PICKENS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
(WITH INDEPENDENT AUDITORS' REPORT)

Year Ended December 31, 2014

PICKENS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended December 31, 2014

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INDEPENDENT AUDITORS' REPORT

June 29, 2015

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

Management's Responsibility for the Financial Statements

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

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, 2014, which statements reflect total assets of $290,870, as of December 31, 2014, and total revenues of $509,120, 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, 2014, 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.

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 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 combining and individual nonmajor fund financial statements 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 29, 2015 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

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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, 2014. 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 $52,406,369 (net position) for the year reported. This represents an increase of $1,066,976 over the previous year.

Total net position is comprised of the following:

1. Net investment in capital assets equaled $49,659,426.
2. Net position of $984,218 are restricted for debt service, capital outlay, or by other constraints imposed by law or regulations.
3. At the end of fiscal year 2014, unrestricted net position balance increased by $149,748 from $1,612,977 to $1,762,725.

The County's governmental funds reported total ending fund balance of $6,717,252. This compares to the prior year ending fund balance of $4,912,355 showing an increase of $1,804,897 during the current year.

At the end of fiscal year 2014, unassigned fund balance for the County's governmental funds was $5,732,762.

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, 2014 to the year ended December 31, 2013 as required by GASB Statement No. 34

Comparative Schedule of Net Position
December 31

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Capital assets (net of depreciation)	$ 44,478,391	$ 46,282,208	$ 19,436,399	$ 19,874,425	$ 63,914,790	$ 66,156,633
Current and other assets	9,215,797	8,349,604	(2,324,860)	(2,030,738)	6,890,937	6,318,866
Total Assets	53,694,188	54,631,812	17,111,539	17,843,687	70,805,727	72,475,499
Long-term liabilities	4,160,433	6,783,430	12,223,220	8,448,673	16,383,653	15,232,103
Other liabilities	1,890,217	1,672,657	125,488	4,231,346	2,015,705	5,904,003
Total liabilities	6,050,650	8,456,087	12,348,708	12,680,019	18,399,358	21,136,106
Net Position:						
Net investment in capital assets	42,464,693	41,589,227	7,194,733	7,347,900	49,659,426	48,937,127
Restricted	943,046	748,173	41,172	41,116	984,218	789,289
Unrestricted	4,235,799	3,838,325	(2,473,074)	(2,225,348)	1,762,725	1,612,977
Total net position	$ 47,643,538	$ 46,175,725	$ 4,762,831	$ 5,163,668	$ 52,406,369	$ 51,339,393

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 $52,406,369 at December 31, 2014 compared to $51,339,393 at December 31, 2013. The total increase was $1,066,976.

The largest portion of net position, $49,659,426 (95%), 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 $984,218 (3%) 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 $1,762,725 (3%) of unrestricted net position that is available to meet the County's ongoing obligations.

The table below presents the County's condensed *Statement of Activities* for the year ended December 31, 2014 with comparative amounts for the year ended December 31, 2013.

Comparative Schedule of Changes in Net Position
Year Ended December 31

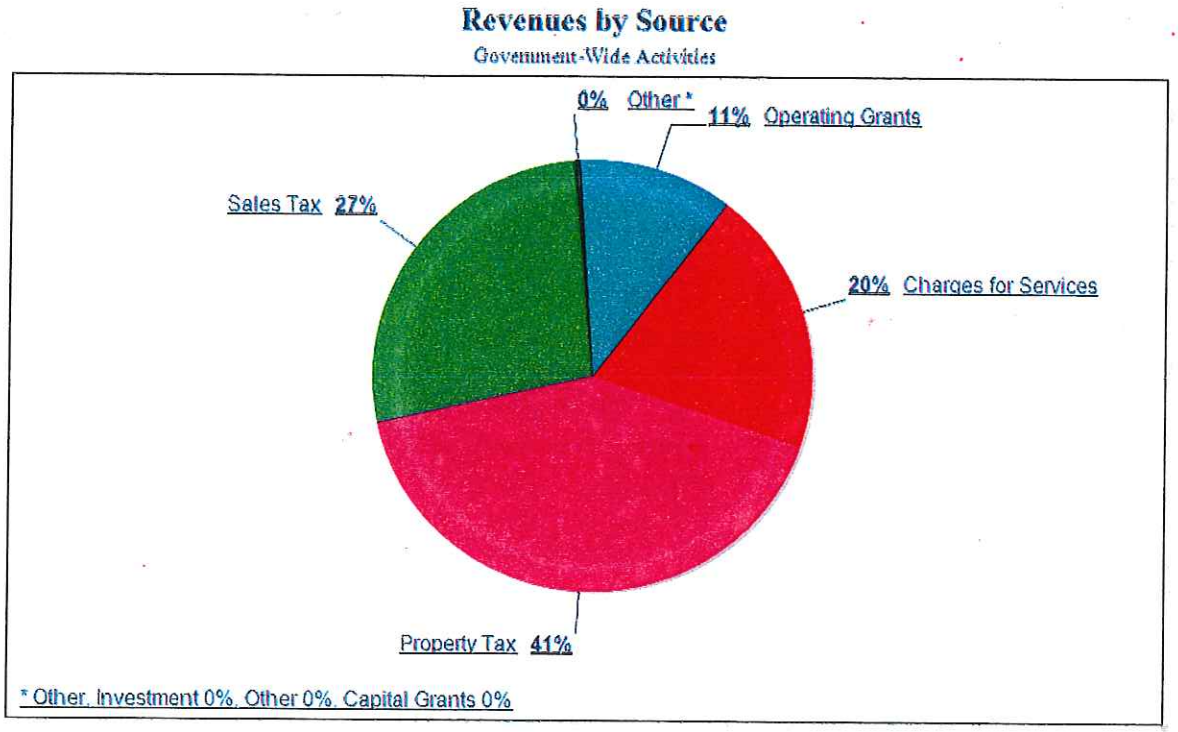
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program revenues						
Charges for services	$ 5,039,197	$ 4,834,312	$ 2,460,214	$ 2,373,493	$ 7,499,411	$ 7,207,805
Operating grants and contributions	2,887,823	2,834,942	-	-	2,887,823	2,834,942
Capital grants and contributions	51,672	-	128,063	-	179,735	-
Subtotal for program revenues	7,978,692	7,669,254	2,588,277	2,373,493	10,566,969	10,042,747
General revenues						
Property taxes	10,483,955	11,010,792	-	-	10,483,955	11,010,792
Salest taxes	6,892,818	6,633,643	-	-	6,892,818	6,633,643
Insurance premium tax	1,226,610	1,162,534	-	-	1,226,610	1,162,534
Franchise tax	133,447	123,536	-	-	133,447	123,536
Other taxes	39,338	59,442	-	-	39,338	59,442
Interest and investment earnings	4,209	5,367	56	56	4,265	5,423
Other revenue	360,113	344,923	-	-	360,113	344,923
Grants and contributions not restricted to a specific program	34,590	-	-	-	34,590	-
Gain on sale of capital assets	6,201	-	-	-	6,201	-
Subtotal for general revenues	19,181,281	19,340,237	56	56	19,181,337	19,340,293
Total revenues	27,159,973	27,009,491	2,588,333	2,373,549	29,748,306	29,383,040
EXPENSES						
Program expenses						
General government	3,655,272	3,388,578	-	-	3,655,272	3,388,578
Judicial	4,395,766	4,211,634	-	-	4,395,766	4,211,634
Public safety	10,777,290	10,540,018	-	-	10,777,290	10,540,018
Public works	4,633,500	3,452,723	-	-	4,633,500	3,452,723
Health & welfare	493,080	454,271	-	-	493,080	454,271
Recreation & culture	972,615	964,045	-	-	972,615	964,045
Housing and development	565,006	610,611	-	-	565,006	610,611
Interest and paying agent fees	153,459	195,720	-	-	153,459	195,720
Water	-	-	2,165,208	2,186,264	2,165,208	2,186,264
Airport	-	-	656,841	358,828	656,841	-
Total expenses	25,645,988	23,817,600	2,822,049	2,545,092	28,468,037	26,362,692
Change in net position before transfers	1,513,985	3,191,891	(233,716)	(171,543)	1,280,269	3,020,348
Transfers	14,558	60,105	(14,558)	(60,105)	-	-
Change in net position	1,528,543	3,251,996	(248,274)	(231,648)	1,280,269	3,020,348
Net position, beginning of year	46,175,725	42,784,609	5,163,668	5,450,799	51,339,393	48,235,408
Change in accounting principle	-	-	-	(55,483)	-	(55,483)
Prior period adjustment	(60,730)	139,120	(152,563)	-	(213,293)	139,120
Net position, beginning as restated	46,114,995	42,923,729	5,011,105	5,395,316	51,126,100	48,319,045
Net position, end of year	$ 47,643,538	$ 46,175,725	$ 4,762,831	$ 5,163,668	$ 52,406,369	$ 51,339,393

Governmental Activities Revenues increased the County's net position by $1,528,543. Property taxes, insurance premium tax and other taxes, which continue as the main source of revenue for governmental activities totaled $19,181,281 in 2014 compared to $19,340,237 in 2013. This is an decrease of (1)%.

