

PICKENS COUNTY, GEORGIA

**ANNUAL FINANCIAL REPORT
(WITH INDEPENDENT AUDITORS' REPORT)**

Year Ended December 31, 2015

**PICKENS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended December 31, 2015**

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INDEPENDENT AUDITORS' REPORT

June 15, 2016

Board of Commissioners
PICKENS COUNTY, GEORGIA
Jasper, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of PICKENS COUNTY, GEORGIA, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the PICKENS COUNTY HEALTH DEPARTMENT, a component unit of the County, as of and for the year then ended December 31, 2015, which statements reflect total assets of \$301,840, as of December 31, 2015, and total revenues of \$558,498, for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the PICKENS COUNTY HEALTH DEPARTMENT, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, based on our audit and the report of other auditors, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of PICKENS COUNTY, GEORGIA, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in NOTE 19 to the financial statements, the County adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions." Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Net Pension Liability - ACCG Defined Benefit Plan, Schedule of Contributions - ACCG Defined Benefit Plan, Schedule of Notes to Required Supplementary Information - ACCG Defined Benefit Plan, Schedule of Other Post Retirement Benefits Funding Progress, and Budgetary Comparison Schedule - General Fund listed in the table of contents 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 and the other auditors 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 PICKENS COUNTY, GEORGIA's basic financial statements. The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, Schedule of Projects Constructed with Special Sales Tax Proceeds which is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and the Schedule of State Contractual Services, and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, Schedule of Projects Constructed with Special Sales Tax Proceeds, Schedule of State Contractual Services, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2016 on our consideration of PICKENS COUNTY, GEORGIA'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 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 PICKENS COUNTY, GEORGIA's internal control over financial reporting and compliance.

Bates Carter & Co, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pickens County, Georgia (the "County"), we provide this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2015. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The County's assets exceeded its liabilities by \$51,672,167 (net position) for the year reported. This represents a decrease of \$(734,202) from the previous year.

Total net position is comprised of the following:

1. Net investment in capital assets equaled \$50,046,300.
2. Net position of \$2,183,526 are restricted for debt service, capital outlay, or by other constraints imposed by law or regulations.
3. At the end of 2015, unrestricted net position balance decreased by \$(2,320,384) from \$1,762,725 to \$(557,659).

The County's governmental funds reported total ending fund balance of \$8,568,253. This compares to the prior year ending fund balance of \$6,717,252 showing an increase of \$1,851,001 during the current year.

At the end of 2015, unassigned fund balance for the County's governmental funds was \$6,352,457.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis introduces the County's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government – wide statements and fund financial statements. This report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances and are more comparable to the financial statements of private-sector businesses. The government-wide statements provide both short and long-term information about the County's financial status as a whole. 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. Changes in net position indicate the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

The first of these government-wide statements is the *Statement of Net Position*. This statement presents information that includes all of the County's assets and liabilities, with the difference reported as total net position.

The second government-wide statement is the *Statement of Activities* which indicates how the County's net position changed during the current fiscal year. This report is designed to show the financial reliance of the County's activities and functions on revenues provided by County taxpayers.

The government-wide statements are divided into governmental activities, business-type activities, and component units.

Governmental activities include most of the County's basic services such as general administration, public safety, public works, court systems, culture and recreation, health and welfare, and housing and development. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Business type activities are those that the County charges customers to provide. These include water services and the Pickens County Airport.

Component Units for the County include the Development Authority and the Pickens County Department of Public Health.

Fund Financial Statements

Pickens County, like all other governmental entities in Georgia, uses fund accounting to ensure compliance with finance-related laws and regulations. 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. All of the funds of the County can be classified as governmental funds, proprietary funds, or fiduciary funds.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next fiscal year. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are financial resources available to finance the County's programs. Most of the County's basic services are accounted for in governmental funds.

Proprietary funds are used to report the functions presented as business-type activities in the government-wide financial statements. Pickens County uses enterprise funds to account for the Water Department and the Airport.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the Government. Pickens County's fiduciary funds are considered agency funds.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data presented in both the government-wide and fund financial statements. The notes to the financial statements begin on page 13 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The table below presents the County's condensed *Statement of Net Position*. Comparison analysis is made from the year ended December 31, 2015 to the year ended December 31, 2014 as required by GASB Statement No. 34.

Comparative Schedule of Net Position December 31

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Capital assets (net of depreciation)	\$ 45,089,533	\$ 44,478,391	\$ 19,026,681	\$ 19,436,399	\$ 64,116,214	\$ 63,914,790
Current and other assets	<u>9,995,203</u>	<u>9,215,797</u>	<u>(2,389,859)</u>	<u>(2,324,860)</u>	<u>7,605,344</u>	<u>6,890,937</u>
Total Assets	<u>55,084,736</u>	<u>53,694,188</u>	<u>16,636,822</u>	<u>17,111,539</u>	<u>71,721,558</u>	<u>70,805,727</u>
Long-term liabilities	2,183,526	4,160,433	-	12,223,220	2,183,526	16,383,653
Other liabilities	<u>5,784,824</u>	<u>1,890,217</u>	<u>12,081,041</u>	<u>125,488</u>	<u>17,865,865</u>	<u>2,015,705</u>
Total liabilities	<u>7,968,350</u>	<u>6,050,650</u>	<u>12,081,041</u>	<u>12,348,708</u>	<u>20,049,391</u>	<u>18,399,358</u>
Net Position:						
Net investment in capital assets	42,944,672	42,464,693	7,101,628	7,194,733	50,046,300	49,659,426
Restricted	2,183,526	943,046	-	41,172	2,183,526	984,218
Unrestricted	<u>1,988,188</u>	<u>4,235,799</u>	<u>(2,545,847)</u>	<u>(2,473,074)</u>	<u>(557,659)</u>	<u>1,762,725</u>
Total net position	<u>\$ 47,116,386</u>	<u>\$ 47,643,538</u>	<u>\$ 4,555,781</u>	<u>\$ 4,762,831</u>	<u>\$ 51,672,167</u>	<u>\$ 52,406,369</u>

Over time, net position serves as a useful indicator of a government's financial position. The County's combined net position (government and business-type activities) totaled \$51,672,167 at December 31, 2015 compared to \$52,406,369 at December 31, 2014. The total decrease was \$(734,202).

The largest portion of net position, \$50,046,300 (97%), reflects the County's investment in capital assets (land, buildings, machinery and equipment) less accumulated depreciation and any related debt still outstanding that was issued to acquire those assets. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investments in capital assets are reported net of outstanding debt, the resources needed to repay the debt must be provided by other sources as the capital assets cannot be liquidated to pay the liabilities. The County has \$2,183,526 (4%) of restricted net position that is subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net position represents \$(557,659) ((1)%) of unrestricted net position. In the current year, the unrestricted portion is negative due to the implementation of GASB 68 which created a decrease of \$2,152,478 in entity-wide net position (Reference Note 19, page 49).

The table below presents the County's condensed *Statement of Activities* for the year ended December 31, 2015 with comparative amounts for the year ended December 31, 2014.

**Comparative Schedule of Changes in Net Position
December 31**

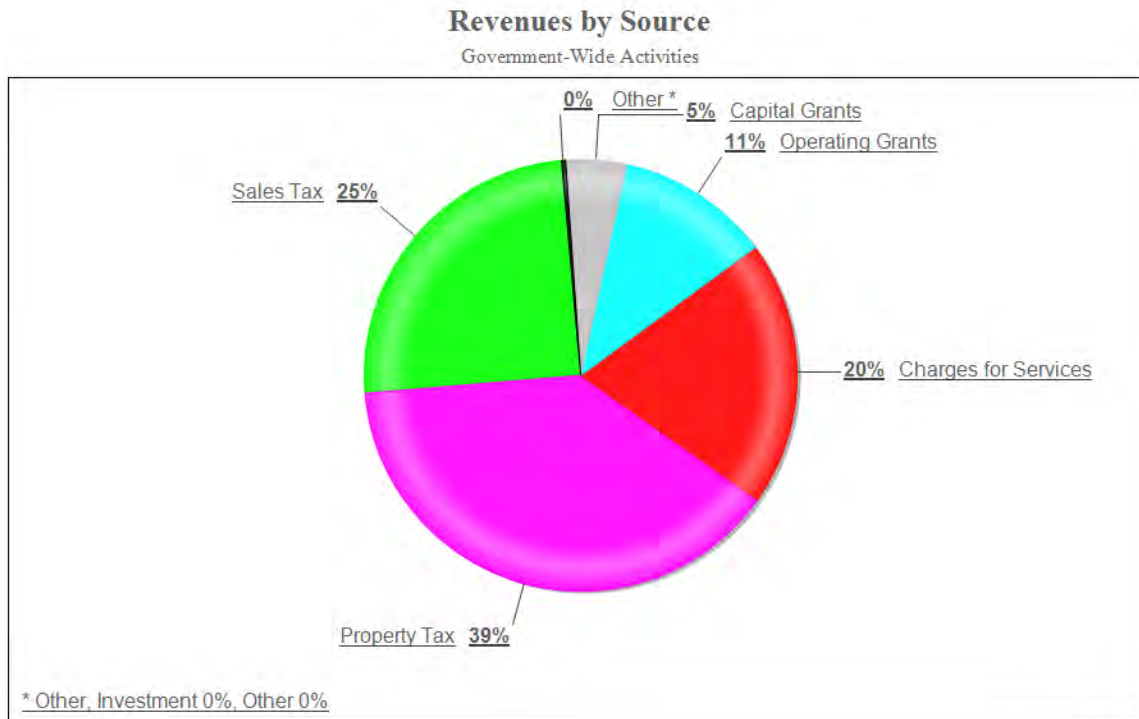
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
REVENUES						
Program revenues						
Charges for services	\$ 5,495,935	\$ 5,039,197	\$ 2,401,348	\$ 2,460,214	\$ 7,897,283	\$ 7,499,411
Operating grants and contributions	3,175,239	2,887,823	-	-	3,175,239	2,887,823
Capital grants and contributions	<u>1,264,247</u>	<u>51,672</u>	<u>151,731</u>	<u>128,063</u>	<u>1,415,978</u>	<u>179,735</u>
Subtotal for program revenues	<u>9,935,421</u>	<u>7,978,692</u>	<u>2,553,079</u>	<u>2,588,277</u>	<u>12,488,500</u>	<u>10,566,969</u>
General revenues						
Property taxes	10,744,340	10,483,955	-	-	10,744,340	10,483,955
Sales taxes	6,925,062	6,892,818	-	-	6,925,062	6,892,818
Insurance premium tax	1,313,298	1,226,610	-	-	1,313,298	1,226,610
Franchise tax	133,447	133,447	-	-	133,447	133,447
Other taxes	55,056	39,338	-	-	55,056	39,338
Interest and investment earnings	20,872	4,209	16	56	20,888	4,265
Other revenue	355,425	360,113	-	-	355,425	360,113
Grants and contributions not restricted to a specific program	21,496	34,590	-	-	21,496	34,590
Gain on sale of capital assets	<u>44,425</u>	<u>6,201</u>	<u>19,712</u>	<u>-</u>	<u>64,137</u>	<u>6,201</u>
Subtotal for general revenues	<u>19,613,421</u>	<u>19,181,281</u>	<u>19,728</u>	<u>56</u>	<u>19,633,149</u>	<u>19,181,337</u>
Total revenues	<u>29,548,842</u>	<u>27,159,973</u>	<u>2,572,807</u>	<u>2,588,333</u>	<u>32,121,649</u>	<u>29,748,306</u>
EXPENSES						
Program expenses						
General government	3,610,343	3,655,272	-	-	3,610,343	3,655,272
Judicial	4,754,880	4,395,766	-	-	4,754,880	4,395,766
Public safety	12,071,736	10,777,290	-	-	12,071,736	10,777,290
Public works	4,884,645	4,633,500	-	-	4,884,645	4,633,500
Health & welfare	407,885	493,080	-	-	407,885	493,080
Recreation & culture	1,087,548	972,615	-	-	1,087,548	972,615
Housing and development	546,155	565,006	-	-	546,155	565,006
Interest and paying agent fees	128,136	153,459	-	-	128,136	153,459
Water	-	-	2,232,705	2,165,208	2,232,705	2,165,208
Airport	-	-	<u>520,816</u>	<u>656,841</u>	<u>520,816</u>	<u>656,841</u>
Total expenses	<u>27,491,328</u>	<u>25,645,988</u>	<u>2,753,521</u>	<u>2,822,049</u>	<u>30,244,849</u>	<u>28,468,037</u>
Change in net position before transfers	2,057,514	1,513,985	(180,714)	(233,716)	1,876,800	1,280,269
Transfers	<u>26,336</u>	<u>14,558</u>	<u>(26,336)</u>	<u>(14,558)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>2,083,850</u>	<u>1,528,543</u>	<u>(207,050)</u>	<u>(248,274)</u>	<u>1,876,800</u>	<u>1,280,269</u>
Net position, beginning of year	47,643,538	46,175,725	4,762,831	5,450,799	52,406,369	51,339,393
Change in accounting principle	(2,152,478)	-	-	(55,483)	(2,152,478)	-
Prior period adjustment	(458,524)	(60,730)	-	-	(458,524)	213,293
Net position, beginning as restated	<u>45,032,536</u>	<u>46,114,995</u>	<u>4,762,831</u>	<u>5,395,316</u>	<u>49,795,367</u>	<u>51,126,100</u>
Net position, end of year	<u>\$ 47,116,386</u>	<u>\$ 47,643,538</u>	<u>\$ 4,555,781</u>	<u>\$ 5,163,668</u>	<u>\$ 51,672,167</u>	<u>\$ 52,406,369</u>

Governmental Activities Revenues increased the County's net position by \$2,083,850. Property taxes, insurance premium tax and other taxes, which continue as the main source of revenue for governmental activities totaled \$19,613,421 in 2015 compared to \$19,181,281 in 2014. This change is an increase of 2.25%.

