	12,900
FY 2013 LEMPG (G*297)	97.042	13EMPG01	61,406
Passed through Federal Emergency Management Agency			
FY2012 Assistance to Firefighters Grant (Dacusville, G*289)	97.044	EMW-2012-FO-03705	23,275
Passed through SC Law Enforcement Division			
Citizens Corps (G*302)	97.067	11CCP01	9,000
HazMat Team Enhancements (G*277)	97.067	11SHSP70	29,712
			<u>136,293</u>
<u>US Department of Transportation</u>			
Federal Aviation Administration			
** Land Acquis Runway 5 Phase I (G*288)	20.106	3-45-0047-020-2013	247,403
South Carolina Emergency Management Division			
HMEP Planning Grant (G*275)	20.703	HM-HMP-0274-12-01-00	4,691
HMEP Planning Grant (G*299)	20.703	HM-HMP-0334-13-01-00	19,748
			<u>271,842</u>
<u>Institute of Museum & Library Services</u>			
Library Services & Technology Act (LSTA) Grant			
Passed through South Carolina State Library			
LSTA Project IIIA Tuition Assistance FY13 (G*311)	45.310	IIIA-13-21	244
			<u>244</u>
			<u>\$ 718,674</u>

** Indicates major program

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

FOR THE YEAR ENDED JUNE 30, 2014

1. Basis of Presentation

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

COMPLIANCE SECTION

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

JUNE 30, 2014

Clerk of Court Collections

	\$	374,418	
Assessments		37,113	
Surcharges		65,197	
Total Clerk of Court Collections		<u>476,728</u>	

Magistrate Court Collections

Fines and fees		474,124	
Assessments		358,683	
Surcharges		174,166	
Total Collections for Magistrate Court		<u>1,006,973</u>	
Total Collections for Clerk of Court and Magistrate Court	\$		<u><u>1,483,701</u></u>

Clerk of Court Retainage

Fines and fees	\$	153,424	
Assessments		11,726	
Surcharges		38,307	
Total Clerk of Court Retainage		<u>203,457</u>	

Magistrate Court Retainage

Fines and fees		441,972	
Assessments		34,223	
Surcharges		22,392	
Total Magistrate Court Retainage		<u>498,587</u>	
Total Retainage for Clerk of Court and Magistrate Court	\$		<u><u>702,044</u></u>

Amount Remitted to State Treasurer

Fines and Assessments	\$	<u>781,657</u>
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Amount of Funds Allocated to Victim Services by Fund Source

From Assessments and Surcharges	\$	<u>106,648</u>
	\$	<u><u>106,648</u></u>

Funds Carried Forward to Fiscal Year 2014 Designated as Victim Services Funds \$ 10,436