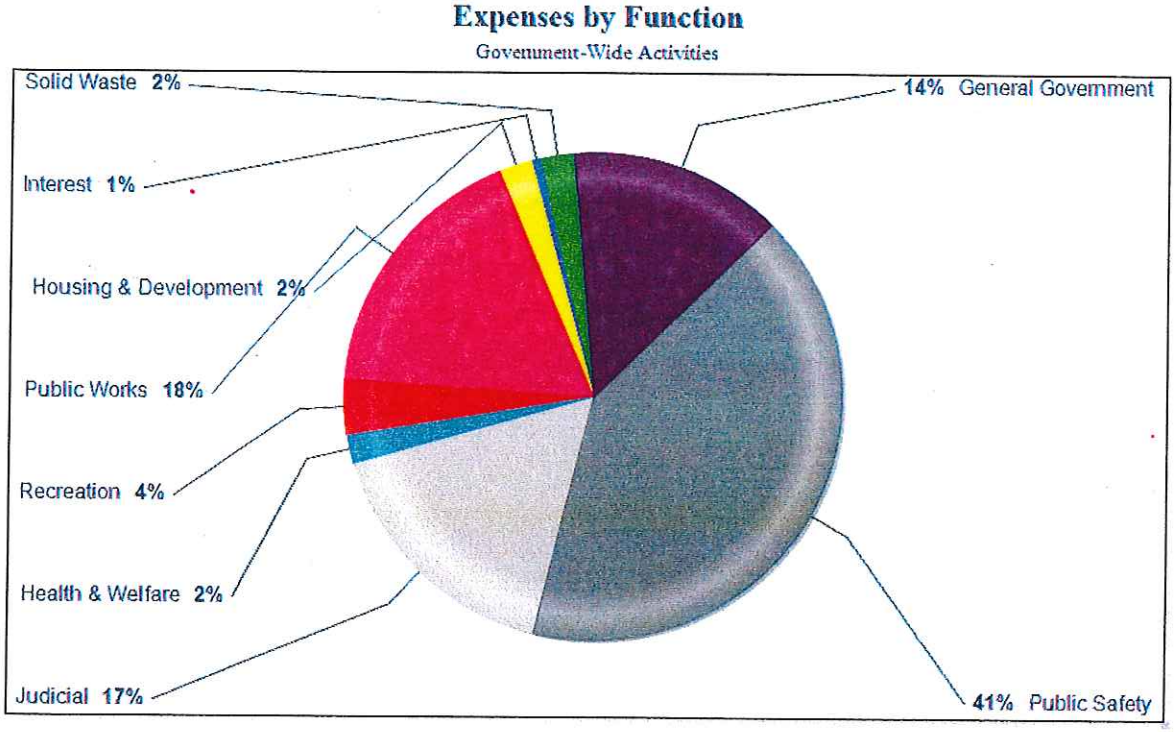
Governmental Activities Expenses by function as reflected in the table above show that during 2014, the County expended 42% for Public Safety, 17% for Judicial, 18% for Public Works, 14% for General Government, 4% for Culture and Recreation, 2% for Housing and Development, 2% for Health and Welfare, and 1% for Interest on Long-term debt.

As a comparative, during fiscal year 2013, the County expended 44% for Public Safety, 18% for Judicial, 14% for Public Works, 14% for General Government, 4% for Culture and Recreation, 3% 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 $(248,274).



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



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

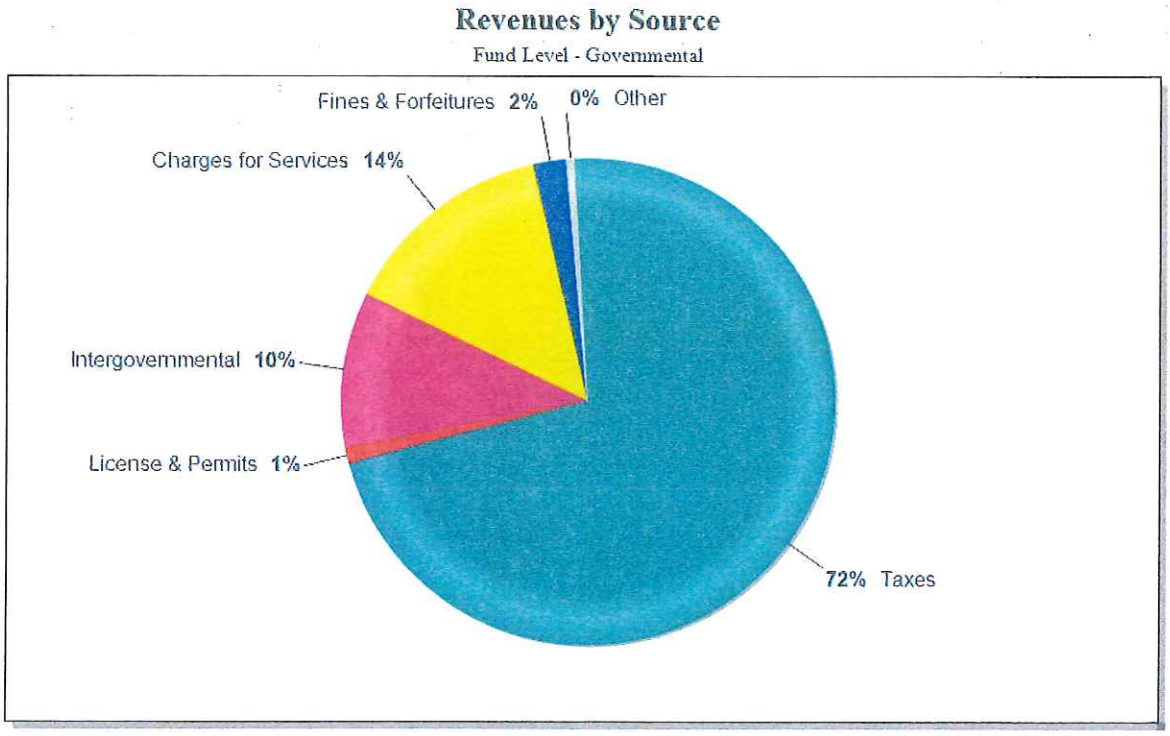
The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 $6,717,252. This compares to the prior year ending fund balance of $4,912,355 showing a increase of $1,804,897 during the current year. At the end of fiscal year 2014, unassigned fund balance for the County's governmental funds was $5,732,762.

The County's other major governmental fund is the SPLOST fund. The fund balance of the SPLOST fund decreased by $249,695 during the current fiscal year. Collections for 2008 SPLOST ceased on June 30, 2014, and 2014 SPLOST collections 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 cash balance of $525,667 which is restricted for capital projects as outlined in the 2014 SPLOST referendum.

In 2014, Governmental Revenues increased $2,362,469 from 2013. Taxes (including property and sales tax) increased $2,019,606 due to an increase in the 2014 millage rate and SPLOST revenues.



Expenditures in the governmental funds were $26,601,798, a decrease of $(3,275,701) from 2013. Expenditures for the general fund increased $683,238 to $19,452,891, compared to the previous year. The County expenditures in the SPLOST fund decreased $(3,973,305) to $3,758,345, compared to the previous year. In 2013, expenditures associated with the renovation and construction of the new Courthouse were paid from the 2008 SPLOST fund.

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, 2014 total $63,914,790 (net of accumulated depreciation). These assets include land, land improvements, infrastructure, buildings, machinery and equipment, furniture and fixtures, vehicles and construction in progress.

Pickens County's Capital Assets
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land and improvements	$ 4,782,595	$ 4,788,862	$ 2,114,046	$ 2,142,305	$ 6,896,641	$ 6,931,167
Construction in progress	81,079	81,080	5,876,196	5,834,739	5,957,275	5,915,819
Buildings	30,938,397	31,675,755	325,509	338,625	31,263,906	32,014,380
Machinery & equipment	2,624,495	3,111,984	347,436	392,616	2,971,931	3,504,600
Furniture & fixtures	-	-	-	-	-	-
Vehicles	523,969	674,469	101,838	27,169	625,807	701,638
Infrastructure	5,527,856	5,950,058	10,671,374	11,138,971	16,199,230	17,089,029
Total Assets	$ 44,478,391	$ 46,282,208	$ 19,436,399	$ 19,874,425	$ 63,914,790	$ 66,156,633

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

Long-term Debt. During fiscal year 2014 the long-term debt of Pickens County's governmental activities decreased $(2,622,998). The decrease is attributed to the pay-off of debt associated with the renovation and construction of the courthouse. Other debt categories decreased due to the continual repayment of debt, with the exception of the net OBEP obligation, which increased $108,193. Long-term debt increased in business-type activities in the amount of $3,774,547. This increase is attributed to the correction of reporting regarding the Airport Authority Revenue Bond previously classified on the Development Authority books.

Pickens County's Outstanding Debt
Bonds Payable, Capital Leases, Notes Payable, Claims, and Other Debts

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Bonds payable	$ -	$ 2,000,000	$ 10,561,608	$ 6,617,970	$ 10,561,608	$ 8,617,970
Capital leases	202,106	346,623	97,187	91,250	299,293	437,873
Notes payable	1,811,592	2,346,358	1,554,835	1,731,557	3,366,427	4,077,915
Landfill closure/postclosure	309,800	338,810	-	-	309,800	338,810
Compensated absences	221,997	205,899	9,590	7,896	231,587	213,795
Net pension obligation	17,602	56,598	-	-	17,602	56,598
Net OPEB obligation	1,597,335	1,489,142	-	-	1,597,335	1,489,142
Totals	$ 4,160,432	$ 6,783,430	$ 12,223,220	$ 8,448,673	$ 16,383,652	$ 15,232,103

Additional information regarding Pickens County's long-term debt can be found in Note 7 on pages 31 through 36 of this report.

ECONOMIC FACTORS AND THE 2015 BUDGET

- The 2014 millage rate was set at 7.22 per $1,000 of valuation, a .5 mill increase over the 6.687 millage rate in 2013. Net taxes levied increased $607,541.

- The Pickens County Courthouse renovation and construction was completed in late 2013. The Courthouse was a 2008 SPLOST Tier 1 project. The County incurred bond debt to complete the project in anticipation of SPLOST funding. The $2 million bond debt was totally repaid with SPLOST proceeds in May, 2014

- The 2015 budget was approved and adopted by the Board of Commissioners on December 18, 2014. The 2015 budget increased from $21,047,071 to $21,746,525, an increase of $699,454. The majority of the revenue increase is in property tax, sales tax, title ad valorem tax, as well as license and permit fees. 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, 2014