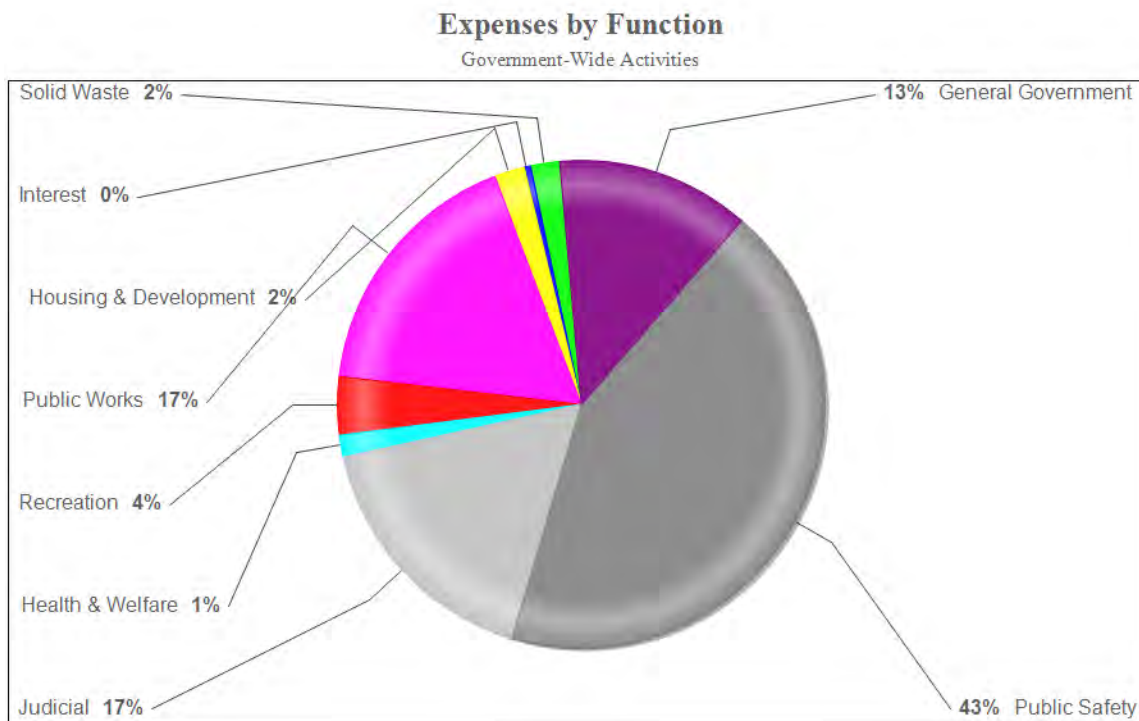
Governmental Activities Expenses by function as reflected in the table above show that during 2015, the County expended 44% for Public Safety, 17% for Judicial, 18% for Public Works, 13% for General Government, 4% for Culture and Recreation, 2% for Housing and Development, 1% for Health and Welfare, and 1% for Interest on Long-term debt.

As a comparative, during fiscal year 2014, the County expended 42% for Public Safety, 17% for Judicial, 18% for Public Works, 14% for General Government, 4% for Culture and Recreation, 2% for Housing and Development, 2% for Health and Welfare, and 1% for Interest on Long-term debt.

Business-type activities decreased the County's net position by \$(207,050).



*Due to rounding, charts may not always equal 100%



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

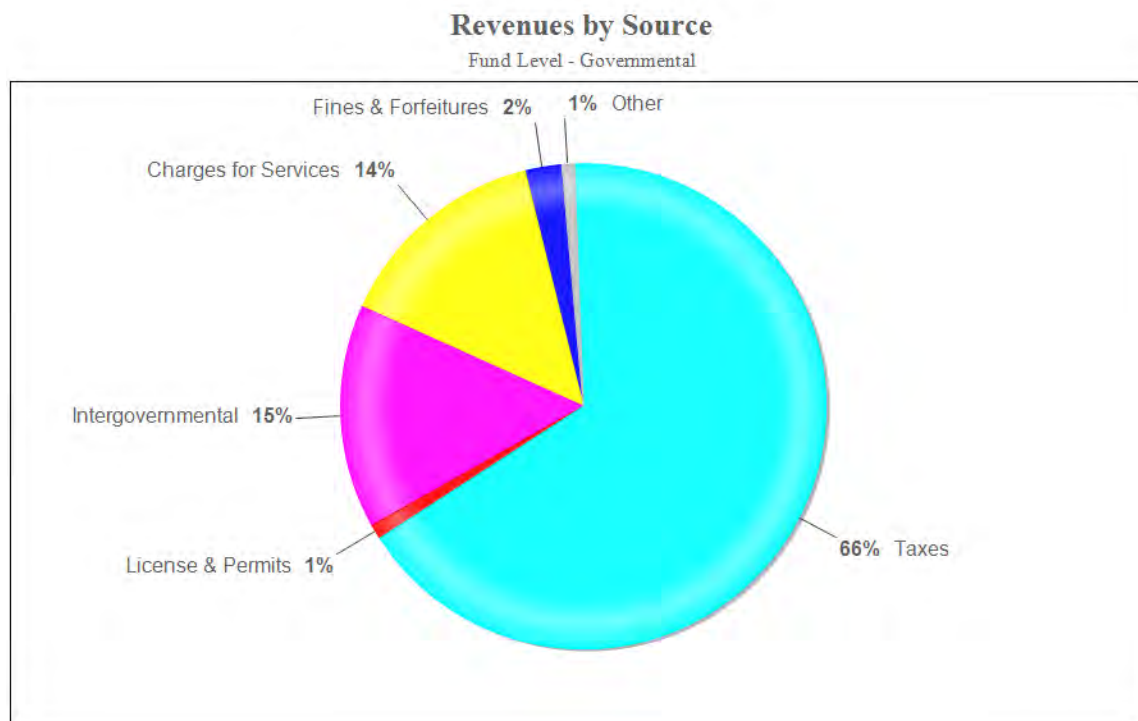
The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This information is useful in assessing the Government's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The major governmental funds are the General Fund and SPLOST. The General Fund is the chief operating fund of the County. It is used to account for all governmental financial resources not restricted by state or federal laws, local ordinances, or other imposed requirements. The County's total governmental funds reported ending fund balance of \$6,461,040. This compares to the prior year ending fund balance of \$5,830,702 showing an increase of \$630,338 during the current year. At the end of fiscal year 2015, unassigned fund balance for the County's governmental funds was \$6,352,457.

The County's other major governmental fund is the SPLOST fund. The fund balance of the SPLOST fund increased by \$1,043,056 during the current fiscal year. Collections for 2014 SPLOST began on July 1, 2014. Based on the approved 2014 SPLOST referendum, the majority of the 2014 SPLOST revenues are allocated for capital road projects and public safety. The SPLOST fund has an ending fund balance of \$1,568,723 which is restricted for capital projects as outlined in the 2014 SPLOST referendum.

In 2015, governmental revenues increased \$2,468,054 from 2014. This increase is primarily due to activity in the General Fund related to capital grants of \$1,135,355, capital lease proceeds of \$564,944, and transfers from other funds of \$578,283.



Proprietary funds. The County's proprietary fund statements provide the same type of

information presented in the government-wide statements but in more detail.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The County's capital assets for governmental and business-type activities as of December 31, 2015 total \$64,116,214 (net of accumulated depreciation). These assets include land, land improvements, infrastructure, buildings, machinery and equipment, furniture and fixtures, vehicles and construction in progress.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land and improvements	\$ 4,750,328	\$ 4,788,862	\$ 2,487,391	\$ 2,142,305	\$ 7,237,719	\$ 6,931,167
Construction in progress	-	81,080	5,876,196	5,834,739	5,876,196	5,915,819
Buildings	31,533,638	31,675,755	(24,976)	338,625	31,508,662	32,014,380
Machinery & equipment	2,493,747	3,111,984	414,277	392,616	2,908,024	3,504,600
Furniture & fixtures	-	-	-	-	-	-
Vehicles	1,192,002	674,469	146,027	27,169	1,338,029	701,638
Infrastructure	5,119,818	5,950,058	10,127,766	11,138,971	15,247,584	17,089,029
Total Assets	<u>\$ 45,089,533</u>	<u>\$ 46,282,208</u>	<u>\$ 19,026,681</u>	<u>\$ 19,874,425</u>	<u>\$ 64,116,214</u>	<u>\$ 66,156,633</u>

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

Long-term Debt. During 2015, the long-term debt of Pickens County's governmental activities increased \$2,865,686. The inception of capital leases for the purchase of vehicles and equipment account for \$690,403 of the increase. The notes payable category decreased due to the continual repayment of debt. The net pension liability increased \$2,653,073 due to the implementation of GASB 68, and the net OPEB obligation increased \$103,738. Long-term debt decreased in business-type activities in the amount of \$(290,810).

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Bonds payable	\$ -	\$ -	\$ 11,776,713	\$ 10,561,608	\$ 11,776,713	\$ 10,561,608
Capital leases	892,509	202,106	148,340	97,187	1,040,849	299,293
Notes payable	1,252,352	1,811,592	-	1,554,835	1,252,352	3,366,427
Landfill closure/postclosure	292,695	309,800	-	-	292,695	309,800
Compensated absences	216,814	221,997	7,357	9,590	224,171	231,587
Net pension obligation	2,670,675	17,602	-	-	2,670,675	17,602
Net OPEB obligation	1,701,073	1,597,335	-	-	1,701,073	1,597,335
Totals	<u>\$ 7,026,118</u>	<u>\$ 4,160,432</u>	<u>\$ 11,932,410</u>	<u>\$ 12,223,220</u>	<u>\$ 18,958,528</u>	<u>\$ 16,383,652</u>

Additional information regarding Pickens County's long-term debt can be found in Note 7 on pages 31 through 35 of this report.

ECONOMIC FACTORS AND THE 2016 BUDGET

- The 2015 millage rate, 7.22 per \$1,000 of valuation, remained the same as the 2014 millage rate. Net taxes levied decreased \$53,286.
- The December 31, 2015 Financial Statements reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." In previous years, pension liability was fully disclosed in the notes to the financial statements, but

with GASB 68 the liability is actually presented on the balance sheet. The result is a net decrease of the entity-wide net position in Governmental activities of (\$2,152,478).

- The 2015 final budget shown in this report was increased by \$1,285,000 to \$24,021,312 to recognize revenue from a federal grant for the relocation and renovation of the Historic Tate Depot.
- The 2016 budget was approved and adopted by the Board of Commissioners on December 17, 2015. The 2016 operating budget increased from \$22,736,312 to \$23,824,644, an increase of \$1,088,332. The majority of the revenue increase is in sales tax, title ad valorem tax, license and permit fees and charges for services. The majority of expenditure increase is in contingencies, purchased services and salaries and benefits.
- Monthly budgetary reports are provided to all department heads, elected officials and the Board of Commissioners.

Pickens County management continues to monitor revenue collection rates and control budgetary spending in an effort to provide services at or above current levels without further burdening the county taxpayers.

REQUESTS FOR INFORMATION

This report is designed to provide the reader a general overview of the County's finances and demonstrate Management's commitment to public accountability. Questions concerning any of the information found in this report or requests for additional information should be directed to Faye Harvey, Finance Director for Pickens County Board of Commissioners, 1266 East Church Street, Suite 175, Jasper, Georgia 30143.

PICKENS COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2015

<u>PRIMARY GOVERNMENT</u>				
ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Cash	\$ 4,411,338	\$ 600	\$ 4,411,938	\$ 575,260
Investments	22,275	-	22,275	-
Capital lease receivable	-	-	-	144,000
Receivables (net of allowance for uncollectibles)	2,781,750	215,510	2,997,260	27,019
Internal balances	2,671,257	(2,671,257)	-	-
Inventories	32,120	58,146	90,266	1,191
Prepaid items	150	-	150	-
Restricted assets:				
Cash	76,313	7,142	83,455	-
Capital lease receivable	-	-	-	3,024,000
Capital assets:				
Capital assets not being depreciated	4,244,996	7,566,790	11,811,786	-
Capital assets being depreciated	61,328,205	19,156,966	80,485,171	68,894
Less: accumulated depreciation	(20,483,668)	(7,697,075)	(28,180,743)	(68,894)
Capital assets, net of depreciation	<u>45,089,533</u>	<u>19,026,681</u>	<u>64,116,214</u>	<u>-</u>
TOTAL ASSETS	<u>55,084,736</u>	<u>16,636,822</u>	<u>71,721,558</u>	<u>3,771,470</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense	-	-	-	54,435
TOTAL DEFERRED OUTFLOWS OF RESOURCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,435</u>
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>55,084,736</u>	<u>16,636,822</u>	<u>71,721,558</u>	<u>3,825,905</u>
LIABILITIES				
Accounts payable	557,709	115,748	673,457	5,655
Accrued interest payable	-	15,116	15,116	-
Other accrued items	354,310	11,887	366,197	-
Unearned revenue	-	5,880	5,880	-
Amounts held in trust	30,213	-	30,213	-
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	151,770	5,150	156,920	-
Accrued landfill closure / postclosure	15,000	-	15,000	-
Notes payable	392,260	-	392,260	-
Capital leases payable	348,589	67,341	415,930	-
Revenue bonds payable	-	471,000	471,000	62,572
Due in more than one year				
Compensated absences payable	65,044	2,207	67,251	29,739
Net pension liability	2,670,675	-	2,670,675	374,124
Net OPEB obligation	1,701,073	-	1,701,073	-
Accrued landfill closure / postclosure	277,695	-	277,695	-
Notes payable	860,092	-	860,092	-
Capital leases payable	543,920	80,999	624,919	-
Revenue bonds payable	-	11,305,713	11,305,713	1,860,897
TOTAL LIABILITIES	<u>7,968,350</u>	<u>12,081,041</u>	<u>20,049,391</u>	<u>2,332,987</u>
DEFERRED INFLOWS OF RESOURCE				
Pension expense	-	-	-	1,379,049
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,379,049</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>7,968,350</u>	<u>12,081,041</u>	<u>20,049,391</u>	<u>3,712,036</u>
NET POSITION				
Net investment in capital assets	42,944,672	7,101,628	50,046,300	-
Restricted for:				
Capital outlay projects	1,568,723	-	1,568,723	-
Judicial programs	304,792	-	304,792	-
Public safety programs	289,174	-	289,174	-
Health and welfare programs	-	-	-	22,512
Housing and development programs	20,837	-	20,837	-
Unrestricted	1,988,188	(2,545,847)	(557,659)	91,357
TOTAL NET POSITION	<u>\$ 47,116,386</u>	<u>\$ 4,555,781</u>	<u>\$ 51,672,167</u>	<u>\$ 113,869</u>