ASSETS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT TOTAL	COMPONENT UNITS
Cash	$ 3,686,004	$ 600	$ 3,686,604	$ 561,123
Investments	22,152	-	22,152	-
Capital lease receivable	-	-	-	126,000
Receivables (net of allowance for uncollectibles)	2,718,985	235,364	2,954,349	13,507
Internal balances	2,690,716	(2,690,716)	-	-
Inventories	20,791	73,796	94,587	1,191
Prepaid items	20,653	-	20,653	-
Restricted assets:				
Cash	56,496	56,096	112,592	-
Capital lease receivable	-	-	-	3,168,000
Capital assets:				
Capital assets not being depreciated	4,326,076	7,566,790	11,892,866	-
Capital assets being depreciated	58,901,698	18,946,423	77,848,121	68,894
Less: accumulated depreciation	(18,749,383)	(7,076,814)	(25,826,197)	(67,754)
Capital assets, net of depreciation	44,478,391	19,436,399	63,914,790	1,140
TOTAL ASSETS	53,694,188	17,111,539	70,805,727	3,870,961
LIABILITIES				
Accounts payable	1,206,842	102,877	1,309,719	1,262
Accrued interest payable	-	12,812	12,812	-
Other accrued items	248,029	8,419	256,448	-
Due to other governments	89,158	-	89,158	-
Unearned revenue	-	1,380	1,380	-
Amounts held in trust	346,188	-	346,188	-
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	155,398	6,713	162,111	-
Accrued landfill closure / postclosure	15,000	-	15,000	-
Notes payable	559,240	178,905	738,145	51,161
Capital leases payable	94,797	42,899	137,696	-
Revenue bonds payable	-	119,308	119,308	-
Due in more than one year				
Compensated absences payable	66,599	2,877	69,476	19,377
Net pension obligation	17,602	-	17,602	-
Net OPEB obligation	1,597,335	-	1,597,335	-
Accrued landfill closure / postclosure	294,800	-	294,800	-
Notes payable	1,252,352	1,375,930	2,628,282	1,846,572
Capital leases payable	107,310	54,288	161,598	-
Revenue bonds payable	-	10,442,300	10,442,300	-
TOTAL LIABILITIES	6,050,650	12,348,708	18,399,358	1,918,372
DEFERRED INFLOWS OF RESOURCE				
Deferred credit for refunding	-	-	-	1,396,267
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	1,396,267
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	6,050,650	12,348,708	18,399,358	3,314,639
NET POSITION				
Net investment in capital assets	42,464,693	7,194,733	49,659,426	1,140
Restricted for:				
Debt service	-	41,172	41,172	
Capital outlay projects	525,667	-	525,667	-
Judicial programs	139,534	-	139,534	-
Public safety programs	263,621	-	263,621	-
Health and welfare programs	-	-	-	11,969
Housing and development programs	14,224	-	14,224	-
Unrestricted	4,235,799	(2,473,074)	1,762,725	543,213
TOTAL NET POSITION	$ 47,643,538	$ 4,762,831	$ 52,406,369	$ 556,322

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTAL	COMPONENT UNITS
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	$ 3,655,272	$ 873,106	$ 18,131	$ -	$ (2,764,035)	$ -	$ (2,764,035)	$ -
Judicial	4,395,766	1,200,411	2,157,619	51,672	(986,064)	-	(986,064)	-
Public safety	10,777,290	2,274,172	478,571	-	(8,024,547)	-	(8,024,547)	-
Public works	4,633,500	340,580	-	-	(4,292,920)	-	(4,292,920)	-
Public health and welfare	493,080	725	233,502	-	(258,853)	-	(258,853)	-
Recreation and culture	972,615	187,889	-	-	(784,726)	-	(784,726)	-
Housing and development	565,006	162,314	-	-	(402,692)	-	(402,692)	-
Interest	153,459	-	-	-	(153,459)	-	(153,459)	-
Total Governmental Activities	25,645,988	5,039,197	2,887,823	51,672	(17,667,296)	-	(17,667,296)	-
BUSINESS-TYPE ACTIVITIES								
Water	2,165,208	2,085,620	-	-	-	(79,588)	(79,588)	-
Airport	656,841	374,594	-	128,063	-	(154,184)	(154,184)	-
Total Business-Type Activities	2,822,049	2,460,214	-	128,063	-	(233,772)	(233,772)	-
TOTAL PRIMARY GOVERNMENT	$ 28,468,037	$ 7,499,411	$ 2,887,823	$ 179,735	(17,667,296)	(233,772)	(17,901,068)	-
COMPONENT UNITS								
Health Department	$ 500,725	$ 187,631	$ 321,489	$ -	-	-	-	8,395
Development Authority	111,657	5,354	-	-	-	-	-	(106,303)
TOTAL COMPONENT UNITS	$ 612,382	$ 192,985	$ 321,489	$ -	-	-	-	(97,908)
GENERAL REVENUES								
Property taxes					10,483,955	-	10,483,955	-
Sales taxes					6,892,818	-	6,892,818	-
Insurance premium taxes					1,226,610	-	1,226,610	-
Real estate recording taxes					172,785	-	172,785	-
Other taxes					360,113	-	360,113	-
Total taxes					19,136,281	-	19,136,281	-
Unrestricted investment earnings					4,209	56	4,265	83,617
Grants and contributions not restricted to a specific program					34,590	-	34,590	-
Gain on sale of capital assets					6,201	-	6,201	-
TRANSFERS					14,558	(14,558)	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					19,195,839	(14,502)	19,181,337	83,617
CHANGES IN NET POSITION					1,528,543	(248,274)	1,280,269	(14,291)
NET POSITION, Beginning					46,175,725	5,163,668	51,339,393	418,050
PRIOR PERIOD ADJUSTMENT					(60,730)	(152,563)	(213,293)	152,563
NET POSITION, Beginning as restated					46,114,995	5,011,105	51,126,100	570,613
NET POSITION, Ending					$ 47,643,538	$ 4,762,831	$ 52,406,369	$ 556,322

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash	$ 2,540,424	$ 821,427	$ 324,154	$ 3,686,005
Investments	-	-	22,152	22,152
Receivables (net of allowance for uncollectibles)	2,045,781	393,632	279,572	2,718,985
Interfund receivables	3,150,813	-	178,478	3,329,291
Prepaid items	20,653	-	-	20,653
Inventories	20,791	-	-	20,791
Restricted assets:				
Cash	56,496	-	-	56,496
TOTAL ASSETS	$ 7,834,958	$ 1,215,059	$ 804,356	$ 9,854,373
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 969,243	$ 135,318	$ 102,282	$ 1,206,843
Other accrued items	156,690	-	91,340	248,030
Due to other governments	-	89,158	-	89,158
Interfund payables	269,996	118,728	249,851	638,575
Amounts held in trust	-	346,188	-	346,188
TOTAL LIABILITIES	1,395,929	689,392	443,473	2,528,794
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	608,327	-	-	608,327
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,004,256	689,392	443,473	3,137,121
FUND BALANCES				
Nonspendable:				
Prepaid expenditure	20,653	-	-	20,653
Inventories	20,791	-	-	20,791
Restricted:				
Capital outlay projects	-	525,667	-	525,667
Judicial programs	56,496	-	83,038	139,534
Public safety programs	-	-	263,621	263,621
Housing and development programs	-	-	14,224	14,224
Unassigned:	5,732,762	-	-	5,732,762
TOTAL FUND BALANCES	5,830,702	525,667	360,883	6,717,252
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 7,834,958	$ 1,215,059	$ 804,356	$ 9,854,373

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, 2014

Total Fund Balances for Governmental Funds (page 3)		$ 6,717,252
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.		44,478,391
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property Taxes	608,327	
		608,327
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Net pension obligation	(17,602)	
Compensated absences	(221,997)	
Capital leases	(202,107)	
Net OPEB obligation	(1,597,335)	
Notes payable	(1,811,592)	
Accrued landfill closure/postclosure	(309,800)	
		(4,160,433)
Rounding		1
Total net position of governmental activities (page 1)		$ 47,643,538

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, 2014

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 16,216,355	$ 4,054,541	$ 21,641	$ 20,292,537
Licenses and permits	288,022	-	-	288,022
Intergovernmental	1,388,437	-	1,556,664	2,945,101
Fines and forfeitures	282,682	-	351,109	633,791
Charges for services	3,074,469	-	937,260	4,011,729
Contributions and donations	12,619	-	16,366	28,985
Investment income	3,057	685	465	4,207
Miscellaneous	105,600	-	54	105,654
TOTAL REVENUES	21,371,241	4,055,226	2,883,559	28,310,026
EXPENDITURES				
Current Expenditures				
General government	3,076,746	28,609	-	3,105,355
Judicial	2,508,504	-	1,801,688	4,310,192
Public safety	8,580,054	88,548	1,100,699	9,769,301
Public works	2,412,708	1,007,652	-	3,420,360
Public health and welfare	325,171	-	59,105	384,276
Recreation and culture	864,775	-	-	864,775
Housing and development	538,058	-	4,016	542,074
Intergovernmental	847	599,274	417,254	1,017,375
Capital outlay	184,908	26,000	7,800	218,708
Debt service				
Principal	815,924	2,000,000	-	2,815,924
Interest	145,196	8,262	-	153,458
TOTAL EXPENDITURES	19,452,891	3,758,345	3,390,562	26,601,798
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	1,918,350	296,881	(507,003)	1,708,228
OTHER FINANCING SOURCES (USES)				
Sale of county property	6,201	-	-	6,201
Captial lease proceeds	136,640	-	-	136,640
Transfers in	61,744	-	466,517	528,261
Transfers out	(466,517)	(47,186)	-	(513,703)
TOTAL OTHER FINANCING SOURCES (USES)	(261,932)	(47,186)	466,517	157,399
NET CHANGE IN FUND BALANCES	1,656,418	249,695	(40,486)	1,865,627
FUND BALANCES, Beginning of year	4,206,120	275,972	430,263	4,912,355
PRIOR PERIOD ADJUSTMENT	(31,836)	-	(28,894)	(60,730)
FUND BALANCES, Beginning, as restated	4,174,284	275,972	401,369	4,851,625
FUND BALANCES, End of year	$ 5,830,702	$ 525,667	$ 360,883	$ 6,717,252

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, 2014

Net change in fund balances (page 5)		$ 1,865,627
Amounts reported for governmental activities in the statement of activities are different because:		
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.		
Capital outlays	218,708	
Depreciation expense	(2,020,299)	
		(1,801,591)
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.		
Net book value of capital assets sold	(2,226)	
		(2,226)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	608,327	
		608,327
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(1,764,582)	
		(1,764,582)
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, where as these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.		
Proceeds from borrowing including premiums and discounts	(136,640)	
Principal payments on long-term debt	2,815,924	
Accrued landfill closure/postclosure, current year	(309,800)	
Accrued landfill closure/postclosure, prior year	338,810	
		2,708,294
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.		
Compensated absences, current year	(221,997)	
Compensated absences, prior year	205,899	
		(16,098)
Net OPEB obligation is not available during the current period and therefore is not reported in the fu		
End of year	(1,597,335)	
Beginning of year	1,489,142	
		(108,193)
Net pension obligation is not available during the current period and therefore is not reported in the funds.		
End of year	(17,602)	
Beginning of year	56,598	
		38,996
Rounding		(11)
Changes in net position of governmental activities (page 2)		$ 1,528,543