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMSPROGRAM REVENUES.....			NET (EXPENSE) AND CHANGES IN NET POSITION.....			COMPONENT UNITS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	\$ 3,610,343	\$ 803,574	\$ 19,494	\$ -	\$ (2,787,275)	\$ -	\$ (2,787,275)	\$ -
Judicial	4,754,880	1,229,872	2,299,769	128,892	(1,096,347)	-	(1,096,347)	-
Public safety	12,071,736	2,755,355	580,622	-	(8,735,759)	-	(8,735,759)	-
Public works	4,884,645	355,239	-	-	(4,529,406)	-	(4,529,406)	-
Public health and welfare	407,885	15,240	273,181	-	(119,464)	-	(119,464)	-
Recreation and culture	1,087,548	182,250	-	-	(905,298)	-	(905,298)	-
Housing and development	546,155	154,405	2,173	1,135,355	745,778	-	745,778	-
Interest	128,136	-	-	-	(128,136)	-	(128,136)	-
Total Governmental Activities	<u>27,491,328</u>	<u>5,495,935</u>	<u>3,175,239</u>	<u>1,264,247</u>	<u>(17,555,907)</u>	<u>-</u>	<u>(17,555,907)</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES								
Water	2,232,705	2,075,598	-	-	-	(157,107)	(157,107)	-
Airport	520,816	325,750	-	151,731	-	(43,335)	(43,335)	-
Total Business-Type Activities	<u>2,753,521</u>	<u>2,401,348</u>	<u>-</u>	<u>151,731</u>	<u>-</u>	<u>(200,442)</u>	<u>(200,442)</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 30,244,849</u>	<u>\$ 7,897,283</u>	<u>\$ 3,175,239</u>	<u>\$ 1,415,978</u>	<u>(17,555,907)</u>	<u>(200,442)</u>	<u>(17,756,349)</u>	<u>-</u>
COMPONENT UNITS								
Health Department	\$ 519,777	\$ 232,595	\$ 325,903	\$ -	-	-	-	38,721
Development Authority	113,774	102,617	-	-	-	-	-	(11,157)
TOTAL COMPONENT UNITS	<u>\$ 633,551</u>	<u>\$ 335,212</u>	<u>\$ 325,903</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,564</u>
GENERAL REVENUES								
Property taxes					10,744,340	-	10,744,340	-
Sales taxes					6,925,062	-	6,925,062	-
Insurance premium taxes					1,313,298	-	1,313,298	-
Real estate recording taxes					188,503	-	188,503	-
Other taxes					355,425	-	355,425	-
Total taxes					<u>19,526,628</u>	<u>-</u>	<u>19,526,628</u>	<u>-</u>
Unrestricted investment earnings					20,872	16	20,888	960
Grants and contributions not restricted to a specific program					21,496	-	21,496	-
Gain on sale of capital assets					44,425	19,712	64,137	-
TRANSFERS					26,336	(26,336)	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					<u>19,639,757</u>	<u>(6,608)</u>	<u>19,633,149</u>	<u>960</u>
CHANGES IN NET POSITION								
NET POSITION, Beginning					47,643,538	4,762,831	52,406,369	556,322
CHANGE IN ACCOUNTING PRINCIPLE					(2,152,478)	-	(2,152,478)	(470,977)
PRIOR PERIOD ADJUSTMENT					(458,524)	-	(458,524)	-
NET POSITION, Beginning as restated					<u>45,032,536</u>	<u>4,762,831</u>	<u>49,795,367</u>	<u>85,345</u>
NET POSITION, Ending					<u>\$ 47,116,386</u>	<u>\$ 4,555,781</u>	<u>\$ 51,672,167</u>	<u>\$ 113,869</u>

The accompanying notes are an integral part of this statement.

**PICKENS COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015**

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash	\$ 2,840,240	\$ 1,208,928	\$ 362,169	\$ 4,411,337
Investments	-	-	22,274	22,274
Receivables (net of allowance for uncollectibles)	1,959,609	391,393	430,748	2,781,750
Interfund receivables	3,003,551	-	148,036	3,151,587
Prepaid items	150	-	-	150
Inventories	32,120	-	-	32,120
Restricted assets:				
Cash	76,313	-	-	76,313
TOTAL ASSETS	<u>\$ 7,911,983</u>	<u>\$ 1,600,321</u>	<u>\$ 963,227</u>	<u>\$ 10,475,531</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 429,596	\$ 31,598	\$ 96,514	\$ 557,708
Other accrued items	277,667	-	76,644	354,311
Interfund payables	258,964	-	221,366	480,330
Amounts held in trust	-	-	30,213	30,213
TOTAL LIABILITIES	<u>966,227</u>	<u>31,598</u>	<u>424,737</u>	<u>1,422,562</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	484,716	-	-	484,716
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,450,943</u>	<u>31,598</u>	<u>424,737</u>	<u>1,907,278</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenditure	150	-	-	150
Inventories	32,120	-	-	32,120
Restricted:				
Capital outlay projects	-	1,568,723	-	1,568,723
Judicial programs	76,313	-	228,479	304,792
Public safety programs	-	-	289,174	289,174
Housing and development programs	-	-	20,837	20,837
Unassigned:	6,352,457	-	-	6,352,457
TOTAL FUND BALANCES	<u>6,461,040</u>	<u>1,568,723</u>	<u>538,490</u>	<u>8,568,253</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 7,911,983</u>	<u>\$ 1,600,321</u>	<u>\$ 963,227</u>	<u>\$ 10,475,531</u>

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2015

Total Fund Balances for Governmental Funds (page 3)		\$	8,568,253
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.			45,089,533
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.			
Property Taxes	484,716		484,716
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Net pension liability	(2,670,675)		
Compensated absences	(216,814)		
Capital leases	(892,509)		
Net OPEB obligation	(1,701,073)		
Notes payable	(1,252,352)		
Accrued landfill closure/postclosure	(292,695)		(7,026,118)
Rounding			2
Total net position of governmental activities (page 1)		\$	<u>47,116,386</u>

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 15,550,603	\$ 4,073,495	\$ 26,141	\$ 19,650,239
Licenses and permits	292,090	-	-	292,090
Intergovernmental	2,582,184	-	1,845,248	4,427,432
Fines and forfeitures	361,869	-	364,915	726,784
Charges for services	3,368,313	-	907,683	4,275,996
Contributions and donations	11,266	-	22,283	33,549
Investment income	16,033	4,217	622	20,872
Miscellaneous	200,465	-	600	201,065
TOTAL REVENUES	<u>22,382,823</u>	<u>4,077,712</u>	<u>3,167,492</u>	<u>29,628,027</u>
EXPENDITURES				
Current Expenditures				
General government	3,004,816	-	-	3,004,816
Judicial	2,672,176	-	2,012,397	4,684,573
Public safety	10,595,173	422,685	127,056	11,144,914
Public works	1,932,019	1,483,335	-	3,415,354
Public health and welfare	288,790	-	51,592	340,382
Recreation and culture	880,876	100,000	-	980,876
Housing and development	502,569	-	1,140	503,709
Intergovernmental	-	833,996	321,239	1,155,235
Capital outlay	2,308,341	405,212	-	2,713,553
Debt service				
Principal	804,000	112,609	-	916,609
Interest	120,745	7,391	-	128,136
TOTAL EXPENDITURES	<u>23,109,505</u>	<u>3,365,228</u>	<u>2,513,424</u>	<u>28,988,157</u>
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	<u>(726,682)</u>	<u>712,484</u>	<u>654,068</u>	<u>639,870</u>
OTHER FINANCING SOURCES (USES)				
Sale of county property	40,723	3,702	-	44,425
Capital lease proceeds	701,584	346,188	-	1,047,772
Transfers in	638,375	-	61,181	699,556
Transfers out	(64,006)	(19,318)	(589,897)	(673,221)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,316,676</u>	<u>330,572</u>	<u>(528,716)</u>	<u>1,118,532</u>
NET CHANGE IN FUND BALANCES	<u>589,994</u>	<u>1,043,056</u>	<u>125,352</u>	<u>1,758,402</u>
FUND BALANCES, Beginning of year	5,830,702	525,667	360,883	6,717,252
PRIOR PERIOD ADJUSTMENT	(510,779)	-	52,255	(458,524)
CHANGE IN ACCOUNTING PRINCIPLE	551,123	-	-	551,123
FUND BALANCES, Beginning, as restated	<u>5,871,046</u>	<u>525,667</u>	<u>413,138</u>	<u>6,809,851</u>
FUND BALANCES, End of year	<u>\$ 6,461,040</u>	<u>\$ 1,568,723</u>	<u>\$ 538,490</u>	<u>\$ 8,568,253</u>

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Net change in fund balances (page 5)		\$ 1,758,402
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlays	2,713,553	
Depreciation expense	<u>(2,058,932)</u>	654,621
<p>In the statement of activities, only the gain/loss on the sale of various capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.</p>		
Net book value of capital assets sold	<u>(43,478)</u>	(43,478)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes	<u>484,716</u>	484,716
<p>Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.</p>		
Property taxes	<u>(608,327)</u>	(608,327)
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.</p>		
Proceeds from borrowing including premiums and discounts	(1,047,772)	
Principal payments on long-term debt	916,609	
Accrued landfill closure/postclosure, current year	(292,695)	
Accrued landfill closure/postclosure, prior year	<u>309,800</u>	(114,058)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences, current year	(216,814)	
Compensated absences, prior year	<u>221,997</u>	5,183
<p>Net OPEB obligation is not available during the current period and therefore is not reported in the funds.</p>		
End of year	(1,701,073)	
Beginning of year	<u>1,597,335</u>	(103,738)
<p>Net pension liability is not available during the current period and therefore is not reported in the funds.</p>		
End of year	(2,670,675)	
Beginning of year	<u>2,721,203</u>	50,528
Rounding		<u>1</u>
Changes in net position of governmental activities (page 2)		<u><u>\$ 2,083,850</u></u>

The accompanying notes are an integral part of this statement.

**PICKENS COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015**

**BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUNDS**

	WATER FUND	AIRPORT AUTHORITY	TOTAL
ASSETS			
Current Assets			
Cash	\$ 600	\$ -	\$ 600
Receivables (net of allowance for uncollectibles)	206,003	9,507	215,510
Interfund receivables	110,928	-	110,928
Inventories	27,401	30,745	58,146
Restricted assets:			
Cash	<u>7,142</u>	<u>-</u>	<u>7,142</u>
TOTAL CURRENT ASSETS	<u>352,074</u>	<u>40,252</u>	<u>392,326</u>
Noncurrent Assets			
Capital assets			
Capital assets not being depreciated	391,148	7,175,642	7,566,790
Capital assets being depreciated	17,479,551	1,677,415	19,156,966
Less: accumulated depreciation	<u>(6,850,983)</u>	<u>(846,092)</u>	<u>(7,697,075)</u>
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	<u>11,019,716</u>	<u>8,006,965</u>	<u>19,026,681</u>
TOTAL NONCURRENT ASSETS	<u>11,019,716</u>	<u>8,006,965</u>	<u>19,026,681</u>
TOTAL ASSETS	<u>11,371,790</u>	<u>8,047,217</u>	<u>19,419,007</u>
LIABILITIES			
Current Liabilities			
Accounts payable	101,945	13,803	115,748
Other accrued items	9,320	2,567	11,887
Interfund payables	2,359,719	422,466	2,782,185
Unearned revenue	-	5,880	5,880
Compensated absences payable	5,150	-	5,150
Capital lease payable	67,341	-	67,341
Revenue bonds payable	471,000	-	471,000
Accrued interest payable	<u>15,116</u>	<u>-</u>	<u>15,116</u>
TOTAL CURRENT LIABILITIES	<u>3,029,591</u>	<u>444,716</u>	<u>3,474,307</u>
Noncurrent Liabilities			
Compensated absences payable	2,207	-	2,207
Capital lease payable	80,999	-	80,999
Revenue bonds payable	<u>7,248,000</u>	<u>4,057,713</u>	<u>11,305,713</u>
TOTAL NONCURRENT LIABILITIES	<u>7,331,206</u>	<u>4,057,713</u>	<u>11,388,919</u>
TOTAL LIABILITIES	<u>10,360,797</u>	<u>4,502,429</u>	<u>14,863,226</u>
NET POSITION			
Net investment in capital assets	3,152,376	3,949,252	7,101,628
Restricted for debt service	-	-	-
Unrestricted	<u>(2,141,383)</u>	<u>(404,464)</u>	<u>(2,545,847)</u>
TOTAL NET POSITION	<u>\$ 1,010,993</u>	<u>\$ 3,544,788</u>	<u>\$ 4,555,781</u>

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUNDS

	WATER FUND	AIRPORT AUTHORITY	TOTAL
OPERATING REVENUES			
Charges for sales and services:			
Pledged as security for revenue bonds:			
Water sales	\$ 2,034,195	\$ -	\$ 2,034,195
Water connection fees	61,115	-	61,115
Other	-	2,832	2,832
Charges for services-other	-	322,918	322,918
Total Operating Revenues	<u>2,095,310</u>	<u>325,750</u>	<u>2,421,060</u>
OPERATING EXPENSES			
Salaries and benefits	469,475	71,489	540,964
Other services and charges	972,642	221,889	1,194,531
Depreciation	606,429	83,085	689,514
Repairs and maintenance	-	12,477	12,477
Total Operating Expenses	<u>2,048,546</u>	<u>388,940</u>	<u>2,437,486</u>
OPERATING INCOME (LOSS)	<u>46,764</u>	<u>(63,190)</u>	<u>(16,426)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	15	-	15
Interest expense	(203,871)	(131,876)	(335,747)
Gain (loss) on sale of capital assets	19,712	-	19,712
Total Nonoperating Revenues (Expenses)	<u>(184,144)</u>	<u>(131,876)</u>	<u>(316,020)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(137,380)</u>	<u>(195,066)</u>	<u>(332,446)</u>
Capital grants	-	151,731	151,731
Transfer in	19,318	-	19,318
Transfer out	(44,672)	(981)	(45,653)
CHANGE IN NET POSITION	<u>(162,734)</u>	<u>(44,316)</u>	<u>(207,050)</u>
TOTAL NET POSITION, Beginning of year	<u>1,173,727</u>	<u>3,589,104</u>	<u>4,762,831</u>
TOTAL NET POSITION, End of year	<u>\$ 1,010,993</u>	<u>\$ 3,544,788</u>	<u>\$ 4,555,781</u>

The accompanying notes are an integral part of this statement.

**PICKENS COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER FUND	AIRPORT AUTHORITY	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer	\$ 2,113,111	\$ 332,303	\$2,445,414
Payments to suppliers	(1,007,139)	(191,784)	1,198,923
Payments to employees	<u>(469,684)</u>	<u>(70,045)</u>	<u>(539,729)</u>
Net cash provided by (used in) operating activities	<u>636,288</u>	<u>70,474</u>	<u>706,762</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in (out)	<u>(25,355)</u>	<u>-</u>	<u>(25,355)</u>
Net Cash provided (used) by non-capital financing activities	<u>(25,355)</u>	<u>-</u>	<u>(25,355)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(189,469)	(90,327)	(279,796)
Proceeds from sale of capital assets	19,712	-	19,712
Proceeds from new debt	8,207,820	-	8,207,820
Proceeds from capital grants	-	151,729	151,729
Principal payments on debt	(341,112)	-	(341,112)
Payments to escrow agent	(8,155,286)	-	8,155,286
Interest paid	<u>(201,567)</u>	<u>(131,876)</u>	<u>(333,443)</u>
Net cash provided (used) by capital and related financing activities	<u>(659,902)</u>	<u>(70,474)</u>	<u>(730,376)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	<u>15</u>	<u>-</u>	<u>15</u>
Net cash provided (used) by investing activities	<u>15</u>	<u>-</u>	<u>15</u>
Net increase (decrease) in cash and cash equivalents	(48,954)	-	(48,954)
CASH, Beginning of year	<u>56,696</u>	<u>-</u>	<u>56,696</u>
CASH, End of year	<u>\$ 7,742</u>	<u>\$ -</u>	<u>\$ 7,742</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 46,764	\$ (63,190)	\$ (16,426)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	606,429	83,085	689,514
(Increase) decrease in:			
Accounts receivable	17,801	2,053	19,854
Inventory	-	15,652	15,652
Increase (decrease) in:			
Accounts payable	11,996	878	12,874
Compensated absences	(2,233)	-	(2,233)
Other accrued items	2,024	1,444	3,468
Deferred revenue	-	4,500	4,500
Interfund payables	<u>(46,493)</u>	<u>26,052</u>	<u>(20,441)</u>
Net cash provided by (used in) operating activities	<u>\$ 636,288</u>	<u>\$ 70,474</u>	<u>\$ 706,762</u>

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2015

	AGENCY FUNDS
ASSETS	
Cash	\$ <u>3,017,001</u>
TOTAL ASSETS	\$ <u><u>3,017,001</u></u>
LIABILITIES	
Amount held in trust	\$ <u>3,017,001</u>
TOTAL LIABILITIES	\$ <u><u>3,017,001</u></u>

The accompanying notes are an integral part of this statement.

**PICKENS COUNTY, GEORGIA
 COMPONENT UNITS
 COMBINING STATEMENT OF NET POSITION
 December 31, 2015**

	HEALTH DEPARTMENT	DEVELOPMENT AUTHORITY	TOTAL
ASSETS			
Cash	\$ 273,630	\$ 301,630	\$ 575,260
Capital lease receivable	-	144,000	144,000
Receivables (net of allowance for uncollectibles)	27,019	-	27,019
Inventories	1,191	-	1,191
Non-current assets:			
Capital lease receivable	-	3,024,000	3,024,000
Capital assets:			
Capital assets being depreciated	68,894	-	68,894
Less: accumulated depreciation	<u>(68,894)</u>	<u>-</u>	<u>(68,894)</u>
TOTAL ASSETS	<u><u>301,840</u></u>	<u><u>3,469,630</u></u>	<u><u>3,771,470</u></u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension expense	<u>54,435</u>	<u>-</u>	<u>54,435</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>54,435</u></u>	<u><u>-</u></u>	<u><u>54,435</u></u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>356,275</u></u>	<u><u>3,469,630</u></u>	<u><u>3,825,905</u></u>
LIABILITIES			
Accounts payable	5,655	-	5,655
Noncurrent liabilities:			
Due within one year			
Revenue bonds payable	-	62,572	62,572
Due in more than one year			
Compensated absences payable	29,739	-	29,739
Net pension liability	374,124	-	374,124
Revenue bonds payable	<u>-</u>	<u>1,860,897</u>	<u>1,860,897</u>
TOTAL LIABILITIES	<u><u>409,518</u></u>	<u><u>1,923,469</u></u>	<u><u>2,332,987</u></u>
DEFERRED INFLOWS OF RESOURCES			
Deferred credit for refunding	<u>108,782</u>	<u>1,270,267</u>	<u>1,379,049</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>108,782</u></u>	<u><u>1,270,267</u></u>	<u><u>1,379,049</u></u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u><u>518,300</u></u>	<u><u>3,193,736</u></u>	<u><u>3,712,036</u></u>
NET POSITION			
Restricted for:			
Public health and welfare	22,512	-	22,512
Unrestricted	<u>(184,537)</u>	<u>275,894</u>	<u>91,357</u>
TOTAL NET POSITION	<u><u>\$ (162,025)</u></u>	<u><u>\$ 275,894</u></u>	<u><u>\$ 113,869</u></u>

The accompanying notes are an integral part of this statement.

**PICKENS COUNTY, GEORGIA
 COMPONENT UNITS
 COMBINING STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2015**

PROGRAM REVENUES.....			NET (EXPENSE) AND CHANGES IN NET POSITION....		
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	HEALTH DEPARTMENT	DEVELOPMENT AUTHORITY	TOTAL
COMPONENT UNITS							
GOVERNMENTAL ACTIVITIES							
Health Department	\$ 519,777	\$ 232,595	\$ 325,903	\$ -	\$ 38,721	\$ -	\$ 38,721
Development Authority	113,775	102,618	-	-	-	(11,157)	(11,157)
TOTAL COMPONENT UNITS	<u>\$ 633,552</u>	<u>\$ 335,213</u>	<u>\$ 325,903</u>	<u>\$ -</u>	<u>38,721</u>	<u>(11,157)</u>	<u>27,564</u>
 GENERAL REVENUES							
Unrestricted investment earnings					-	960	960
TOTAL GENERAL REVENUES AND TRANSFERS					<u>-</u>	<u>960</u>	<u>960</u>
CHANGES IN NET POSITION					38,721	(10,197)	28,524
NET POSITION, Beginning					270,231	286,091	556,322
CHANGE IN ACCOUNTING PRINCIPLE					(470,977)	-	(470,977)
NET POSITION, Beginning as restated					(200,746)	286,091	85,345
NET POSITION, Ending					<u>\$ (162,025)</u>	<u>\$ 275,894</u>	<u>\$ 113,869</u>

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of PICKENS COUNTY, GEORGIA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

REPORTING ENTITY

The County is a political subdivision of the State of Georgia, located about 60 miles north of Atlanta. The County is governed by three elected Commissioners. In addition, there are four Constitutional Officers; the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected county wide. The Board of County Commissioners budgets and approves all funding used by the separate Constitutional Officers. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable and for which a financial benefit or burden relationship is present. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the County.

Brief descriptions of discretely presented component units follow:

PICKENS COUNTY DEPARTMENT OF PUBLIC HEALTH: The Health Department consists of a seven member board including a County Commissioner, and two members as appointed by the County Board of Commissioners. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health services. The Health Department has a June 30 year-end and is presented as a governmental fund type component unit. The Health Department's financial statements can be obtained by writing to the Pickens County Health Department, 60 Health Way, Jasper, Georgia 30143.

INDUSTRIAL DEVELOPMENT AUTHORITY OF PICKENS COUNTY: The Industrial Development Authority is governed by a seven member board, with a voting majority being appointed by the County. The Authority is responsible for promoting industrial and commercial development within Pickens County. Although the County does not have the authority to approve or modify the budget of the Authority, the County does provide financial support. The Authority is reported as a proprietary fund type component unit. Separate financial statements are not prepared for the Authority.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statement (fiduciary funds use the economic resources measurement focus to indicate that agency funds have no measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes as available if they are collected by the end of the current fiscal year. Other revenues susceptible to accrual are considered available if they are collected within 60 days of the end of the current fiscal period for which they are imposed. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, franchise taxes, charges for services, 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.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *SPLOST Capital Projects Fund* accounts for funds received from a local 1% sales tax, passed by the 2014 Special Purpose Local Option Sales Tax referendum, which is reserved for construction of various capital projects.

The County reports the following major proprietary funds:

The *Water Fund* accounts for the development, operation, and maintenance of the utility system that provides water services in Pickens County.

The *Airport Fund* accounts for the development, operation, and maintenance of the County airport and its facilities.

Additionally, the County reports the following *fiduciary funds*, which account for assets held by the County in a trustee capacity or as an agent on behalf of others:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Agency funds are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Tax Commissioner, Clerk of Court, Probate Court, Magistrate Court, and Sheriff hold for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used which are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the Water enterprise fund are charges to customers for sales and services. Operating expenses for the Water enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 AND NET POSITION OR EQUITY

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding 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.

All trade and property tax receivables are shown net of an allowance of uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. The 2015 taxes were levied October 4, 2015, and were due December 4, 2015. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien 90 days after the due date.

The County’s property taxes were levied on the assessed values of all real and personal property including mobile homes and motor vehicles located in the County.

Inventories and Prepaid Items

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

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. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Bond Premiums and Discounts

Premiums and discounts are deferred and amortized over the lives of the bonds and loans on a straight-line basis, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Restricted Assets

Certain proceeds of the County’s capital leases or debt issues are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable lease or debt agreements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, culverts, and similar items) are reported in the applicable governmental 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 and an estimated useful life in excess of three years or an acquisition of land at any cost. Roads, bridges, and culverts are defined by the County as projects with an individual cost of \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Roads, bridges, and culverts acquired prior to July 1, 1980 have not been reported.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings	25-50	Vehicles	2-15
Building Improvements	10-25	Infrastructure	10-30
Machinery and Equipment	3-15	Land	N/A
Furniture and Fixtures	5-20	Land improvements	12-15

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. The deferred charge in pension expense represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next physical year.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

In addition to liabilities, the statement of financial 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 and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category, unavailable revenue and the deferred outflow of pension expense. The first item arises under the modified accrual basis of accounting. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. The second item, deferred outflow of pension expense, represents gains that have not yet been recognized as of the measurement date.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the liability has matured and is expected to be liquidated with expendable and available financial resources.

Long-term Obligations

In the government-wide financial statements and 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 or proprietary fund type statement of net position.

Fund Equity/Net Position

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund balance - Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Nonspendable - Fund balances are reported as nonspendable when the amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash like inventories and prepaid items) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.

Assigned - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's finance director to assign fund balances.

Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other governmental funds.

Net position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then committed, assigned, and unassigned (or unrestricted) resources as they are needed.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Net Investment in Capital Assets

The "Net investment in capital assets" reported on the government-wide statement of net position as of December 31, 2015 are as follows:

	Governmental Activities	Business-type Activities
Net investment in capital assets		
Cost of capital assets	\$ 65,573,201	\$ 26,723,756
Less accumulated depreciation	(20,483,668)	(7,697,075)
Book value	45,089,533	19,026,681
Less capital related debt	(2,144,861)	(11,925,053)
Net investment in capital assets	\$ 42,944,672	\$ 7,101,628

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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 - FUND BALANCE/NET POSITION

The government-wide statement of net position reports \$2,183,526 of restricted net position, of which none is restricted by enabling legislation.

Additional details related to fund balances at the governmental fund level are presented below:

Restricted:

General Fund

Judicial Programs - For unspent funds related to court related programs - juvenile court fund, drug abuse fund, crime victims assistance fund, etc. \$ 76,313

SPLOST Fund

Capital outlay projects - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum. 1,568,723

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Nonmajor Restricted Programs Funds

Judicial Programs -

Law Library - Used to account for surcharges on fines and forfeitures which are for the operation of the County Law Library and other expenditures as restricted by the OCGA-36-15.	44,438
Restricted Programs - Used to account for multiple court administered state reimbursement grants (i.e., adult drug court, mental health court, family drug court, etc.), and CDBG pass through grant funds from Department of Community Affairs.	184,041
Subtotal - Restricted for Judicial Programs	<u>228,479</u>

Public Safety Programs -

Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5.	67,826
Drug Task Force - To account for funds received to operate multi-jurisdictional drug enforcement agency that actively pursues all levels of illegal drug activity.	168,226
Sheriff's Special Revenue - to account for funds from seizures to be used for law enforcement activities.	53,122
Subtotal - Restricted for Public Safety Programs	<u>289,174</u>

Housing and Development Programs -

Hotel/Motel Tax Fund - To account for funds received to promote tourism, conventions, and trade shows.	20,837
Total Restricted Fund Balance	<u><u>\$ 2,183,526</u></u>

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The County Commission adopts an annual budget for all governmental fund types, prior to December 31, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the Board of Commissioners when capital budgets are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted at a public meeting.

Prior to October of each year, each department submits a proposed budget to the Board of Commissioners for review. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of the County in December. These hearings are publicized in the local paper at least one week before the first hearing, and the budget document is made available for public inspection during this week.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Any changes in total departmental expenditures/expenses, personnel benefits, or capital purchases must be approved by the Board of Commissioners or Budget Officer.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department, sub-department, or project level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year end.

NOTE 4 - DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the government's deposits may not be returned. The County's policies permit it to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of December 31, 2015, all deposits of the County were insured or collateralized.

State statutes require collateral pledged in the amount of 110% of deposits. Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below:

Under the *dedicated method*, a depository shall secure the deposits of each of its public depositors separately.

Under the *pooled method*, a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1.

The County utilized both methods to secure its deposits of public funds.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State statutes authorize the County to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state or of other states and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation of the United States government. The County does not have an investment policy that would further limit these investment choices.

As of December 31, 2015, the Law Library (a Non-Major Governmental Fund) had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
Certificate of Deposit	\$ 22,152	less than 1 year

Concentration of Credit Risk

The County places no limit on the amount it may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 5 - RECEIVABLES

Receivables as of year-end for the County's individual major funds and nonmajor governmental funds in the aggregate including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>SPLOST</u>	<u>Nonmajor Governmental Funds</u>
Receivables:			
Property Taxes	\$ 1,063,184	\$ -	\$ -
Accounts	966,778	-	261,557
Intergovernmental	<u>236,963</u>	<u>391,393</u>	<u>169,191</u>
Total Gross Receivables	2,266,925	391,393	430,748
Less: Allowance for Uncollectibles	<u>(307,316)</u>	<u>-</u>	<u>-</u>
Total Net Receivables	<u>\$ 1,959,609</u>	<u>\$ 391,393</u>	<u>\$ 430,748</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>UNAVAILABLE</u>	<u>UNEARNED</u>	<u>TOTAL</u>
Delinquent property taxes receivable (General Fund)	<u>\$ 484,716</u>	<u>\$ -</u>	<u>\$ 484,716</u>
Total unearned revenue for governmental funds	<u>\$ 484,716</u>	<u>\$ -</u>	<u>\$ 484,716</u>

Property taxes receivable at December 31, 2015, consist of the following:

<u>DIGEST YEAR</u>	<u>GENERAL FUND</u>
2015	\$ 953,577
2014	73,646
2013	16,876
2012	10,220
2011	5,499
2010	2,066
2009	1,300
Total	<u>\$ 1,063,184</u>

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Receivables as of year-end for the County's enterprise funds, including the applicable allowances for uncollectible accounts are as follows:

	<u>Water Fund</u>	<u>Airport Authority</u>	<u>Total</u>
Receivables:			
Accounts	\$ 207,532	\$ 9,507	\$ 217,039
Total Gross Receivables	207,532	9,507	217,039
Less: Allowance for Uncollectibles	(1,529)	-	(1,529)
Total Net Receivables	<u>\$ 206,003</u>	<u>\$ 9,507</u>	<u>\$ 215,510</u>

Receivables as of year-end for the County's component units, including the applicable allowances for uncollectible accounts are as follows:

	<u>Health Department</u>	<u>Industrial Development Authority</u>
Receivables:		
Accounts	\$ 23,936	\$ -
Intergovernmental	3,083	-
Total Gross Receivables	27,019	-
Less: Allowance for Uncollectibles	-	-
Total Net Receivables	<u>\$ 27,019</u>	<u>\$ -</u>

The lease receivable in the County's component units consisted of the following at December 31, 2015:

Lease receivable made to a local business - North Georgia Financial Holdings, LLC - through the Development Authority of Pickens County. Payments receivable in monthly installments of \$10,500 during fiscal year 2014, \$12,000 during fiscal year 2015, and \$14,000 for all years thereafter, including imputed interest at 5.985%. This lease is secured by the County and matures on December 1, 2034.	<u>\$ 3,168,000</u>
Total note receivable, net	\$ 3,168,000
Less: Current portion	<u>(144,000)</u>
Long-term portion	<u>\$ 3,024,000</u>