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
ASSETS	WATER FUND	AIRPORT AUTHORITY	TOTAL
Current Assets			
Cash	$ 600	$ -	$ 600
Receivables (net of allowance for uncollectibles)	223,804	11,560	235,364
Interfund receivables	109,254	-	109,254
Inventories	27,401	46,395	73,796
Restricted assets:			
Cash	56,096	-	56,096
TOTAL CURRENT ASSETS	417,155	57,955	475,110
Noncurrent Assets			
Capital assets			
Capital assets not being depreciated	391,148	7,175,642	7,566,790
Capital assets being depreciated	17,359,335	1,587,088	18,946,423
Less: accumulated depreciation	(6,313,807)	(763,007)	(7,076,814)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	11,436,676	7,999,723	19,436,399
TOTAL NONCURRENT ASSETS	11,436,676	7,999,723	19,436,399
TOTAL ASSETS	11,853,831	8,057,678	19,911,509
LIABILITIES			
Current Liabilities			
Accounts payable	89,951	12,926	102,877
Other accrued items	7,296	1,123	8,419
Interfund payables	2,404,538	395,432	2,799,970
Unearned revenue	-	1,380	1,380
Compensated absences payable	6,713	-	6,713
Notes payable	178,905	-	178,905
Capital lease payable	42,899	-	42,899
Revenue bonds payable	119,308	-	119,308
Accrued interest payable	12,812	-	12,812
TOTAL CURRENT LIABILITIES	2,862,422	410,861	3,273,283
Noncurrent Liabilities			
Compensated absences payable	2,877	-	2,877
Notes payable	1,375,930	-	1,375,930
Capital lease payable	54,288	-	54,288
Revenue bonds payable	6,384,587	4,057,713	10,442,300
TOTAL NONCURRENT LIABILITIES	7,817,682	4,057,713	11,875,395
TOTAL LIABILITIES	10,680,104	4,468,574	15,148,678
NET POSITION			
Net investment in capital assets	3,280,758	3,913,975	7,194,733
Restricted for debt service	41,172	-	41,172
Unrestricted	(2,148,203)	(324,871)	(2,473,074)
TOTAL NET POSITION	$ 1,173,727	$ 3,589,104	$ 4,762,831

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, 2014

	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	$ 2,004,469	$ -	$ 2,004,469
Water connection fees	81,050	-	81,050
Other	100	4,621	4,721
Charges for services-other	-	369,973	369,973
Total Operating Revenues	2,085,619	374,594	2,460,213
OPERATING EXPENSES			
Salaries and benefits	477,344	69,298	546,642
Other services and charges	746,239	282,267	1,028,506
Depreciation	591,022	70,661	661,683
Professional fees	-	99,021	99,021
Repairs and maintenance	-	4,313	4,313
Total Operating Expenses	1,814,605	525,560	2,340,165
OPERATING INCOME (LOSS)	271,014	(150,966)	120,048
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	56	-	56
Interest expense	(351,802)	(131,281)	(483,083)
Gain (loss) on sale of capital assets	1,200	-	1,200
Total Nonoperating Revenues (Expenses)	(350,546)	(131,281)	(481,827)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(79,532)	(282,247)	(361,779)
Capital grants	-	128,063	128,063
Transfer out	(14,558)	-	(14,558)
CHANGE IN NET POSITION	(94,090)	(154,184)	(248,274)
TOTAL NET POSITION, Beginning of year	1,267,817	3,895,851	5,163,668
PRIOR PERIOD ADJUSTMENT	-	(152,563)	(152,563)
TOTAL NET POSITION, End of year	$ 1,173,727	$ 3,589,104	$ 4,762,831

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, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER FUND	AIRPORT AUTHORITY	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer	$ 2,084,630	$ 381,953	$2,466,583
Payments to suppliers	(775,645)	(358,920)	1,134,565)
Payments to employees	(474,255)	(69,103)	(543,358)
Net cash provided by (used in) operating activities	834,730	(46,070)	788,660
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	(14,558)	-	(14,558)
Net Cash provided (used) by non-capital financing activities	(14,558)	-	(14,558)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(182,200)	(41,456)	(223,656)
Proceeds from sale of capital assets	1,200	-	1,200
Proceeds from new debt	48,365	4,057,713	4,106,078
Proceeds from capital grants	-	128,063	128,063
Principal payments on debt	(333,223)	(3,966,969)	4,300,192)
Interest paid	(353,914)	(131,281)	(485,195)
Net cash provided (used) by capital and related financing activities	(819,772)	46,070	(773,702)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	56	-	56
Net cash provided (used) by investing activities	56	-	56
Net increase (decrease) in cash and cash equivalents	456	-	456
CASH, Beginning of year	56,240	-	56,240
CASH, End of year	$ 56,696	$ -	$ 56,696
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ 271,014	$ (150,966)	$ 120,048
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	591,022	70,661	661,683
(Increase) decrease in:			
Accounts receivable	(989)	5,979	4,990
Inventory	-	(24,374)	(24,374)
Increase (decrease) in:			
Accounts payable	(29,406)	8,415	(20,991)
Compensated absences	1,694	-	1,694
Other accrued items	1,395	195	1,590
Deferred revenue	-	1,380	1,380
Interfund payables	-	42,640	42,640
Net cash provided by (used in) operating activities	$ 834,730	$ (46,070)	$ 788,660

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2014

	AGENCY FUNDS
ASSETS	
Cash	$ 2,023,140
TOTAL ASSETS	$ 2,023,140
LIABILITIES	
Amount held in trust	$ 2,023,140
TOTAL LIABILITIES	$ 2,023,140

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2014

	HEALTH DEPARTMENT	DEVELOPMENT AUTHORITY	TOTAL
ASSETS			
Cash	$ 275,032	$ 286,091	$ 561,123
Capital lease receivable	-	126,000	126,000
Receivables (net of allowance for uncollectibles)	13,507	-	13,507
Inventories	1,191	-	1,191
Non-current assets:			
Capital lease receivable	-	3,168,000	3,168,000
Capital assets:			
Capital assets being depreciated	68,894	-	68,894
Less: accumulated depreciation	(67,754)	-	(67,754)
Capital assets, net of depreciation	1,140	-	1,140
TOTAL ASSETS	290,870	3,580,091	3,870,961
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	290,870	3,580,091	3,870,961
LIABILITIES			
Accounts payable	1,262	-	1,262
Noncurrent liabilities:			
Due within one year			
Notes payable	-	51,161	51,161
Due in more than one year			
Compensated absences payable	19,377	-	19,377
Notes payable	-	1,846,572	1,846,572
TOTAL LIABILITIES	20,639	1,897,733	1,918,372
DEFERRED INFLOWS OF RESOURCES			
Deferred credit for refunding	-	1,396,267	1,396,267
TOTAL DEFERRED INFLOWS OF RESOURCES	-	1,396,267	1,396,267
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	20,639	3,294,000	3,314,639
NET POSITION			
Net investment in capital assets	1,140	-	1,140
Restricted for:			
Public health and welfare	11,969	-	11,969
Unrestricted	257,122	286,091	543,213
TOTAL NET POSITION	$ 270,231	$ 286,091	$ 556,322

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, 2014

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	HEALTH DEPARTMENT	INDUSTRIAL DEVELOPMENT AUTHORITY	TOTAL
	.....PROGRAM REVENUES.....				....NET (EXPENSE) AND CHANGES IN NET POSITION....		
COMPONENT UNITS							
GOVERNMENTAL ACTIVITIES							
Health Department	$ 500,725	$ 187,631	$ 321,489	$ -	$ 8,395	$ -	$ 8,395
Development Authority	111,657	5,354	-	-	-	(106,303)	(106,303)
TOTAL COMPONENT UNITS	$ 612,382	$ 192,985	$ 321,489	$ -	8,395	(106,303)	(97,908)
GENERAL REVENUES							
Unrestricted investment earnings					-	83,617	83,617
TOTAL GENERAL REVENUES AND TRANSFERS					-	83,617	83,617
CHANGES IN NET POSITION					8,395	(22,686)	(14,291)
NET POSITION, Beginning					261,836	156,214	418,050
PRIOR PERIOD ADJUSTMENT					-	152,563	152,563
NET POSITION, Beginning as restated					261,836	308,777	570,613
NET POSITION, Ending					$ 270,231	$ 286,091	$ 556,322

The accompanying notes are an integral part of this statement.

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, Northwest Health District, 111 Bryant Crossing, Suite AA, Dalton, Georgia 30720.

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. Seperate financial statements are not prepared for the Authority.

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.

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 2003 and 2008 Special Purpose Local Option Sales Tax referendums, which are 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.

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.

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 2014 taxes were levied October 4, 2014, and were due December 4, 2014. 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.

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 aquisition 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:

Assets	Years	Assets	Years
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 no items that qualify for reporting in this category.

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 only one type of item that qualifies for reporting in this category. The item only arises under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes.

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:

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.

Commited - 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.

Net Investment in Capital Assets

The "Net investment in capital assets" reported on the government-wide statement of net position as of December 31, 2014 are as follows:

Net invesment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 63,227,774	$ 26,513,213
Less accumulated depreciation	(18,749,383)	(7,076,814)
Book value	44,478,391	19,436,399
Less capital related debt	(2,013,698)	(12,241,666)
Net investment in capital assets	$ 42,464,693	$ 7,194,733

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 $984,218 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.	$ 56,496
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.	525,667

Nonmajor Restricted Progams 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.	36,531
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.	46,507
Subtotal - Restricted for Judicial Programs	83,038
Public Safety Programs -	
Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5.	48,421
Drug Task Force - To account for funds received to operate multi-jurisdictional drug enforcement agency that actively pursues all levels of illegal drug activity.	189,926
Sheriff's Special Revenue - to account for funds from seizures to be used for law enforcement activities.	25,274
Subtotal - Restricted for Public Safety Programs	263,621
Housing and Development Programs -	
Hotel/Motel Tax Fund - To account for funds received to promote tourism, conventions, and trade shows.	14,224
Total Restricted Fund Balance	$ 943,046

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.

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, 2014, 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.

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, 2014, the Law Library (a Non-Major Governmental Fund) had the following investments:

Investment Type	Fair Value	Maturity
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.