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

At December 31, 2015, scheduled maturities of the notes receivable were the following:

2016	\$	144,000
2017		168,000
2018		168,000
2019		168,000
2020 - 2024		840,000
2025 - 2029		840,000
2030 - 2034		840,000
		3,168,000
Total maturities of notes receivable		3,168,000
Less interest		(1,287,120)
Total net book value of notes receivable	\$	1,880,880

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental Activities:					
Non-Depreciable Assets:					
Land and improvements	\$ 4,244,996	\$ -	\$ -	\$ -	\$ 4,244,996
Construction in progress	81,080	1,262,733	-	(1,343,813)	-
Total non-depreciable capital assets	4,326,076	1,262,733	-	(1,343,813)	4,244,996
Depreciable Assets:					
Land improvements	1,013,402	-	-	-	1,013,402
Buildings and improvements	36,085,857	-	-	1,343,813	37,429,670
Machinery and equipment	6,597,299	371,677	(81,235)	-	6,887,741
Vehicles	7,016,651	1,079,142	(286,890)	-	7,808,903
Infrastructure	8,188,489	-	-	-	8,188,489
Total depreciable capital assets	58,901,698	1,450,820	(368,125)	1,343,813	61,328,205
Less Accumulated Depreciation for:					
Land improvements	475,804	32,266	-	-	508,070
Buildings and improvements	5,147,461	748,571	-	-	5,896,032
Machinery and equipment	3,972,803	496,250	(75,059)	-	4,393,994
Vehicles	6,492,682	373,807	(249,588)	-	6,616,901
Infrastructure	2,660,633	408,038	-	-	3,068,671
Total accumulated depreciation	18,749,383	2,058,932	(324,647)	-	20,483,668
Total depreciable capital assets, net	40,152,315	(608,112)	(43,478)	1,343,813	40,844,537
Governmental activities capital assets, net	\$ 44,478,391	\$ 654,621	\$ (43,478)	\$ -	\$ 45,089,533

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Additions to governmental activities capital assets for the fiscal year ending December 31, 2015, consist of the following:

Capital Outlay	\$ <u>2,713,553</u>
Total	\$ <u>2,713,553</u>
Non-depreciable capital assets additions	\$ 1,262,733
Depreciable capital assets additions	<u>1,450,820</u>
Total	<u>\$ 2,713,553</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 549,717
Judicial	699,401
Public Safety	16,234
Public Works	648,277
Public Health and Welfare	18,302
Recreation and Culture	105,872
Housing and Development	<u>21,129</u>
Total depreciation expense-governmental activities	<u>\$ 2,058,932</u>

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

BUSINESS TYPE ACTIVITIES

Capital asset activity for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities:					
Non-Depreciable Assets:					
Land and improvements	\$ 1,690,594	\$ -	\$ -	\$ -	\$ 1,690,594
Construction in progress	<u>5,876,196</u>	<u>90,327</u>	<u>-</u>	<u>(90,327)</u>	<u>5,876,196</u>
Total non-depreciable capital assets	<u>7,566,790</u>	<u>90,327</u>	<u>-</u>	<u>(90,327)</u>	<u>7,566,790</u>
Depreciable Assets:					
Land improvements	706,470	-	-	90,327	796,797
Infrastructure	16,378,051	-	-	-	16,378,051
Buildings and improvements	641,509	-	-	-	641,509
Machinery and Furniture	944,291	115,176	(69,254)	-	990,213
Vehicles	<u>276,102</u>	<u>74,294</u>	<u>-</u>	<u>-</u>	<u>350,396</u>
Total depreciable capital assets	<u>18,946,423</u>	<u>189,470</u>	<u>(69,254)</u>	<u>90,327</u>	<u>19,156,966</u>
Less Accumulated Depreciation for:					
Land improvements	283,018	41,226	-	-	-
Infrastructure	5,706,677	543,609	-	-	6,250,285
Buildings & Improvements	316,000	26,241	-	-	666,485
Machinery & Furniture	596,856	48,333	(69,254)	-	575,936
Vehicles	<u>174,264</u>	<u>30,105</u>	<u>-</u>	<u>-</u>	<u>204,369</u>
Total accumulated depreciation	<u>7,076,815</u>	<u>689,514</u>	<u>(69,254)</u>	<u>-</u>	<u>7,697,075</u>
Total depreciable capital assets, net	<u>11,869,608</u>	<u>(500,044)</u>	<u>-</u>	<u>90,327</u>	<u>11,459,891</u>
Business-type activities capital assets, net	<u>\$19,436,398</u>	<u>\$ (409,717)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$19,026,681</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type Activities:	
Water	\$ 606,429
Airport	<u>83,085</u>
Total depreciation expense-business type activities	<u>\$ 689,514</u>

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

The business-type activity funds have authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to December 31, 2015, and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Contracts in Progress</u>	<u>Authorized Not Obligated</u>	<u>Sources</u>
Business Type Activities:					
Big Canoe Connection	\$ 22,000	\$ 7,464	\$ -	\$ 14,536	General Fund
Airport Improvements	5,827,275	5,827,275	-	-	FAA Grant/ DA Bonds
Airport Improvements	78,594	41,457	-	37,137	FAA Grant/State Grant
Total	<u>\$ 5,927,869</u>	<u>\$ 5,876,196</u>	<u>\$ -</u>	<u>\$ 51,673</u>	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Depreciable Assets:				
Site Improvements	\$ 11,725	\$ -	\$ -	\$ 11,725
Machinery and Equipment	26,128	-	-	26,128
Furniture & Fixtures	11,030	-	-	11,030
Vehicles	20,011	-	-	20,011
Total depreciable capital assets	<u>68,894</u>	<u>-</u>	<u>-</u>	<u>68,894</u>
Less Accumulated Depreciation for:				
Site Improvements	10,585	1,140	-	11,725
Machinery and Equipment	26,128	-	-	26,128
Furniture and Fixtures	11,030	-	-	11,030
Vehicles	20,011	-	-	20,011
Total accumulated depreciation	<u>67,754</u>	<u>1,140</u>	<u>-</u>	<u>68,894</u>
Capital Assets, net	<u>\$ 1,140</u>	<u>\$ (1,140)</u>	<u>\$ -</u>	<u>\$ -</u>

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 7 - LONG TERM DEBT

Long-term liability activity for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Governmental Activities:						
Notes Payable	\$ 1,811,591	\$ -	\$ (559,239)	\$ 1,252,352	\$ 392,260	\$ 860,092
Capital leases	202,106	1,047,772	(357,369)	892,509	348,589	543,920
Net OPEB obligation	1,597,335	103,738	-	1,701,073	-	1,701,073
Net pension liability	2,721,203	565,426	(615,954)	2,670,675	-	2,670,675
Landfill postclosure	309,800	-	(17,105)	292,695	15,000	277,695
Compensated absences	221,997	150,215	(155,398)	216,814	151,770	65,044
Governmental activities long-term liabilities	<u>\$ 6,864,032</u>	<u>\$ 1,867,151</u>	<u>\$ (1,705,065)</u>	<u>\$ 7,026,118</u>	<u>\$ 907,619</u>	<u>\$ 6,118,499</u>
Business-type Activities:						
Bonds payable	\$ 10,561,608	\$ 8,090,000	\$ (6,874,895)	\$ 11,776,713	\$ 471,000	\$ 11,305,713
Notes payable	1,554,835	-	(1,554,835)	-	-	-
Capital Leases	97,187	117,820	(66,667)	148,340	67,341	80,999
Compensated absences	9,590	4,480	(6,713)	7,357	5,150	2,207
Business-type activities long-term liabilities	<u>\$ 12,223,220</u>	<u>\$ 8,212,300</u>	<u>\$ (8,503,110)</u>	<u>\$ 11,932,410</u>	<u>\$ 543,491</u>	<u>\$ 11,388,919</u>

The County implemented GASB 68, "Accounting and Financial Reporting for Pensions" in 2015 and as a result had a change in accounting principle in the beginning balance of the net pension liability of (\$2,703,601) for the governmental activities.

GOVERNMENTAL ACTIVITIES

Notes Payable

The County has entered into various agreements with financial institutions to finance the purchase of buildings and equipment, in regards to the Community Center in the original amount of \$3,000,000 with an outstanding balance of \$1,252,352. These notes have annual payments ranging from \$392,093 to \$427,738, with an interest rate of 3.00% and matures in 2019.

The annual requirements to amortize notes payable outstanding as of December 31, 2015, are as follows:

December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 392,260	\$ 35,478	\$ 427,738
2017	405,492	22,246	427,738
2018	419,057	8,680	427,737
2019	35,543	99	35,642
Total	<u>\$ 1,252,352</u>	<u>\$ 66,503</u>	<u>\$ 1,318,855</u>

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Capital Leases

The County has entered into an agreement for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Accounting Standards Codification 840 Leases, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. This year, \$171,517 was included in depreciation expense. The balance of these leases at December 31, 2015 is \$892,509 for governmental activities.

The County leases certain equipment under non-cancelable capital leases. The leases relate to equipment and vehicles for EMS, fire, and road. Ownership of the related assets will be transferred to the County at the end of the lease terms. The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery and equipment	\$ 332,328
Vehicles	947,279
Less: Accumulated Depreciation	(294,927)
Total	\$ 984,680

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015, were as follows:

Year Ending December 31,	Governmental Activities
2016	\$ 366,306
2017	342,121
2018	188,250
2019	28,823
Total minimum lease payments	925,500
Less: amount representing interest (1.93% - 4.84%)	(32,991)
Present value of minimum lease payments	\$ 892,509

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

BUSINESS-TYPE ACTIVITIES

Bonds Payable

During 2015, the County issued \$8,090,000 of revenue bonds (2015 Refunding Series) for a full refunding of the Authority’s Series 1995A, 1995B, and 2005 revenue bonds, which had been issued for the aquisition and construction of waterline infrastructure. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$3,599,055. Bond payments are due in semi-annual installments ranging from \$184,944 to \$324,772, with interest at 2.35%. As of December 31, 2015, the outstanding balance is \$7,719,000. This bond will mature in December 2029.

The County entered into an agreement with the Development Authority to issue bonds to finance the construction of an airport taxiway in the amount of \$3,966,969. During 2014, the agreement was modified due to additional project costs. As of December 31, 2015, the bonds had an outstanding balance of \$4,057,713, with an interest rate of 3.25%. The bonds mature in 2029.

The annual requirements to amortize bonds payable outstanding as of December 31, 2015, are as follows:

December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 471,000	\$ 320,734	\$ 791,734
2017	483,000	309,595	792,595
2018	495,000	298,174	793,174
2019	561,689	167,995	729,684
2020	864,158	267,027	1,131,185
2021-2025	4,709,023	951,469	5,660,492
2026-2029	4,192,843	253,186	4,446,029
Total	<u>\$ 11,776,713</u>	<u>\$ 2,568,180</u>	<u>\$ 14,344,893</u>

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Capital Leases

The County has entered into an agreement for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Accounting Standards Codification 840 Leases, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. This year, \$16,220 was included in depreciation expense. The balance of these leases at December 31, 2015 is \$148,340 for business-type activities.

The County leases certain equipment under non-cancelable capital leases. The leases relate to equipment for water operations. Ownership of the related assets will be transferred to the County at the end of the lease terms. The assets acquired through capital leases are as follows:

	Business-type Activities
Machinery and equipment	\$ 211,948
Less: Accumulated Depreciation	(29,582)
Total	\$ 182,366

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015, were as follows:

Year Ending December 31,	Governmental Activities
2016	\$ 69,755
2017	43,228
2018	30,519
2019	7,682
Total minimum lease payments	151,184
Less: amount representing interest (1.93% - 4.84%)	(2,844)
Present value of minimum lease payments	\$ 148,340

DISCRETELY PRESENTED COMPONENT UNITS

Long-term debt activity for the *Health Department* for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities						
Compensated absences	\$ 19,377	\$ 35,759	\$ (25,397)	\$ 29,739	\$ -	\$ 29,739
Net Pension Liability	454,186	(25,627)	(54,435)	374,124	-	374,124
Total Long-Term Liabilities	\$ 473,563	\$ 10,132	\$ (79,832)	\$ 403,863	\$ -	\$ 403,863

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

The Health Department implemented GASB 68, "Accounting and Financial Reporting for Pensions" in fiscal year 2015 and as a result had a change in accounting principle in the net pension liability of (\$470,977).

Long-term debt activity for the *Industrial Development Authority* for the year ended December 31, 2015, was as follows:

Business-type Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Bonds	\$ -	\$ 1,960,000	\$ (36,531)	\$ 1,923,469	\$ 62,572	\$ 1,860,897
Notes payable	1,897,733	-	(1,897,733)	-	-	-
Total long-term liabilities	<u>\$ 1,897,733</u>	<u>\$ 1,960,000</u>	<u>\$ (1,934,264)</u>	<u>\$ 1,923,469</u>	<u>\$ 62,572</u>	<u>\$ 1,860,897</u>

During 2015, the Development Authority issued \$1,960,000 of revenue bonds (2015 Series) for a full refunding of the loan agreement with Restaurant Interiors to finance the purchase of an industrial building in the original amount of \$1,249,206. The refunding was undertaken to reduce total future debt service payments. Bond payments are due in monthly installments with annual principal amounts ranging from \$35,065 to \$143,831 with a variable interest rate. The interest rate at December 31, 2015 is 2.20%. As of December 31, 2015, the outstanding balance is \$1,923,469. This bond will mature in May 2035.

The annual requirements to amortize long-term debt as of December 31, 2015, are as follows:

Year Ending December 31,	<u>Principal</u>
2016	\$ 62,572
2017	65,771
2018	68,871
2019	72,116
2020	75,299
2021-2025	434,180
2026-2030	546,625
2031-2035	598,035
Total	<u>\$ 1,923,469</u>

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of December 31, 2015, is as follows:

	Due To	Due From			Total Due from Other Funds
	General Fund	Other Nonmajor Governmental Funds	Water Fund	Airport Authority	
General Fund	\$ -	\$ 221,366	\$ 2,359,719	\$ 422,466	\$ 3,003,551
Nonmajor Governmental Funds	148,036	-	-	-	148,036
Water Fund	110,928	-	-	-	110,928
Total Due to Other Funds	<u>\$ 258,964</u>	<u>\$ 221,366</u>	<u>\$ 2,359,719</u>	<u>\$ 422,466</u>	<u>\$ 3,262,515</u>

These balances resulted from 1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, 2) the time lag between the dates that transactions are recorded in the accounting system, 3) the time lag between the dates that payments between funds are made, 4) short-term loans, and 5) to fund capital projects.