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:

	General Fund	SPLOST	Nonmajor Governmental Funds
Receivables:			
Property Taxes	$ 1,168,160	$ -	$ -
Accounts	996,569	-	216,483
Intergovernmental	95,413	393,632	63,089
Total Gross Receivables	2,260,142	393,632	279,572
Less: Allowance for Uncollectibles	(214,361)	-	-
Total Net Receivables	$ 2,045,781	$ 393,632	$ 279,572

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:

	UNAVAILABLE	UNEARNED	TOTAL
Delinquent property taxes receivable (General Fund)	$ 608,327	$ -	$ 608,327
Total unearned revenue for governmental funds	$ 608,327	$ -	$ 608,327

Property taxes receivable at December 31, 2014, consist of the following:

DIGEST YEAR	GENERAL FUND
2014	$ 859,279
2013	105,419
2012	47,495
2011	38,066
2010	36,705
2009	39,410
2008	41,786
Total	$ 1,168,160

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

	Water Fund	Airport Authority	Total
Receivables:			
Accounts	$ 322,853	$ 11,560	$ 334,413
Total Gross Receivables	322,853	11,560	334,413
Less: Allowance for Uncollectibles	(99,049)	-	(99,049)
Total Net Receivables	$ 223,804	$ 11,560	$ 235,364

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

	Health Department	Industrial Development Authority
Receivables:		
Accounts	$ 9,972	$ -
Intergovernmental	3,535	-
Total Gross Receivables	13,507	-
Less: Allowance for Uncollectibles	-	-
Total Net Receivables	$ 13,507	$ -

The lease receivable in the County's component units consisted of the following at December 31, 2014:

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.	$ 3,294,000
Total note receivable, net	$ 3,294,000
Less: Current portion	(126,000)
Long-term portion	$ 3,168,000

At December 31, 2014, scheduled maturities of the notes receivable were the following:

2015	$ 126,000
2016	144,000
2017	168,000
2018	168,000
2019	168,000
2020 - 2024	840,000
2025 - 2029	840,000
2030 - 2034	840,000
Total maturities of notes receivable	3,294,000
Less interest	(1,396,277)
Total net book value of notes receivable	$ 1,897,723

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended December 31, 2014, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 4,218,997	$ 26,000	$ -	$ -	$ 4,244,997
Construction in progress	81,079	-	-	-	81,079
Total non-depreciable capital assets	4,300,076	26,000	-	-	4,326,076
Depreciable Assets:					
Land improvements	1,013,402	-	-	-	1,013,402
Buildings and improvements	36,085,857	-	-	-	36,085,857
Machinery and equipment	6,585,449	21,050	(9,200)	-	6,597,299
Vehicles	6,894,996	171,658	(50,003)	-	7,016,651
Infrastructure	8,188,489	-	-	-	8,188,489
Total depreciable capital assets	58,768,193	192,708	(59,203)	-	58,901,698
Less Accumulated Depreciation for:					
Land improvements	443,538	32,266	-	-	475,804
Buildings and improvements	4,410,102	737,358	-	-	5,147,460
Machinery and equipment	3,473,464	507,204	(7,864)	-	3,972,804
Vehicles	6,220,527	321,268	(49,113)	-	6,492,682
Infrastructure	2,238,430	422,203	-	-	2,660,633
Total accumulated depreciation	16,786,061	2,020,299	(56,977)	-	18,749,383
Total depreciable capital assets, net	41,982,132	(1,827,591)	(2,226)	-	40,152,315
Governmental activities capital assets, net	$ 46,282,208	$ (1,801,591)	$ (2,226)	$ -	$ 44,478,391

Additions to governmental activities capital assets for the fiscal year ending December 31, 2014, consist of the following:

Capital Outlay	$ 218,708
Total	$ 218,708

Non-depreciable capital assets additions	$ 26,000
Depreciable capital assets additions	192,708
Total	$ 218,708

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

Governmental Activities:	
General Government	$ 538,046
Judicial	691,286
Public Safety	28,795
Public Works	633,552
Public Health and Welfare	18,111
Recreation and Culture	106,494
Housing and Development	4,015
Total depreciation expense-governmental activities	$ 2,020,299

The County has 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, 2014, 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:

	Project Authorization	Expended To Date	Contracts in Progress	Authorized Not Obligated	Sources
Governmental Activities:					
Tate Depot Relocation	$ 1,200,000	$ 81,079	$ -	$ 1,118,921	GA DOT Grant
Total	$ 1,200,000	$ 81,079	$ -	$ 1,118,921	

BUSINESS TYPE ACTIVITIES

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type Activities:					
Non-Depreciable Assets:					
Land and improvements	$ 1,690,594	$ -	$ -	$ -	$ 1,690,594
Construction in progress	5,834,739	41,456	-	-	5,876,196
Total non-depreciable capital assets	7,525,333	41,456	-	-	7,566,790
Depreciable Assets:					
Land improvements	706,470	-	-	-	706,470
Infrastructure	16,303,769	74,282	-	-	16,378,051
Buildings and improvements	629,004	12,505	-	-	641,509
Machinery and Furniture	944,291	-	-	-	944,291
Vehicles	250,862	95,413	-	(70,173)	276,102
Total depreciable capital assets	18,834,396	182,200	-	(70,173)	18,946,423
Less Accumulated Depreciation for:					
Land improvements	254,759	28,259	-	-	283,018
Infrstructure	5,164,798	541,879	-	-	5,706,677
Buildings & Improvements	290,379	25,621	-	-	316,000
Machinery & Furniture	551,675	45,181	-	-	596,855
Vehicles	223,693	20,743	-	(70,173)	174,264
Total accumulated depreciation	6,485,304	661,683	-	(70,173)	7,076,814
Total depreciable capital assets, net	12,349,092	(479,483)	-	-	11,869,609
Business-type activities capital assets, net	$19,874,425	$ (438,027)	$ -	$ -	$ 19,436,399

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

Business-type Activities:	
Water	$ 591,022
Airport	70,661
Total depreciation expense-business type activities	$ 661,683

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, 2014, 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:

	Project Authorization	Expended To Date	Contracts in Progress	Authorized Not Obligated	Sources
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	$ 5,927,869	$ 5,876,196	$ -	$ 51,673	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
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	68,894	-	-	68,894
Less Accumulated Depreciation for:				
Site Improvements	9,412	1,173	-	10,585
Machinery and Equipment	26,128	-	-	26,128
Furniture and Fixtures	11,030	-	-	11,030
Vehicles	20,011	-	-	20,011
Total accumulated depreciation	66,581	1,173	-	67,754
Capital Assets, net	$ 2,313	$ (1,173)	$ -	$ 1,140

NOTE 7 - LONG TERM DEBT

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
General obligation bonds	$ 2,000,000	$ -	$ (2,000,000)	$ -	$ -	$ -
Notes Payable	2,346,358	-	(534,766)	1,811,592	559,240	1,252,352
Capital leases	346,623	136,640	(281,157)	202,106	94,797	107,310
Net OPEB obligation	1,489,142	108,193	-	1,597,335	-	1,597,335
Net pension obligation	56,598	565,426	(604,422)	17,602	-	17,602
Landfill postclosure	338,810	-	(29,010)	309,800	15,000	294,800
Compensated absences	205,899	-	16,098	221,997	155,398	66,599
Governmental activities long-term liabilities	$ 6,783,430	$ 810,259	$ (3,433,257)	$ 4,160,432	$ 824,435	$ 3,335,998
Business-type Activities:						
Bonds payable	$ 6,617,970	$ 4,057,713	$ (114,075)	$ 10,561,608	$ 119,308	$ 10,442,300
Notes payable	1,731,557	-	(176,722)	1,554,835	178,905	1,375,930
Capital Leases	91,250	48,365	(42,428)	97,187	42,899	54,288
Compensated absences	7,896	9,590	(7,896)	9,590	6,713	2,877
Business-type activities long-term liabilities	$ 8,448,673	$ 4,115,668	$ (341,121)	$ 12,223,220	$ 347,825	$ 11,875,395

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 and State Patrol Headquarters, in the original amounts of $4,930,000 with outstanding balances of $1,811,592. These notes have annual payments ranging from $157,679 to $355,486, with interest rates from 3.00% to 5.79% and maturity dates from 2015 to 2019.

The annual requirements to amortize notes payable outstanding as of December 31, 2014, are as follows:

December 31,	Principal	Interest	Total
2015	$ 559,240	$ 54,650	$ 613,890
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	$ 1,811,592	$ 121,153	$ 1,932,745

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, $92,861 was included in depreciation expense. The balance of this lease at December 31, 2014 is $202,106 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	$ 96,772
Vehicles	499,103
Less: Accumulated Depreciation	(389,931)
Total	$ 205,944

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014, were as follows:

Year Ending December 31,	Governmental Activities
2015	$ 99,510
2016	69,610
2017	36,656
2018	2,216
Total minimum lease payments	207,992
Less: amount representing interest (6.45%)	(5,886)
Present value of minimum lease payments	$ 202,106

BUSINESS-TYPE ACTIVITIES

Bonds Payable

The County issued $1,462,300 1995A Water and Sewer System bonds and $1,058,700 1995B Water and Sewer System bonds for the acquisition and construction of water-line infrastructure. Bond payments are due in monthly installments of $7,122 and $5,156, respectively, and carry a rate of interest of 5.0%. As of December 31, 2014, the oustanding balances of these bonds are $1,137,231 and $823,447, respectively. These bonds mature in December 2036.

The County issued $4,940,721 Water System Revenue Bond Series 2005 for the acquisition and construction of water-line infrastructure. Bond payments are due in monthly installments of $21,248 with interest at 4.125%. As of December 31, 2014, the oustanding balance is $4,543,217. This bond will mature in March 2047.

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, 2014, 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, 2014, are as follows:

December 31,	Principal	Interest	Total
2015	$ 119,308	$ 425,090	$ 544,398
2016	124,784	419,615	544,399
2017	130,514	413,885	544,399
2018	136,509	407,890	544,399
2019	199,471	283,128	482,599
2020-2024	2,682,422	1,737,773	4,420,195
2024-2029	3,162,775	1,175,224	4,337,999
2030-2034	1,285,126	726,434	2,011,560
2035-2039	1,125,281	435,516	1,560,797
2040-2044	1,048,436	226,444	1,274,880
2045-2047	546,982	26,715	573,697
Total	$ 10,561,608	$ 6,277,714	$ 16,839,322

Notes Payable

The County entered into promissory notes with the Georgia Environmental Facilities Authority to finance the construction of water lines. As of December 31, 2014, the County had five such loan agreements in the original amounts of $3,204,013 with outstanding balances of $1,554,835. Quarterly installments of principal and interest are due through 2032 with interest rates from 2.00% to 5.30%.

The annual requirements to amortize notes payable outstanding as of December 31, 2014, are as follows:

December 31,	Principal	Interest	Total
2015	$ 178,905	$ 53,190	$ 232,095
2016	186,935	45,159	232,094
2017	117,803	37,769	155,572
2018	95,879	34,184	130,063
2019	99,245	30,818	130,063
2020-2024	551,041	99,274	650,315
2025-2028	216,026	31,710	247,736
2025-2033	109,001	4,275	113,276
Total	$ 1,554,835	$ 336,379	$ 1,891,214

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, $9,677 was included in depreciation expense. The balance of this lease at December 31, 2014 is $97,187 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	$ 96,772
Less: Accumulated Depreciation	(13,362)
Total	$ 83,410

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014, were as follows:

Year Ending December 31,	Governmental Activities
2015	$ 45,764
2016	42,365
2017	13,101
Total minimum lease payments	101,230
Less: amount representing interest (6.45%)	(4,043)
Present value of minimum lease payments	$ 97,187

DISCRETELY PRESENTED COMPONENT UNITS

Long-term debt activity for the *Health Department* for the year ended December 31, 2014, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 22,082	$ 1,647	$ (4,352)	$ 19,377	$ -	$ 19,377

Long-term debt activity for the *Industrial Development Authority* for the year ended December 31, 2014, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Notes payable	$ 5,216,175	$ 739,271	$ (4,057,713)	$ 1,897,733	$ 51,161	$ 1,846,572
Total long-term liabilities	$ 5,216,175	$ 739,271	$ (4,057,713)	$ 1,897,733	$ 51,161	$ 1,846,572

During 2013, the Development Authority entered into a loan agreement with Restaurant Interiors to finance the purchase of an industrial building in the original amount of $1,249,206. The loan was modified during 2014 due to a new tenant, North Georgia Financial Holdings, LLC, entering into a lease-purchase agreement. The modification includes the purchase of the original loan, furniture and equipment, legal fees and investments. As of December 31, 2014, the loan has an outstanding balance of $1,897,733, with an interest rate of 5.50% and matures in September 2018 with a balloon payment of $1,729,837.

The annual requirements to amortize long-term debt as of December 31, 2014, are as follows:

Year Ending December 31,	Principal	Interest	Total
2015	$ 51,161	$ 105,749	$ 156,910
2016	56,766	100,145	156,911
2017	59,969	96,943	156,912
2018	1,729,837	25,264	1,755,101
Total	$ 1,897,733	$ 328,101	$ 2,225,834

NOTE 8 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of December 31, 2014, is as follows:

Due To	Due From					
	General Fund	SPLOST	Other Nonmajor Governmental Funds	Water Fund	Airport Authority	Total Due from Other Funds
General Fund	$ (17,736)	$ 118,728	$ 249,851	$ 2,404,538	$395,433	$ 3,150,814
Nonmajor Governmental Funds	178,478	-	-	-	-	178,478
Water Fund	109,254	-	-	-	-	109,254
Total Due to Other Funds	$ 269,996	$ 118,728	$ 249,851	$ 2,404,538	$395,433	$ 3,438,546

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, 2014, are as follows:

Transfers Out	Transfers in		
	General Fund	Other Nonmajor Governmental Funds	Total Transfers Out
General Fund	$ -	$ 466,517	$ 466,517
SPLOST	47,186	-	47,186
Water Utility Fund	14,558	-	14,558
Total - Transfers in	$ 61,744	$ 466,517	$ 528,261

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 (the "Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The County elected to participate in the Plan as a result of the Board of Commissioners vote and a contract between the County and the ACCG.

The Plan's assets may only be used for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan (see Note 2 - Summary of Significant Accounting Policies for reporting of investments). The ACCG issues a publically available financial report that includes financial statements and requires 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.

The County's covered payroll for employees participating in the Plan as of January 1, 2014 (the most recent actuarial valuation date) was $6,455,121 (based on covered earnings for the preceding year).

Funding Policy

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.

County employees are not required to contribute to the Plan. Contributions totaling $604,422 ($604,422 employer and $0 employee) were made in accordance with the contribution requirements determined by an actuarial valuation performed as of January 1, 2014. This was more than the minimum required contribution of $561,808.

The current rate is 9.4% of annual covered payroll. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

Annual Pension Cost

The Plan's funding policy provides for actuarily determined periodic contributions at rates that, for individual employees, accumulate funds so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the projected unit credit actuarial funding method. The actuarial value of the County's assets was determined using market value. The unfunded actuarial liability is being amortized as a level percent of projected payroll on a closed basis over a thirty year period. The remaining amortization period at January 1, 2014, was nine 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 Plan for the years ended December 31, 2014, 2013, and 2012 were $604,422, $551,123, and $519,277 respectively and were equal to or greater 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 year are as follows:

Actuarial Date of January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b-a)/c]
2014	$ 4,351,031	$7,311,311	$ 2,960,280	59.5%	$ 6,455,121	45.9 %

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

Fiscal Year December 31,	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
2014	$ 565,426	$ 604,422	106.9 %	$ 17,602
2013	$ 547,088	$ 551,123	100.7 %	$ 56,598
2012	$ 518,947	$ 519,277	100.1 %	$ 60,633

The information was determined as part of the actuarial valuation as of December 31, 2014. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2014
Actuarial Cost method	Projected Unit Credit
Asset Valuation method	Market Value
Amortization method	Level Percent of Pay (Closed)
Remaining amortization period	10 years
(This represents the estimated amortization period for all unfunded liabilities combined into one amortization base.)	
Actuarial assumptions:	
Assumed rate of return on assets*	7.75% per annum
Expected future salary increases*	4.0%-6.5% per annum
Cost of Living Adjustments*	0.0% per annum
*Includes inflation at	3.0%

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

Annual required contribution	$ 565,792
Interest on net pension obligation	4,245
Amortization of net pension obligation	(4,611)
Annual pension cost	565,426
Contribution made	(604,422)
Increase (decrease) in Net Pension Obligation	(38,996)
Net pension obligation, December 31, 2013	56,598
Net pension obligation, December 31, 2014	$ 17,602

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, 2015 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.

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 actuarilly 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 actuatial 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, 2014, 2013, and 2012 were $-, $5,157, and $51,124 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 year are as follows:

Actuarial Date of January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(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:

Fiscal Year December 31,	Annual OPEB Cost (AOC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
2014	$ 108,193	$ -	- %	$ 1,597,335
2013	$ 352,717	$ 5,157	1.5 %	$ 1,489,142
2012	$ 402,432	$ 51,124	12.7 %	$ 1,141,582

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	67,011
Amortization of net OPEB obligation	(87,484)
Annual OPEB cost	108,193
Contribution made	-
Increase (decrease) in Net OPEB Obligation	108,193
Net OPEB obligation, beginning of year	1,489,142
Net OPEB obligation, end of year	$ 1,597,335

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.

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, 2014, 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, 2014, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

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, 2014:

Property Losses	$	2,193,307	aggregate
Comprehensive General Liability	$	1,000,000	per occurrence
	$	3,000,000	aggregate
Automobile Liability	$	1,000,000	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, 2014.

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

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, 2014, the Joint Development Authority owned no assets and had no liablities. Also, there have been no financial transactions conducted by the Joint Development Authority in 2014. As a result, no balance sheet or income statement is presented in the audited financial statements of Pickens County at December 31, 2014.

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, 2014, the County paid $42,198 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 an regional commission beyond its resources. (O.C.G.A. 50-8-39.1)

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

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, 2014.

Seperate 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, 2014, the County has recorded a liability for its solid waste landfill of $338,810, 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 2014. 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, 2014, based on requirements issued by the EPA.

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, 2014, the County had receipts of $21,641 and spent $16,231 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.

NOTE 18 - PRIOR PERIOD ADJUSTMENTS

As of January 1, 2014, this County restated its financial statements for the fiscal year ended December 31, 2013. The restatement resulted in a net decrease to the entity-wide net position in Governmental and Business-type Activities of $213,293. Component unit net position was restated by a net increase of $152,563.

The restatement was a result of the following:

General Fund	
To restate 2013 for overstatement of credit card payable balance	$ (31,836)
Net decrease in General Fund Balance	(31,836)
Restricted Program Fund (Non Major)	
Restate 2013 CASA, VAWA, and VOCA grant funds received	(28,894)
Net decrease in Non Major Fund balance	(28,894)
Net decrease in Governmental Fund balance	$ (60,730)
Airport Authority Fund (Proprietary)	
Restate 2013 ending fund balance to realize interest for revenue bond previously reported in Development Authority (component unit)	$ (152,563)
Net decrease in Proprietary Fund balance	$ (152,563)
Net increase in entity wide net position	$ (213,293)
Industrial Development Authority (Component Unit)	
Restate 2013 ending fund balance to remove interest for revenue bond previously reported in Development Authority (component unit)	$ 152,563
Net increase in component unit net position	$ 152,563

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended December 31, 2014
"Unaudited"

DEFINED BENEFIT PENSION PLAN

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)
2008	$ 1,861,565	$ 2,918,668	63.8 %	$ 1,057,103	$ 5,086,422	20.8 %
2009	$ 2,160,646	$ 3,399,887	63.6 %	$ 1,239,241	$ 5,521,511	22.4 %
2010	$ 2,311,404	$ 3,935,021	58.7 %	$ 1,623,617	$ 6,852,406	23.7 %
2011	$ 2,770,507	$ 4,646,354	59.6 %	$ 1,875,847	$ 6,713,647	27.9 %
2012	$ 3,182,711	$ 5,040,760	63.1 %	$ 1,858,049	$ 7,126,832	26.1 %
2013	$ 3,688,493	$ 5,705,153	64.7 %	$ 2,016,660	$ 7,234,670	27.9 %
2014	$ 4,351,031	$ 7,311,311	59.5 %	$ 2,960,280	$ 6,455,121	45.9 %

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets available for benefits as a percentage of the actuarial accrued liability provides one indication of funding status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financial stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