Interfund transfers as of the year ended December 31, 2015, are as follows:

	Transfers Out	Transfers in		
	General Fund	Other Nonmajor Governmental Funds	Water Fund	Total Transfers Out
General Fund	\$ 2,825	\$ 61,181	\$ -	\$ 64,006
SPLOST	-	-	19,318	19,318
Nonmajor Governmental Funds	589,897	-	-	589,897
Airport Authority	981	-	-	981
Water Utility Fund	44,672	-	-	44,672
Total - Transfers in	<u>\$ 638,375</u>	<u>\$ 61,181</u>	<u>\$ 19,318</u>	<u>\$ 718,874</u>

Transfers are used to 1) supplement operating budgets, 2) help fund construction projects and debt service, 3) reimburse unrestricted revenue, 4) reimburse pension costs, and 5) move the County's matching portion on federal and state grants.

NOTE 9 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

Plan Description

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), which is a defined benefit pension plan.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan Document. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Pension Service Company, 1100 Circle 75 Parkway, Suite 320, Atlanta, Georgia 30339.

All full-time employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire with unreduced benefits at age 65 with three years of plan participation. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1% of annual average compensation plus \$36 for each year of service payable as a life annuity. Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Commission.

Participant counts as of December 31, 2014, (the most recent actuarial valuation date) and covered compensation (base on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disabled participants receiving benefits	41
Terminated plan participants entitled to but not yet receiving benefits	91
Active employees participating in the Plan	178
Total number of Plan participants	310
Covered compensation for active participants	\$ 6,455,121

Contributions

The County is required to contribute at an actuarially determined rate. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statutes. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Net Pension Liability

The County's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability as of the December 31, 2014 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary Increases	4.0% - 6.5%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females.

The actuarial assumptions used in the 2014 valuation were based on the results of an actuarial experience study for the period January 1, 1988 - December 31, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.22%
Domestic large equities	30.00	2.34
Domestic mid equities	5.00	1.43
Domestic small equities	5.00	0.27
REIT	5.00	0.57
International	15.00	0.47
Multi cap	5.00	0.53
Global allocation	5.00	0.66
TOTAL	<u>100.00%</u>	

* Rates shown are net of the 3.50% assumed rate of inflation

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in the Net Pension Liability

	<u>Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at December 31, 2013	\$ 7,311,311	\$ 4,590,108	\$ 2,721,203
Changes for the year:			
Service cost	264,362	-	264,362
Interest	538,805	-	538,805
Contribution-employer	-	604,422	(604,422)
Net investment income	-	319,652	(319,652)
Benefit payments	(254,487)	(254,487)	-
Administrative expense	-	(33,048)	33,048
Other charges	-	(37,331)	37,331
Net changes	<u>548,680</u>	<u>599,208</u>	<u>(50,528)</u>
Balances at December 31, 2014	<u>\$ 7,859,991</u>	<u>\$ 5,189,316</u>	<u>\$ 2,670,675</u>

For the year ended December 31, 2015, the County recognized pension expense of \$553,894.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

The required contribution for the year ended December 31, 2015 was \$565,792.

The following presents the County's net pension liability calculated using the discount rate of 7.50%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1 % Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's net pension liability	\$ 3,853,343	\$ 2,670,675	\$ 1,698,900

OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Pickens County Retiree Insurance Program (the "OPEB Plan") is a single-employer defined benefit post-employment health care plan. Participant counts as of January 1, 2014, the most recent valuation date, are shown below. The Board of Commissioners have the authority under which the obligations of the plan members and the employer are established or may be amended. The OPEB Plan does not issue a stand-alone financial report.

Eligible retirees must be a minimum of age 55 with 15 or more years of consecutive full-time service, and must have been hired before January 1, 2002, in order to receive benefits.

The County's covered payroll for employees participating in the OPEB Plan as of January 1, 2014 was \$1,877,477 (based on covered earnings for the preceding year).

Funding Policy

Eligible retirees and former employees are offered the same health coverage as active employees. Retirees contribute an average of \$533 per month towards the actuarially calculated monthly rates. The County contributes the remainder of the rates. The OPEB Plan is funded on a pay-as-you-go basis.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Annual OPEB Cost

The County's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) by the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize and unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend, from time to time, the contribution rates for the employer and its plan members.

The County's contributions to the OPEB Plan for the years ended December 31, 2015, 2014, and 2013 were \$-, \$-, and \$5,157 respectively, and were less than the required contribution for each year.

Schedule I included in the required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. The data for the most current valuation report are as follows:

<u>Actuarial Date of January 1,</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Accrued Liability (AAL) - Projected Unit Credit</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as a Percent of Covered Payroll</u> [(b-a)/c]
2014	\$ -	\$1,186,148	\$ 1,186,148	-%	\$ 1,877,477	63.2 %

The annual required contribution and percentage contributed for the current year and prior years are as follows:

<u>Fiscal Year December 31,</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual County Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2015	\$ 103,738	\$ -	- %	\$ 1,701,073
2014	\$ 108,193	\$ -	- %	\$ 1,597,335
2013	\$ 352,717	\$ 5,157	1.5 %	\$ 1,489,142

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Calculations are based on the substantive plan in effect as of December 31, 2010. The assumptions used in the January 1, 2014 actuarial valuations are as follows:

Valuation date	January 1, 2014
Actuarial Cost method	Projected Unit Credit
Asset Valuation method	Market Value
Amortization method	Level Percent of Pay (Open)
Remaining amortization period	30 years
(This represents the estimated amortization period for all unfunded liabilities combined into one amortization base.)	
Actuarial assumptions:	
Assumed rate of return on assets	4.00% per annum
Medical Cost Rate	7.50% per annum
Ultimate Cost Rate	5.00% per annum
Year of Ultimate Trend Rate	2018
Inflation	3.0%

The County's annual pension cost and net pension obligation for the OPEB Plan for the current year were determined as follows:

Annual required contribution	\$ 128,666
Interest on net OPEB obligation	63,893
Amortization of net OPEB obligation	<u>(88,821)</u>
Annual OPEB cost	103,738
Contribution made	<u>-</u>
Increase (decrease) in Net OPEB Obligation	103,738
Net OPEB obligation, beginning of year	<u>1,597,335</u>
Net OPEB obligation, end of year	<u>\$ 1,701,073</u>

NOTE 10 - CONTINGENT LIABILITIES AND COMMITMENTS

The County's encumbrances outstanding at the end of the fiscal year that will be honored in the next fiscal year are not significant for any of the major funds nor for the nonmajor funds in total.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Amounts received or receivable for grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The County is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The County's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are ways the County handles these risks:

WORKERS' COMPENSATION

The County participates in the Association County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees who are representatives from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A. 34-9-150 et seq. and the Georgia Insurance Commissioner's Office. The members of ACCG-Group Self Insurance Workers' Compensation Fund are assessable if the losses that ACCG must pay exceed the assets of the pool. At December 31, 2015, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

OTHER

The County participates in the Association County Commissioners of Georgia Interlocal Risk Management Agency (IRMA), a risk sharing arrangement among Georgia County Governments. The fund exists by authority of O.C.G.A. 36-85-1 et seq. Premium liabilities are based on the estimated ultimate cost of settling the claims, including effects of inflation and other society and economic factors. The IRMA Limits of Liability shall not be charged with the first \$2,500 of any loss. IRMA pays losses up to \$100,000 per individual claim or \$5,000,000 for all claims. However, excess losses, if any, are covered by reinsurance and would be paid by the reinsurer.

The members of IRMA are assessable if the losses that IRMA must pay exceed the assets of the pool. As of December 31, 2015, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

As part of these risk pools (IRMA & GSIWCF), the County is obligated to pay all contributions and assessments to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible, in accordance with any coverage descriptions issued, all incidents that could require the funds to pay any type of loss. The County is also to allow all the pools' agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the County.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County also purchases combined automobile, crime, liability, and property insurance coverage from OneBeacon Government Risks. The following is a summary of coverage at December 31, 2015:

Property Losses	\$ 2,193,307	aggregate
Comprehensive General Liability	\$ 1,000,000	per occurrence
	\$ 3,000,000	aggregate
Automobile Liability	\$ 2,000,000	per occurrence
Law Enforcement Liability	\$ 1,000,000	per occurrence
	\$ 3,000,000	aggregate
Excess Liability	\$ 1,000,000	per occurrence
Crime Coverage (theft/fraud)	\$ 200,000	aggregate

The County has no outstanding claims in excess of coverage for which a liability should be recorded as of December 31, 2015.

Settled claims in the past three years have not exceeded the coverage.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 12 - JOINT VENTURE

On January 4, 1995, Pickens County entered into an agreement with Bartow County, Georgia, establishing a Joint Development Authority. The County Commissioner of Pickens County and the County Commissioner of Bartow County signed an agreement whereby the Joint Development Authority of Bartow County and Pickens County was established for the promotion of business development in each county as well as expanding industry, trade and employment opportunities for the citizens of Bartow and Pickens Counties. The Board of Directors of the Joint Development Authority consists of seven members. Three members of the Board are appointed by Bartow County and four members are appointed by Pickens County. As of December 31, 2015, the Joint Development Authority owned no assets and had no liabilities. Also, there have been no financial transactions conducted by the Joint Development Authority in 2015. As a result, no balance sheet or income statement is presented in the audited financial statements of Pickens County at December 31, 2015.

NOTE 13 - NORTHWEST GEORGIA REGIONAL COMMISSION

Under Georgia Law, the County, in conjunction with other cities and counties in the northwest Georgia area, is a member of the Northwest Georgia Regional Commission (NWGRC) and is required to pay annual dues thereto. During the year ended December 31, 2015, the County paid \$24,636 in such dues. Membership in the NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The NWGRC Board membership includes the chief elected official in each county and municipality of the area. The County Board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines regional commissions as “public agencies and instrumentalities of their members.” Georgia laws also provide that the member governments are liable for any debts or obligations of a regional commission beyond its resources. (O.C.G.A. 50-8-39.1)

Separate financial statements for the NWGRC can be obtained from NWGRC, P.O. Box 1798, Rome, Georgia 30162.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 14 - NORTHWEST GEORGIA REGIONAL WATER RESOURCES PARTNERSHIP

The County is a member of the Northwest Georgia Regional Water Resources Partnership. This organization is made up of water withdrawal permit holders, local governments, and other advocacy entities with an interest in water issues. The purpose of the Partnership is a regional organization of water related interest in Northwest Georgia for monitoring and contributing to the development of federal, state, and local policy; educating the citizens on water related issues; funding and managing regional water-related activities; and coordinating the activities for federal, state, and local entities. The County paid annual dues in the amount of \$680 for the year ended December 31, 2015.

Separate financial statements can be obtained from Northwest Georgia Regional Water Resources Partnership, P.O. Box 1793, Rome, Georgia 30162.

NOTE 15 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until the landfill is closed. The amount recognized each year is based on the landfill capacity used as of the balance sheet date.

As of December 31, 2015, the County has recorded a liability for its solid waste landfill of \$309,800, which represents the estimated closure and postclosure costs based on 100% of landfill capacity used to date. All estimated liability for these costs has been recognized since the landfill is no longer used.

These amounts are based on what it would cost to perform all closure and postclosure care in 2015. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is also required to demonstrate financial assurance that the closure and postclosure care cost can be paid in the future. The County is in compliance at December 31, 2015, based on requirements issued by the EPA.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 16 - SIGNIFICANT ESTIMATES

As discussed in Note 1, estimates are used in the preparation of these financial statements. Three of the estimates qualify as significant estimates in that it is reasonably possible that the estimates will change in the near term due to one or more future confirming events and this change will have a material effect on the financial statements.

These estimates are as follows:

The liability for landfill closure and postclosure care cost is based on estimates provided by the County's engineering consultants and reduced each year by expenses related to the closure and postclosure of the landfill. These estimates are based on what it would cost to perform closure and postclosure care currently. Actual costs may change due to higher inflation, changes in technology, or changes in regulations.

The estimate for accumulated depreciation on capital assets. This estimate is based on the original or estimated cost of the assets, depreciated over the estimated useful lives using the straight line method and composite method.

The estimate for allowance for doubtful accounts relating to Pickens County EMS accounts receivable qualifies as a significant estimate. The estimate is calculated based on the previous year's collection percentage of accounts greater than one year old.

NOTE 17 - HOTEL/MOTEL TAX

During the year ended December 31, 2015, the County had receipts of \$26,141 and spent \$19,606 to promote tourism, conventions, and trade shows. The total expenditures represent 75% of the tax receipts to be expended for these purposes under OCGA 48-13-51. The County has complied with the requirements of this law.

PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 18 - PRIOR PERIOD ADJUSTMENTS

As of January 1, 2015, the County restated its financial statements for the fiscal year ended December 31, 2014. The restatement resulted in an increase to the entity-wide net position in Governmental Activities of \$458,524.

The restatement was a result of the following:

Governmental Funds

General Fund

To reverse duplicate receivable entry related to property taxes recorded in previous year.	<u>\$ 510,779</u>
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Net decrease in General Fund Balance	<u>510,779</u>
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Restricted Program Fund (Non Major)

To restate 2014 VOCA grant funds received.	<u>\$ (52,255)</u>
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Net decrease in Non Major Fund balance	<u>(52,255)</u>
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Net increase in Governmental Fund balance	<u><u>\$ 458,524</u></u>
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PICKENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 19 - CHANGE IN ACCOUNTING PRINCIPLE

As of January 1, 2015, the County restated its financial statements for the fiscal year ended December 31, 2014 due to the implementation of GASB Statement 68, "Accounting and Financial Reporting for Pensions." The restatement resulted in a net decrease to the entity-wide net position in Governmental and Business-type Activities of (\$2,152,478). Component unit net position was restated by a net decrease of (\$470,977).

The restatement was a result of the following:

Governmental Funds

General Fund

To recognize pension contributions paid in prior year in 2015.	<u>\$ 551,123</u>
Net decrease in General Fund Balance	<u>551,123</u>
Net increase in Governmental Fund balance	<u>\$ 551,123</u>

Governmental Activities

To restate the 2014 ending balance of the net pension liability to implement GASB 68.	<u>\$ (2,703,601)</u>
Net decrease in Governmental Activities net position	<u>(2,703,601)</u>

Net decrease in entity wide net position	<u>\$ (2,152,478)</u>
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Health Department (Component Unit)

To restate the 2014 ending balance of the net pension liability to implement GASB 68.	<u>\$ (470,977)</u>
Net decrease in component unit net position	<u>\$ (470,977)</u>

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY -
ACCG DEFINED BENEFIT PLAN
For the Year Ended December 31, 2015
"Unaudited"

<u>For the Year Ended December 31,</u>	<u>2015</u>
Net pension liability	\$ 2,670,675
Covered-employee payroll	\$ 6,455,121
Net pension liability as a percentage of its covered-employee payroll	41.37%
Plan fiduciary net position as a percentage of the total pension liability	66.00%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS -
ACCG DEFINED BENEFIT PLAN
For the Year Ended December 31, 2015
"Unaudited"

<u>For the Year Ended December 31,</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 565,792	\$ 547,417	\$ 519,277	\$ 481,354	\$ 479,261	\$ 396,496
Contributions in relation to the contractually required contribution	604,422	551,249	519,277	481,354	447,823	164,546
Contribution deficiency (excess)	<u>\$ (38,630)</u>	<u>\$ (3,832)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,438</u>	<u>\$ 231,950</u>
County's covered-employee payroll	\$6,455,121	\$7,234,670	\$7,126,832	\$6,713,647	\$6,852,406	\$ 5,521,511
Contributions as a percentage of covered- employee payroll	9.36%	7.62%	7.29%	7.17%	6.54%	2.98%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available, data from 6 previous years presented.