OTHER POST-EMPLOYMENT BENEFITS

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, 2014
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 4,174,284	$ 4,174,284	$ 4,174,284	$ -
RESOURCES (INFLOWS)				
Taxes	14,800,650	14,800,650	16,216,355	1,415,705
Licenses and permits	258,700	258,700	288,022	29,322
Intergovernmental	2,103,169	1,426,914	1,388,437	(38,477)
Fines and forfeitures	438,000	438,000	282,682	(155,318)
Charges for services	3,233,300	3,233,300	3,074,469	(158,831)
Contributions and donations	-	-	12,619	12,619
Investment income	4,200	4,200	3,057	(1,143)
Miscellaneous	2,607	2,607	105,600	102,993
Sale of county property	-	-	6,201	6,201
Capital lease proceeds	-	-	136,640	136,640
Transfers in	-	-	61,744	61,744
Total Resources (Inflows)	20,840,626	20,164,371	21,575,826	1,411,455
AMOUNTS AVAILABLE FOR APPROPRIATION	25,014,910	24,338,655	25,750,110	1,411,455
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	150,549	150,549	147,403	3,146
General administration	703,715	450,421	448,347	2,074
County clerk	108,662	108,862	108,795	67
Elections	280,072	280,072	278,274	1,798
Finance	300,334	313,834	313,503	331
Law	100,000	195,000	194,931	69
Human resources	64,142	64,792	64,748	44
Tax commissioner	520,982	506,982	506,475	507
Tax assessor	494,905	504,905	503,801	1,104
Buildings	528,781	658,446	658,007	439
Public information	84,363	85,363	85,271	92
Agencies	30,300	30,300	28,941	1,359
Board of equalization	9,816	9,816	8,220	1,596
Total General Government	3,376,621	3,359,342	3,346,716	12,626
Judicial				
Judicial Administration	534,304	138,024	128,303	9,721
Superior court	260,378	195,378	192,128	3,250
Clerk of Superior court	472,956	472,956	472,507	449
District attorney	390,404	360,404	341,491	18,913
Magistrate court	276,955	309,054	306,889	2,165
Probate court	303,846	303,846	297,729	6,117
Juvenile court	544,945	330,945	328,303	2,642
Public defender	466,221	466,221	441,153	25,068
Total Judicial	3,250,009	2,576,828	2,508,503	68,325
Public Safety				
Sheriff	3,246,725	3,324,725	3,324,410	315
Jail operation	1,767,884	1,628,884	1,627,904	980
Court services	550,144	171,074	171,864	(790)
Fire	1,205,266	1,518,266	1,518,115	151
Emergency medical services	2,203,353	1,825,963	1,818,833	7,130
Coroner/Medical Examiner	43,824	49,124	49,101	23
E-911/Communications center	20,505	22,205	22,103	102
School resource officers	221,850	191,850	190,996	854
Emergency Management Agency	43,900	55,400	52,882	2,518
Animal control	177,523	154,523	153,813	710
Total Public Safety	9,480,974	8,942,014	8,930,021	11,993

PICKENS COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2014
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CONTINUED.....				
Public Works				
Roadways and walkways	1,807,202	2,004,202	2,003,428	774
Solid waste and recycling	476,087	399,087	398,205	882
Maintenance and shop	158,153	105,153	104,375	778
Total Public Works	2,441,442	2,508,442	2,506,008	2,434
Public Health and Welfare				
Health department	3,375	3,375	1,943	1,432
Public health and welfare	116,019	116,019	114,426	1,593
Senior citizens center	15,620	17,620	17,476	144
Community Center	-	430,000	427,738	2,262
Transportation services	207,514	207,514	191,326	16,188
Total Public Health and Welfare	342,528	774,528	752,909	21,619
Recreation and Culture				
Parks and recreation	579,742	595,742	595,361	381
Library	281,656	281,656	275,314	6,342
Total Recreation and Culture	861,398	877,398	870,675	6,723
Housing and development				
Extention office	61,132	61,132	56,152	4,980
Building inspection	86,674	111,539	97,187	14,352
Planning and zoning	273,180	279,680	266,600	13,080
County marshall	62,254	62,254	58,856	3,398
Economic development	52,500	59,300	59,264	36
Total Housing and Development	535,740	573,905	538,059	35,846
Transfers out	551,914	551,914	466,517	85,397
TOTAL CHARGES TO APPROPRIATIONS	20,840,626	20,164,371	19,919,408	244,963
CHANGE IN FUND BALANCE	-	-	1,656,418	1,656,418
FUND BALANCE, End of year	$ 4,174,284	$ 4,174,284	$ 5,830,702	$ 1,656,418

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, 2014

	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	$ 14,594	$ 25,274	$ -	$ 81,570	$ 17,088	$ 185,628	$ 324,154
Investments	22,152	-	-	-	-	-	22,152
Receivables (net of allowance for uncollectibles)	-	-	64,817	26,988	695	187,072	279,572
Interfund receivables	-	-	-	150,393	-	28,085	178,478
TOTAL ASSETS	$ 36,746	$ 25,274	$ 64,817	$ 258,951	$ 17,783	$ 400,785	$ 804,356
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ -	$ -	$ 1,176	$ 24,024	$ 3,559	$ 73,523	$ 102,282
Other accrued items	-	-	15,220	39,537	-	36,583	91,340
Interfund payables	215	-	-	5,464	-	244,172	249,851
TOTAL LIABILITIES	215	-	16,396	69,025	3,559	354,278	443,473
FUND BALANCES							
Judicial programs	36,531	-	-	-	-	46,507	83,038
Public safety programs	-	25,274	48,421	189,926	-	-	263,621
Housing and development programs	-	-	-	-	14,224	-	14,224
TOTAL FUND BALANCES	36,531	25,274	48,421	189,926	14,224	46,507	360,883
TOTAL LIABILITIES AND FUND BALANCES	$ 36,746	$ 25,274	$ 64,817	$ 258,951	$ 17,783	$ 400,785	$ 804,356

PICKENS COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	SPECIAL REVENUE FUNDS						
	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	EMERGENCY TELEPHONE SYSTEM	DRUG TASK FORCE	HOTEL/ MOTEL TAX	RESTRICTED PROGRAMS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ 21,641	$ -	$ 21,641
Intergovernmental	-	-	-	239,513	-	1,317,151	1,556,664
Fines and forfeitures	19,222	9,704	-	37,261	-	284,922	351,109
Charges for services	-	38,354	583,271	-	-	315,635	937,260
Contributions and donations	-	13,766	-	-	-	2,600	16,366
Investment income	177	65	-	70	17	136	465
Miscellaneous	-	-	54	-	-	-	54
TOTAL REVENUES	19,399	61,889	583,325	276,844	21,658	1,920,444	2,883,559
EXPENDITURES							
Current Expenditures							
Judicial	16,368	-	-	-	-	1,785,320	1,801,688
Public safety	-	71,985	977,177	51,537	-	-	1,100,699
Public health and welfare	-	-	-	-	-	59,105	59,105
Housing and development	-	-	-	-	4,016	-	4,016
Intergovernmental	3,670	-	-	265,875	16,231	131,478	417,254
Capital outlay	-	7,800	-	-	-	-	7,800
TOTAL EXPENDITURES	20,038	79,785	977,177	317,412	20,247	1,975,903	6,781,124
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(639)	(17,896)	(393,852)	(40,568)	1,411	(55,459)	(507,003)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	411,189	40,228	-	15,100	466,517
TOTAL OTHER FINANCING SOURCES (USES)	-	-	411,189	40,228	-	15,100	466,517
NET CHANGE IN FUND BALANCES	(639)	(17,896)	17,337	(340)	1,411	(40,359)	(40,486)
FUND BALANCES, Beginning of year	37,170	43,170	31,084	190,266	12,813	115,760	430,263
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	(28,894)	(28,894)
FUND BALANCES, Beginning of year, restated	37,170	43,170	31,084	190,266	12,813	86,866	401,369
FUND BALANCES, End of year	$ 36,531	$ 25,274	$ 48,421	$ 189,926	$ 14,224	$ 46,507	$ 360,883

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
LAW LIBRARY SPECIAL REVENUE FUND
For the Year Ended December 31, 2014

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 37,170	$ 37,170	$ 37,170	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	21,000	21,000	19,222	(1,778)
Investment income	(500)	(500)	177	677
Total Resources (Inflows)	20,500	20,500	19,399	(1,101)
AMOUNTS AVAILABLE FOR APPROPRIATION	57,670	57,670	56,569	(1,101)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	21,500	21,500	20,038	1,462
TOTAL CHARGES TO APPROPRIATIONS	21,500	21,500	20,038	1,462
CHANGE IN FUND BALANCE	(1,000)	(1,000)	(639)	361
FUND BALANCE, End of year	$ 36,170	$ 36,170	$ 36,531	$ 361

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, 2014

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 43,170	$ 43,170	$ 43,170	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	15,000	15,000	9,704	(5,296)
Charges for services	5,000	50,000	38,354	(11,646)
Contributions and donations	15,000	15,000	13,766	(1,234)
Investment income	-	-	65	65
Total Resources (Inflows)	35,000	80,000	61,889	(18,111)
AMOUNTS AVAILABLE FOR APPROPRIATION	78,170	123,170	105,059	(18,111)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	80,000	80,000	79,785	215
TOTAL CHARGES TO APPROPRIATIONS	80,000	80,000	79,785	215
CHANGE IN FUND BALANCE	(45,000)	-	(17,896)	(17,896)
FUND BALANCE, End of year	$ (1,830)	$ 43,170	$ 25,274	$ (17,896)

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, 2014

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 31,084	$ 31,084	$ 31,084	$ -
RESOURCES (INFLOWS)				
Charges for services	543,806	543,806	583,271	39,465
Investment income	300	300	-	(300)
Miscellaneous	-	-	54	54
Transfer in	486,814	486,814	411,189	(75,625)
Total Resources (Inflows)	1,030,920	1,030,920	994,514	(36,406)
AMOUNTS AVAILABLE FOR APPROPRIATION	1,062,004	1,062,004	1,025,598	(36,406)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	1,030,920	1,030,920	977,177	53,743
TOTAL CHARGES TO APPROPRIATIONS	1,030,920	1,030,920	977,177	53,743
CHANGE IN FUND BALANCE	-	-	17,337	17,337
FUND BALANCE, End of year	$ 31,084	$ 31,084	$ 48,421	$ 17,337

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, 2014

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 190,266	$ 190,266	$ 190,266	$ -
RESOURCES (INFLOWS)				
Intergovernmental	249,055	249,055	239,513	(9,542)
Fines and forfeitures	-	25,000	37,261	12,261
Investment income	-	-	70	70
Transfer in	45,000	45,000	40,228	(4,772)
Total Resources (Inflows)	294,055	319,055	317,072	(1,983)
AMOUNTS AVAILABLE FOR APPROPRIATION	484,321	509,321	507,338	(1,983)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	294,055	319,055	317,412	1,643
TOTAL CHARGES TO APPROPRIATIONS	294,055	319,055	317,412	1,643
CHANGE IN FUND BALANCE	-	-	(340)	(340)
FUND BALANCE, End of year	$ 190,266	$ 190,266	$ 189,926	$ (340)

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, 2014

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 12,813	$ 12,813	$ 12,813	$ -
RESOURCES (INFLOWS)				
Taxes	30,000	30,000	21,641	(8,359)
Investment income	500	500	17	(483)
Total Resources (Inflows)	30,500	30,500	21,658	(8,842)
AMOUNTS AVAILABLE FOR APPROPRIATION	43,313	43,313	34,471	(8,842)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	30,500	30,500	20,247	10,253
Transfers out	10,166	10,166	-	10,166
TOTAL CHARGES TO APPROPRIATIONS	40,666	40,666	20,247	20,419
CHANGE IN FUND BALANCE	(10,166)	(10,166)	1,411	11,577
FUND BALANCE, End of year	$ 2,647	$ 2,647	$ 14,224	$ 11,577