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
ACCG DEFINED BENEFIT PLAN
For the Year Ended December 31, 2015
"Unaudited"

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which donations are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended December 31, 2015 reported in that schedule:

Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, open
Remaining Amortization period	30 years
Asset Valuation method	Five-year smoothed market
Inflation Rate	3.50%
Salary Increases	4.0% - 6.5%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS FUNDING PROGRESS
For the Year Ended December 31, 2015
"Unaudited"

Actuarial Valuation Date (1/1)	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 1,444,428	0.00 %	\$ 1,444,428	\$ 9,242,485	15.63 %
2012	\$ -	\$ 2,073,395	0.00 %	\$ 2,073,395	\$ 8,530,847	24.30 %
2014	\$ -	\$ 1,186,148	0.00 %	\$ 1,186,148	\$ 1,877,477	63.18 %

2010 was the first year that this plan was effective.

PICKENS COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2015
(Required Supplementary Information)

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 5,871,046	\$ 5,871,046	\$ 5,871,046	\$ -
RESOURCES (INFLOWS)				
Taxes	15,616,555	15,616,555	15,550,603	(65,952)
Licenses and permits	299,200	299,200	292,090	(7,110)
Intergovernmental	1,507,963	2,810,119	2,582,184	(227,935)
Fines and forfeitures	414,500	418,000	361,869	(56,131)
Charges for services	3,210,400	3,407,250	3,368,313	(38,937)
Contributions and donations	-	3,000	11,266	8,266
Investment income	4,200	4,200	16,033	11,833
Miscellaneous	63,907	131,604	200,465	68,861
Sale of county property	-	-	40,723	40,723
Capital lease proceeds	-	701,584	701,584	-
Transfers in	629,800	629,800	638,375	8,575
Total Resources (Inflows)	<u>21,746,525</u>	<u>24,021,312</u>	<u>23,763,505</u>	<u>(257,807)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>27,617,571</u>	<u>29,892,358</u>	<u>29,634,551</u>	<u>(257,807)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	153,721	154,221	146,930	7,291
General administration	991,535	671,499	593,446	78,053
County clerk	132,498	132,498	128,368	4,130
Elections	200,925	206,925	206,688	237
Finance	333,573	333,573	318,468	15,105
Law	130,000	180,000	179,406	594
Human resources	69,089	69,089	67,218	1,871
Tax commissioner	512,576	512,576	483,886	28,690
Tax assessor	500,364	500,364	464,187	36,177
Buildings	516,901	582,901	582,732	169
Public information	87,407	87,407	83,871	3,536
Agencies	30,300	30,300	30,294	6
Board of equalization	7,175	7,175	5,021	2,154
Total General Government	<u>3,666,064</u>	<u>3,468,528</u>	<u>3,290,515</u>	<u>178,013</u>
Judicial				
Judicial Administration	334,738	379,738	116,198	263,540
Superior court	223,437	223,437	196,376	27,061
Clerk of Superior court	492,854	492,854	477,063	15,791
District attorney	423,800	423,800	421,497	2,303
Magistrate court	345,170	347,670	347,525	145
Probate court	318,061	330,546	322,619	7,927
Juvenile court	366,623	324,623	319,765	4,858
Public defender	479,671	479,671	471,133	8,538
Total Judicial	<u>2,984,354</u>	<u>3,002,339</u>	<u>2,672,176</u>	<u>330,163</u>
Public Safety				
Sheriff	3,414,561	3,444,951	3,444,715	236
Jail operation	1,813,639	2,036,598	2,036,322	276
Court services	106,101	106,101	95,012	11,089
Fire	3,575,867	3,887,617	3,888,058	(441)
Coroner/Medical Examiner	43,824	48,124	48,098	26
E-911/Communications center	1,066,044	1,066,044	1,052,448	13,596
School resource officers	233,480	233,480	218,177	15,303
Emergency Management Agency	56,538	56,538	50,508	6,030
Animal control	167,028	222,617	221,997	620
Total Public Safety	<u>10,477,082</u>	<u>11,102,070</u>	<u>11,055,335</u>	<u>46,735</u>

PICKENS COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2015
(Required Supplementary Information)

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
CONTINUED.....				
Public Works				
Roadways and walkways	1,785,182	2,290,958	2,157,410	133,548
Solid waste and recycling	467,287	491,037	416,852	74,185
Maintenance and shop	<u>123,910</u>	<u>123,910</u>	<u>107,211</u>	<u>16,699</u>
Total Public Works	<u>2,376,379</u>	<u>2,905,905</u>	<u>2,681,473</u>	<u>224,432</u>
Public Health and Welfare				
Health department	3,480	20,437	20,436	1
Public health and welfare	119,024	119,024	90,072	28,952
Senior citizens center	15,521	24,721	24,635	86
Community Center	427,739	429,739	429,660	79
Transportation services	<u>212,254</u>	<u>162,254</u>	<u>158,147</u>	<u>4,107</u>
Total Public Health and Welfare	<u>778,018</u>	<u>756,175</u>	<u>722,950</u>	<u>33,225</u>
Recreation and Culture				
Parks and recreation	596,741	595,791	595,723	68
Library	<u>280,012</u>	<u>285,162</u>	<u>285,153</u>	<u>9</u>
Total Recreation and Culture	<u>876,753</u>	<u>880,953</u>	<u>880,876</u>	<u>77</u>
Housing and development				
Extention office	56,304	56,304	37,868	18,436
Building inspection	100,516	100,516	78,747	21,769
Planning and zoning	243,606	253,606	253,573	33
County marshall	76,176	108,643	107,261	1,382
Economic development	<u>56,273</u>	<u>1,331,273</u>	<u>1,328,731</u>	<u>2,542</u>
Total Housing and Development	<u>532,875</u>	<u>1,850,342</u>	<u>1,806,180</u>	<u>44,162</u>
Transfers out	<u>55,000</u>	<u>55,000</u>	<u>64,006</u>	<u>(9,006)</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>21,746,525</u>	<u>24,021,312</u>	<u>23,173,511</u>	<u>847,801</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>589,994</u>	<u>589,994</u>
FUND BALANCE, End of year	<u>\$ 5,871,046</u>	<u>\$ 5,871,046</u>	<u>\$ 6,461,040</u>	<u>\$ 589,994</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**PICKENS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2015**

SPECIAL REVENUE FUNDS

	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	EMERGENCY TELEPHONE SYSTEM	DRUG TASK FORCE	HOTEL/ MOTEL TAX	RESTRICTED PROGRAMS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS							
Cash	\$ 22,594	\$ 53,122	\$ -	\$ 92,941	\$ 26,071	\$ 167,441	\$ 362,169
Investments	22,274	-	-	-	-	-	22,274
Receivables (net of allowance for uncollectibles)	-	-	67,826	16,192	3,016	343,714	430,748
Interfund receivables	-	-	-	118,952	-	29,084	148,036
TOTAL ASSETS	\$ 44,868	\$ 53,122	\$ 67,826	\$ 228,085	\$ 29,087	\$ 540,239	\$ 963,227
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 53	\$ 8,250	\$ 88,211	\$ 96,514
Other accrued items	-	-	-	59,806	-	16,838	76,644
Interfund payables	430	-	-	-	-	220,936	221,366
Amounts held in trust	-	-	-	-	-	30,213	30,213
TOTAL LIABILITIES	430	-	-	59,859	8,250	356,198	424,737
FUND BALANCES							
Restricted:							
Judicial programs	44,438	-	-	-	-	184,041	228,479
Public safety programs	-	53,122	67,826	168,226	-	-	289,174
Housing and development programs	-	-	-	-	20,837	-	20,837
TOTAL FUND BALANCES	44,438	53,122	67,826	168,226	20,837	184,041	538,490
TOTAL LIABILITIES AND FUND BALANCES	\$ 44,868	\$ 53,122	\$ 67,826	\$ 228,085	\$ 29,087	\$ 540,239	\$ 963,227

PICKENS COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	SPECIAL REVENUE FUNDS						TOTAL NONMAJOR GOVERNMENTAL FUNDS
	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	EMERGENCY TELEPHONE SYSTEM	DRUG TASK FORCE	HOTEL/ MOTEL TAX	RESTRICTED PROGRAMS	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 26,141	\$ -	\$ 26,141
Intergovernmental	-	-	-	219,989	-	1,625,259	1,845,248
Fines and forfeitures	20,914	6,178	-	30,708	-	307,115	364,915
Charges for services	-	48,121	578,378	-	-	281,184	907,683
Contributions and donations	-	17,934	-	-	-	4,349	22,283
Investment income	194	89	-	90	84	165	622
Miscellaneous	-	-	-	-	-	600	600
TOTAL REVENUES	<u>21,108</u>	<u>72,322</u>	<u>578,378</u>	<u>250,787</u>	<u>26,225</u>	<u>2,218,672</u>	<u>3,167,492</u>
EXPENDITURES							
Current Expenditures							
Judicial	7,881	-	-	-	-	2,004,516	2,012,397
Public safety	-	44,474	-	82,582	-	-	127,056
Public health and welfare	-	-	-	-	-	51,592	51,592
Housing and development	-	-	-	-	1,140	-	1,140
Intergovernmental	5,320	-	-	207,624	19,606	88,689	321,239
TOTAL EXPENDITURES	<u>13,201</u>	<u>44,474</u>	<u>-</u>	<u>290,206</u>	<u>20,746</u>	<u>2,144,797</u>	<u>5,026,848</u>
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	<u>7,907</u>	<u>27,848</u>	<u>578,378</u>	<u>(39,419)</u>	<u>5,479</u>	<u>73,875</u>	<u>654,068</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	19,310	30,467	-	11,404	61,181
Transfers out	-	-	(578,283)	(12,748)	1,134	-	(589,897)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(558,973)</u>	<u>17,719</u>	<u>1,134</u>	<u>11,404</u>	<u>(528,716)</u>
NET CHANGE IN FUND BALANCES	<u>7,907</u>	<u>27,848</u>	<u>19,405</u>	<u>(21,700)</u>	<u>6,613</u>	<u>85,279</u>	<u>125,352</u>
FUND BALANCES, Beginning of year	36,531	25,274	48,421	189,926	14,224	46,507	360,883
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	52,255	52,255
FUND BALANCES, Beginning of year, restated	<u>36,531</u>	<u>25,274</u>	<u>48,421</u>	<u>189,926</u>	<u>14,224</u>	<u>98,762</u>	<u>413,138</u>
FUND BALANCES, End of year	<u>\$ 44,438</u>	<u>\$ 53,122</u>	<u>\$ 67,826</u>	<u>\$ 168,226</u>	<u>\$ 20,837</u>	<u>\$ 184,041</u>	<u>\$ 538,490</u>

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
LAW LIBRARY SPECIAL REVENUE FUND
For the Year Ended December 31, 2015

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 36,531	\$ 36,531	\$ 36,531	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	21,000	21,000	20,914	(86)
Investment income	(500)	(500)	194	694
Total Resources (Inflows)	<u>20,500</u>	<u>20,500</u>	<u>21,108</u>	<u>608</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>57,031</u>	<u>57,031</u>	<u>57,639</u>	<u>608</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	21,500	21,500	13,201	8,299
TOTAL CHARGES TO APPROPRIATIONS	<u>21,500</u>	<u>21,500</u>	<u>13,201</u>	<u>8,299</u>
CHANGE IN FUND BALANCE	<u>(1,000)</u>	<u>(1,000)</u>	<u>7,907</u>	<u>8,907</u>
FUND BALANCE, End of year	<u>\$ 35,531</u>	<u>\$ 35,531</u>	<u>\$ 44,438</u>	<u>\$ 8,907</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
SHERIFF'S LAW ENFORCEMENT SPECIAL REVENUE FUND
For the Year Ended December 31, 2015

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 25,274	\$ 25,274	\$ 25,274	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	-	-	6,178	6,178
Charges for services	45,000	45,000	48,121	3,121
Contributions and donations	-	-	17,934	17,934
Investment income	-	-	89	89
Total Resources (Inflows)	<u>45,000</u>	<u>45,000</u>	<u>72,322</u>	<u>27,322</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>70,274</u>	<u>70,274</u>	<u>97,596</u>	<u>27,322</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	<u>45,000</u>	<u>45,000</u>	<u>44,474</u>	<u>526</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>45,000</u>	<u>45,000</u>	<u>44,474</u>	<u>526</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>27,848</u>	<u>27,848</u>
FUND BALANCE, End of year	<u>\$ 25,274</u>	<u>\$ 25,274</u>	<u>\$ 53,122</u>	<u>\$ 27,848</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND
For the Year Ended December 31, 2015

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 48,421	\$ 48,421	\$ 48,421	\$ -
RESOURCES (INFLOWS)				
Charges for services	629,500	629,500	578,378	(51,122)
Investment income	300	300	-	(300)
Transfer in	-	-	19,310	19,310
Total Resources (Inflows)	<u>629,800</u>	<u>629,800</u>	<u>597,688</u>	<u>(32,112)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>678,221</u>	<u>678,221</u>	<u>646,109</u>	<u>(32,112)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	629,800	629,800	578,283	51,517
TOTAL CHARGES TO APPROPRIATIONS	<u>629,800</u>	<u>629,800</u>	<u>578,283</u>	<u>51,517</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>19,405</u>	<u>19,405</u>
FUND BALANCE, End of year	<u>\$ 48,421</u>	<u>\$ 48,421</u>	<u>\$ 67,826</u>	<u>\$ 19,405</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
DRUG TASK FORCE SPECIAL REVENUE FUND
For the Year Ended December 31, 2015

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 189,926	\$ 189,926	\$ 189,926	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	249,055	249,055	219,989	(29,066)
Fines and forfeitures	-	-	30,708	30,708
Investment income	-	-	90	90
Transfer in	45,000	45,000	30,467	(14,533)
Total Resources (Inflows)	<u>294,055</u>	<u>294,055</u>	<u>281,254</u>	<u>(12,801)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>483,981</u>	<u>483,981</u>	<u>471,180</u>	<u>(12,801)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	294,055	294,055	290,206	3,849
Transfers out	-	-	12,748	(12,748)
TOTAL CHARGES TO APPROPRIATIONS	<u>294,055</u>	<u>294,055</u>	<u>302,954</u>	<u>(8,899)</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(21,700)</u>	<u>(21,700)</u>
FUND BALANCE, End of year	<u>\$ 189,926</u>	<u>\$ 189,926</u>	<u>\$ 168,226</u>	<u>\$ (21,700)</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
For the Year Ended December 31, 2015