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, 2014

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 115,759	$ 115,759	$ 115,759	$ -
RESOURCES (INFLOWS)				
Intergovernmental	40,000	1,382,000	1,317,151	(64,849)
Fines and forfeitures	-	285,000	284,922	(78)
Charges for services	-	315,000	315,635	635
Contributions and donations	-	-	2,600	2,600
Investment income	100	100	136	36
Transfer in	-	-	15,100	15,100
Total Resources (Inflows)	40,100	1,982,100	1,935,544	(46,556)
AMOUNTS AVAILABLE FOR APPROPRIATION	155,859	2,097,859	2,051,303	(46,556)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	40,100	1,790,100	1,785,319	4,781
Public health and welfare	-	192,000	59,105	132,895
Intergovernmental	-	132,000	131,478	522
TOTAL CHARGES TO APPROPRIATIONS	40,100	2,114,100	1,975,902	138,198
CHANGE IN FUND BALANCE	-	(132,000)	(40,358)	91,642
PRIOR PERIOD ADJUSTMENT	-	-	(28,894)	(28,894)
FUND BALANCE, End of year	$ 115,759	$ (16,241)	$ 46,507	$ 91,642

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, 2014

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash	$ 1,271,714	$ 197,424	$ 272,424	$ 228,375	$ 53,203	$ 2,023,140
TOTAL ASSETS	$ 1,271,714	$ 197,424	$ 272,424	$ 228,375	$ 53,203	$ 2,023,140
LIABILITIES						
Amounts held in trust	$ 1,271,714	$ 197,424	$ 272,424	$ 228,375	$ 53,203	$ 2,023,140
TOTAL LIABILITIES	$ 1,271,714	$ 197,424	$ 272,424	$ 228,375	$ 53,203	$ 2,023,140

PICKENS COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended December 31, 2014

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash						
Balance, July 1, 2014	$ 68,376	$ 205,892	$ 268,541	$ 53,984	$ 23,334	$ 620,127
Additions	40,069,097	1,110,118	494,553	568,932	395,230	42,637,930
Deductions	(38,865,759)	(1,118,586)	(490,670)	(394,541)	(365,361)	(41,234,917)
Balance, December 31, 2014	1,271,714	197,424	272,424	228,375	53,203	2,023,140
TOTAL ASSETS	$ 1,271,714	$ 197,424	$ 272,424	$ 228,375	$ 53,203	$ 2,023,140
LIABILITIES						
Due to County						
Balance, July 1, 2014	$ -	$ -	$ -	$ -	$ -	$ -
Additions	12,390,369	632,208	246,810	72,884	191,431	13,533,702
Deductions	(12,390,369)	(632,208)	(246,810)	(72,884)	(191,431)	(13,533,702)
Balance, December 31, 2014	-	-	-	-	-	-
Amounts held in trust						
Balance, July 1, 2014	68,376	205,892	268,541	53,984	23,334	620,127
Additions	27,678,728	477,910	247,743	496,048	203,799	29,104,228
Deductions	(26,475,390)	(486,378)	(243,860)	(321,657)	(173,930)	(27,701,215)
Balance, December 31, 2014	1,271,714	197,424	272,424	228,375	53,203	2,023,140
Total Liabilities						
Balance, July 1, 2014	68,376	205,892	268,541	53,984	23,334	620,127
Additions	40,069,097	1,110,118	494,553	568,932	395,230	42,637,930
Deductions	(38,865,759)	(1,118,586)	(490,670)	(394,541)	(365,361)	(41,234,917)
TOTAL LIABILITIES	$ 1,271,714	$ 197,424	$ 272,424	$ 228,375	$ 53,203	$ 2,023,140

PICKENS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended December 31, 2014

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	EXPENDITURES CURRENT YEAR
Special Local Option Sales Tax				
2003 Projects:				
Road Improvements	$ 7,550,000	$ 6,242,313	$ 6,242,313	$ -
Capital Improvements				
Fire Department	2,250,000	2,484,658	2,484,658	-
Emergency Medical Services	1,250,000	1,122,100	1,122,100	-
Emergency 911	450,000	724,013	724,194	-
Sheriff Department	6,000,000	12,229,629	12,229,629	-
Water Department	4,500,000	2,465,482	2,465,482	-
Total 2003	$ 22,000,000	$ 25,268,195	$ 25,268,376	$ -
2008 Projects:				
Road Improvements	$ 1,476,356.00	$ 987,514.00	$ -	$ 1,007,652.29
Capital Improvements				
Courthouse	17,000,000	17,000,000	15,665,686	54,608
Debt Service Admin Building	2,726,000	3,123,649	3,123,649	-
Debt Service Detension Center	3,200,000	3,200,000	3,200,000	-
Parks and Recreation	3,000,000	3,000,000	-	-
Library	2,000,000	2,000,000	-	-
Public Safety	1,500,000	1,500,000	-	96,810
Water Line Improvements	2,000,000	2,000,000	-	-
Contractual Payments				
City of Jasper	954,889	954,889	-	544,411
City of Nelson	110,780	110,780	-	49,338
City of Talking Rock	31,975	31,975	-	5,525
Total 2008	$ 34,000,000	$ 33,908,807	$ 21,989,335	$ 1,758,344

PICKENS COUNTY, GEORGIA
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

State Program Name	Contract Number	Current Year Received	Current Year Expended	Amount Due from (to) State
Family Connections	93-141400098	$ 45,000	$ 45,000	$ 12,200

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

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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 29, 2015

Board of Commissioners
Pickens County, Georgia
Jasper, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2014, and the related notes to the financial statements, which collectively comprise the PICKENS COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated June 29, 2015. 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. Our report includes a reference to other auditors who audited the financial statements of the Pickens County Health Department, as described in our report on PICKENS COUNTY, GEORGIA's financial statements. This report does not include the results of the other auditors' 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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a

deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

CLERK OF COURT

2014-01

Statement of Condition:

During the audit, we received activity reports that included check numbers presented as a range with a subtotal, without any itemized detail. The Clerk of Court maintains its registry list of funds held in trust manually and was unable to provide an accurate listing of receipts for the Registry account or any type of general ledger/transaction summary detail.

Criteria:

A proper system of internal controls requires that accounting records be maintained and properly reconciled.

Effect of Condition:

Without a general ledger or detailed transactions list, there is a greater likelihood for errors or misstatements to occur and not be detected in a timely manner. It is also more difficult to determine amounts owed at any point in time for proper disbursement or reconciliation to cash on hand.

Cause of Condition:

Cause of condition unknown.

Recommendation:

We recommend that all transactions be maintained in some type of accounting software which will more accurately maintain accounting records, including itemized detail of funds held in trust. A reconciliation should be prepared monthly for each bank account which agrees the cash balance to the list of funds held in trust.

Response:

The Clerk of Court will contact her software vendor and will determine a process to maintain and produce system reports with account transaction detail and will generate detailed reports to accompany and support monthly reconciliations.

LANDFILL

2014-02 ***Statement of Condition:***

There is a lack of transaction and receipt documentation regarding cash and checks collected at the landfill.

Criteria:

In order to ensure proper internal controls, detailed records of all receipts should be kept in an itemized and observable format. Additionally, all customers should receive a receipt verifying payment of services provided by the County.

Effect of Condition:

This situation directly affects the availability of working funds for the County and the risk of loss from misplacement or misappropriation increases when adequate records are not maintained and reconciled.

Cause of Condition:

All records are kept manually rather than in some type of accounting software.

Recommendation:

We recommend that the Landfill keep detailed records of all receipts. The best way to account for the intake of cash and checks would be to utilize a form of software that maintains records of customers served on a daily basis and tracks payments made for the services. Additionally, daily transaction reports should be reconciled to agree with the deposit total and signed by landfill management.

Response:

Management agrees with this finding. In FY 2014, management will explore new options for tracking cash collections at the landfill locations. Additionally, Management will consider new methods of collecting revenue for the landfill facilities which will allow for a reduction in the frequency of cash transactions.

SHERIFF

2014-03 **Statement of Condition:**

During testing, we noted four citations that could not be located; therefore, we were not able to trace any related receipt of payments to the bank.

Criteria:

In order to ensure proper internal controls, a log should be maintained showing for all citations and record of delivery to the appropriate court.

Effect of Condition:

This risk of loss from misplacement or appropriation exists.

Cause of Condition:

Cause unknown.

Recommendation:
We recommend that all citations are delivered to the appropriate court within a timely period after the citation is written. When a citation is delivered, proof of receipt from the receiving court should be maintained for the Sheriff's records.

Response:
The Sheriff's Office will do everything in our ability to make sure citations are delivered to the appropriate court in a timely manner. The Sheriff's Office will implement the use of a citation receipt log. The citation receipt log will be signed by the receiving court each time citations are delivered.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether PICKENS COUNTY, GEORGIA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

COURT GRANTS

2014-04

Statement of Condition:
During the audit of restricted court grants, it was realized that funds relating to the Redemption Outreach, Inc - a 501c3 organization - that serves housing for participants that are active in the accountability courts for the Appalachian Judicial Circuit have been deposited and disbursed out of Pickens County bank accounts.

Criteria:
In order to ensure proper internal controls, and compliance relating to federal and state grants, funds should not be commingled with any unrelated funds that do not meet the criteria/purpose of the restricted grant program being funded.

Effect of Condition:
This situation results in a non-compliance issue relating to grant administration. By commingling funds, the grant funds are not being maintained in a appropriate manner per official grant documents from federal and/or state funding agencies.

Cause of Condition:
Unknown

Recommendation:
We recommend that a separate bank account be opened to record all transactions

associated with Redemption Outreach, Inc. to permanently and wholly remove record keeping out of the restricted court grant funds.

Response:
Management agrees with this finding. On June 4, 2015 a newly formed board of directors of the Redemption Outreach, Inc., 501c3 organization voted unanimously to open a separate bank account and to transfer all funds relating to the not-for-profit organization into the new account. This task has been completed as of the date of the audit report and moving forward all record keeping will be maintained separately from court accountability grants.

PICKENS COUNTY, GEORGIA'S RESPONSE TO FINDINGS

PICKENS COUNTY, GEORGIA's response to the findings identified in our audit are described above. PICKENS COUNTY, GEORGIA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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

Bates, Lark & Co., LLP