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 14,224	\$ 14,224	\$ 14,224	\$ -
RESOURCES (INFLOWS)				
Taxes	30,400	30,400	26,141	(4,259)
Investment income	100	100	84	(16)
Total Resources (Inflows)	<u>30,500</u>	<u>30,500</u>	<u>26,225</u>	<u>(4,275)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>44,724</u>	<u>44,724</u>	<u>40,449</u>	<u>(4,275)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	30,500	30,500	20,746	9,754
Transfers out	10,166	10,166	(1,134)	11,300
TOTAL CHARGES TO APPROPRIATIONS	<u>40,666</u>	<u>40,666</u>	<u>19,612</u>	<u>21,054</u>
CHANGE IN FUND BALANCE	<u>(10,166)</u>	<u>(10,166)</u>	<u>6,613</u>	<u>16,779</u>
FUND BALANCE, End of year	<u>\$ 4,058</u>	<u>\$ 4,058</u>	<u>\$ 20,837</u>	<u>\$ 16,779</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
RESTRICTED PROGRAMS SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2015

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 46,507	\$ 46,507	\$ 46,507	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	456,922	456,922	1,625,259	1,168,337
Fines and forfeitures	500,357	500,357	307,115	(193,242)
Charges for services	108,851	108,851	281,184	172,333
Contributions and donations	-	-	4,349	4,349
Investment income	100	100	165	65
Miscellaneous	-	-	600	600
Transfer in	-	-	11,404	11,404
Total Resources (Inflows)	<u>1,066,230</u>	<u>1,066,230</u>	<u>2,230,076</u>	<u>1,163,846</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>1,112,737</u>	<u>1,112,737</u>	<u>2,276,583</u>	<u>1,163,846</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	1,066,230	1,066,230	2,004,516	(938,286)
Public health and welfare	-	-	51,592	(51,592)
Intergovernmental	<u>22,001</u>	<u>22,001</u>	<u>88,689</u>	<u>(66,688)</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>1,088,231</u>	<u>1,088,231</u>	<u>2,144,797</u>	<u>(1,056,566)</u>
CHANGE IN FUND BALANCE	(22,001)	(22,001)	85,279	107,280
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>52,255</u>	<u>52,255</u>
FUND BALANCE, End of year	<u>\$ 24,506</u>	<u>\$ 24,506</u>	<u>\$ 184,041</u>	<u>\$ 107,280</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
December 31, 2015

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash	\$ 1,132,793	\$ 1,180,513	\$ 373,460	\$ 254,591	\$ 75,644	\$ 3,017,001
TOTAL ASSETS	<u>\$ 1,132,793</u>	<u>\$ 1,180,513</u>	<u>\$ 373,460</u>	<u>\$ 254,591</u>	<u>\$ 75,644</u>	<u>\$ 3,017,001</u>
LIABILITIES						
Amounts held in trust	\$ 1,132,793	\$ 1,180,513	\$ 373,460	\$ 254,591	\$ 75,644	\$ 3,017,001
TOTAL LIABILITIES	<u>\$ 1,132,793</u>	<u>\$ 1,180,513</u>	<u>\$ 373,460</u>	<u>\$ 254,591</u>	<u>\$ 75,644</u>	<u>\$ 3,017,001</u>

PICKENS COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended December 31, 2015

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash						
Balance, January 1, 2015	\$ 1,271,714	\$ 197,424	\$ 272,424	\$ 228,375	\$ 53,203	\$ 2,023,140
Additions	38,600,020	2,311,420	603,120	313,547	567,625	42,395,732
Deductions	<u>(38,738,941)</u>	<u>(1,328,331)</u>	<u>(502,084)</u>	<u>(287,331)</u>	<u>(545,184)</u>	<u>(41,401,871)</u>
Balance, December 31, 2015	<u>1,132,793</u>	<u>1,180,513</u>	<u>373,460</u>	<u>254,591</u>	<u>75,644</u>	<u>3,017,001</u>
TOTAL ASSETS	<u>\$ 1,132,793</u>	<u>\$ 1,180,513</u>	<u>\$ 373,460</u>	<u>\$ 254,591</u>	<u>\$ 75,644</u>	<u>\$ 3,017,001</u>
LIABILITIES						
Due to County						
Balance, January 1, 2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	10,664,962	494,278	330,862	73,655	319,476	11,883,233
Deductions	<u>(10,664,962)</u>	<u>(494,278)</u>	<u>(330,862)</u>	<u>(73,655)</u>	<u>(319,476)</u>	<u>(11,883,233)</u>
Balance, December 31, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts held in trust						
Balance, January 1, 2015	1,271,714	197,424	272,424	228,375	53,203	2,023,140
Additions	27,935,058	1,817,142	272,258	239,892	248,149	30,512,499
Deductions	<u>(28,073,979)</u>	<u>(834,053)</u>	<u>(171,222)</u>	<u>(213,676)</u>	<u>(225,708)</u>	<u>(29,518,638)</u>
Balance, December 31, 2015	<u>1,132,793</u>	<u>1,180,513</u>	<u>373,460</u>	<u>254,591</u>	<u>75,644</u>	<u>3,017,001</u>
Total Liabilities						
Balance, January 1, 2015	1,271,714	197,424	272,424	228,375	53,203	2,023,140
Additions	38,600,020	2,311,420	603,120	313,547	567,625	42,395,732
Deductions	<u>(38,738,941)</u>	<u>(1,328,331)</u>	<u>(502,084)</u>	<u>(287,331)</u>	<u>(545,184)</u>	<u>(41,401,871)</u>
Balance, December 31, 2015	<u>1,132,793</u>	<u>1,180,513</u>	<u>373,460</u>	<u>254,591</u>	<u>75,644</u>	<u>3,017,001</u>
TOTAL LIABILITIES	<u>\$ 1,132,793</u>	<u>\$ 1,180,513</u>	<u>\$ 373,460</u>	<u>\$ 254,591</u>	<u>\$ 75,644</u>	<u>\$ 3,017,001</u>

PICKENS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended December 31, 2015

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES	
			PRIOR YEARS	CURRENT YEAR
Special Local Option Sales Tax				
2014 Projects				
Road Improvements	\$ 14,418,000	\$ 14,418,000	-	\$ 1,483,335
Capital Improvements				
Public Safety	5,987,000	5,987,000	-	947,897
Library	2,000,000	2,000,000	-	100,000
Water and Sewer	800,000	800,000	-	-
Contractual Payments				
City of Jasper	6,000,000	6,000,000	-	736,420
City of Nelson	729,000	729,000	-	89,475
City of Talking Rock	66,000	66,000	-	8,101
Total 2014 Projects	<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>	<u>-</u>	<u>\$ 3,365,228</u>

PICKENS COUNTY, GEORGIA
Reconciliation of Expenditures for SPLOST
Year Ended December 31, 2015

Statement of Revenues, Expenditures and Changes in Fund Balance (page 5)		
	Expenditures	\$ 3,365,228
Expenditures reported on Splost schedule		<u><u>\$ 3,365,228</u></u>
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (page 66)		
	2014 SPLOST	\$ 3,365,228
Total		<u><u>\$ 3,365,228</u></u>

**PICKENS COUNTY, GEORGIA
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>State Program Name</u>	<u>Contract Number</u>	<u>Current Year</u>		<u>Amount Due from (to) State</u>
		<u>Received</u>	<u>Expended</u>	
Family Connections	93-141400098	<u>\$ 46,000</u>	<u>\$ 46,000</u>	<u>\$ 10,382</u>

The above schedule has been prepared on the modified accrual basis of accounting.

PICKENS COUNTY, GEORGIA.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended December 31, 2015

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/ CONTRACT NUMBER	PROGRAM OR AWARD AMOUNT	Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Passed-through the Council of Juvenile Court Judges				
Prosecution Based VAWA Program - CJCC	16.575	W14-8-040	\$ 40,835	\$ 40,835
Prosecution Based VOCA Program - CJCC	16.575	C15-8-153	38,790	-
			<u>79,625</u>	<u>40,835</u>
BJA Adult Drug Court Discretionary Grant	16.585	Q15-8-001	162,500	57,227
2014 Edward Byrne Memorial Justice Assistance	16.751	B14-8-012	159,055	159,055
Bulletproof Vest Partnership Program	16.607	2015	11,081	11,081
Total U.S. Department of Justice			<u>412,261</u>	<u>268,198</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed through Georgia Department of Transportation				
Transit Operating Assistance Grant	20.509	Project T005061	105,059	51,612
Transit Operating Assistance Grant	20.509	Project T005568	107,857	49,540
			<u>212,916</u>	<u>101,152</u>
Airport Improvement Program	20.106	Division of Intermodal - Aviation Project	285,009	136,558
Passed through Georgia Department of Natural Resources				
Transportation Enhancement Program	20.205	TE-090528-001 / PI # 0008190	1,200,000	1,135,355
Total U.S. Department of Transportation			<u>1,697,925</u>	<u>1,373,065</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through Georgia Department of Human Services				
Promoting Safe and Stable Families Program	93.556	DHS Contract # 42700-040C-PSSF-15-046	99,000	69,615
Promoting Safe and Stable Families Program	93.556	DHS Contract # 42700-040C-PSSF-16-113	30,161	30,161
Promoting Safe and Stable Families Program	93.556	DHS Contract # 42700-040C-PSSF-15-047	35,841	17,201
Promoting Safe and Stable Families Program	93.556	SoN # 8029	42,074	11,815
Total U.S. Department of Health and Human Services			<u>207,076</u>	<u>128,792</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
Passed through Georgia Emergency Management Agency				
Severe Winter Storm Assistance	97.039	FEMA-4215-DR-GA	80,088	80,088
Hazard Mitigation Grant Program	97.039	HMGP 4165-0013	84,206	-
Total Federal Emergency Management Agency			<u>164,294</u>	<u>80,088</u>
GRAND TOTALS			<u>\$ 2,481,556</u>	<u>\$ 1,850,143</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
This schedule is prepared on the modified accrual basis of accounting.



INDEPENDENT AUDITORS' 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

June 15, 2016

Board of Commissioners
PICKENS COUNTY, GEORGIA
Jasper, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of PICKENS COUNTY, GEORGIA as of and for the year ended December 31, 2015, which collectively comprise the PICKENS COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated June 15, 2016. Our report was modified to include a reference to other auditors. 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. Other auditors audited the financial statements of the Pickens County Health Department, as described in our report on PICKENS COUNTY, GEORGIA's basic financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of PICKENS COUNTY, GEORGIA, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered PICKENS COUNTY, GEORGIA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PICKENS COUNTY, GEORGIA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the PICKENS COUNTY, GEORGIA's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as findings 2015-01 and 2015-02, that we consider to be significant deficiencies in internal control over financial reporting.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PICKENS COUNTY, GEORGIA's financial statements are free of 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 is required to be reported under *Government Auditing Standards*.

PICKENS COUNTY, GEORGIA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit PICKENS COUNTY, GEORGIA's responses, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bates, Carter & Co., LLP



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
 THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
 PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
 BY THE UNIFORM GUIDANCE**

June 15, 2016

Board of Commissioners
 PICKENS COUNTY, GEORGIA
 Jasper, Georgia

Report on Compliance for Each Major Federal Program

We have audited PICKENS COUNTY, GEORGIA's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of PICKENS COUNTY, GEORGIA's major federal programs for the year ended December 31, 2015. PICKENS COUNTY, GEORGIA'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of PICKENS COUNTY, GEORGIA's major federal programs based on our audit of the types of compliance requirements referred to above. PICKENS COUNTY, GEORGIA's basic financial statements include the operations of legally separate component units, Pickens County Health Department. Any amounts of federal awards received by those component units are not included in the accompanying schedule of expenditures of federal awards. Our audit, described below, did not include the operations of Pickens County Health Department because the component unit engaged other auditors to perform any audit required in accordance with OMB Compliance Supplement.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the

audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PICKENS COUNTY, GEORGIA'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 on PICKENS COUNTY, GEORGIA's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, PICKENS COUNTY, GEORGIA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of PICKENS COUNTY, GEORGIA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered PICKENS COUNTY, GEORGIA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PICKENS COUNTY, GEORGIA'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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Bates, Carter & Co, LLP

PICKENS COUNTY, GEORGIA
AUDITORS' SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015

I SUMMARY OF AUDITORS' RESULTS:

1. Report issued on Financial Statements – Unqualified opinion.
2. Compliance (financial statements) – Unqualified opinion.
3. Internal Control (financial statements) – Two significant deficiencies.
4. Compliance (major programs) – Unqualified opinion, no instances of noncompliance.
5. Internal control (major programs) – No material weaknesses.
6. Audit findings required to be reported in accordance with 2 CFR section 200.516(a)
 - i) Significant deficiencies in internal controls over major programs – None reported
 - ii) Material noncompliance related to major programs – None reported
 - iii) Known questioned costs greater than \$25,000 for major programs – None reported
 - iv) Known questioned costs greater than \$25,000 for a program not audited as major – None reported
 - v) Circumstances if report on compliance is other than unqualified – N/A
 - vi) Known fraud – N/A
 - vii) Misrepresentation in schedule of prior audit findings – None reported
7. Major program for the year – Transportation Enhancement Project - Tate Depot Relocation, CFDA 20.205
8. Dollar threshold used to distinguish between Type A and Type B programs – \$300,000.
9. Does the auditee qualify as a low risk auditee – No.

II AUDIT FINDINGS - GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

Finding Number

SIGNIFICANT DEFICIENCY

PROBATE COURT

2015-01

Statement of Condition:

During testing, we noted funds held were not properly reconciled or accounted for at the end of the year.

Criteria:

Reporting should be in place to ensure funds held are accurate.

Effect of Condition:

The risk of understating liabilities.

Cause of Condition:

Unknown.

Recommendation:

We recommend that a report is implemented to record all funds held activity for the year and that it is reconciled at the year end to show the accurate liability for the year end.

Response:

In order to more accurately account for the Bonds (Funds held), Probate Court's chief clerk will provide a monthly and yearly report to the Probate Judge accounting for funds paid into and out of the Bonds account. This account will also be reconciled at the end of the year by the chief clerk to ensure that the funds held are accurate. If BatesCarter has further recommendations concerning this account, please advise the Probate Judge.

MAGISTRATE COURT

2015-02

Statement of Condition:

Bank reconciliations were not provided timely for the audit, and inaccuracies were noted during testing.

Criteria:

To ensure an accurate cash balance in the accounting books, a list of outstanding checks showing the check number, payee, and date of the check should be maintained. Only reconciling items should be listed on the bank reconciliations

each month.

Effect of Condition:

The risk of understating or overstating assets.

Cause of Condition:

Unknown.

Recommendation:

We recommend that the Magistrate Court implement a monthly reconciliation review process where discrepancies are recognized and corrected timely.

Response:

The Court has reviewed the finding and has taken appropriate steps to ensure that the condition will not be repeated. The condition was originally caused by an error found during a transition to a new computer accounting procedure. Now that the issue has been identified, there should be no further problems.

III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs relating to Federal awards reported for the year ended December 31, 2015.