

**Pickens County, South Carolina**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Prepared by:

Ralph Guarino, Finance Director for Pickens County

# PICKENS COUNTY, SOUTH CAROLINA

## Comprehensive Annual Financial Report

For the Fiscal Year June 30, 2011

### Table of Contents

	<u>Exhibit</u>	<u>Page</u>
<b><u>Part I – Introductory Section</u></b>		
Letter of Transmittal		1-5
Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting		6
Pickens County Organization Chart		7
Principal Officials		8
<b><u>Part II – Financial Section</u></b>		
<b>Independent Auditors’ Report</b>		9-10
<b>Management’s Discussion and Analysis (Required Supplementary Information)</b>		11-19
<b>Basic Financial Statements</b>		
Government – wide Financial Statements:		
Statement of Net Assets	A	20
Statement of Activities	B	21
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C-1	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	D-1	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	D-2	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	D-3	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Fire Districts	D-4	27

# PICKENS COUNTY, SOUTH CAROLINA

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

### Table of Contents – continued

	<u>Exhibit</u>	<u>Page</u>
Statement of Net Assets – Proprietary Funds	E	28
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	F	29
Statement of Cash Flows – Proprietary Funds	G	30
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	H	31
Notes to Financial Statements		32-56
	<u>Schedule</u>	<u>Page</u>
<b>Other Supplementary Information:</b>		
Budgetary Comparison Schedule – General Fund	1	57-59
Combining Balance Sheet – Major Fund – Fire Districts	2	60-61
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Major Fund – Fire Districts	3	62-63
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Easley Fire District Fund	4	64
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Liberty Fire District Fund	5	65
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Pumpkintown Fire District Fund	6	66
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Crosswell Fire District Fund	7	67
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Six Mile Fire District Fund	8	68
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Pickens Fire District Fund	9	69

# PICKENS COUNTY, SOUTH CAROLINA

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

### Table of Contents – continued

	<u>Schedule</u>	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Dacusville Fire District Fund	10	70
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Holly Springs Fire District Fund	11	71
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Central Fire District Fund	12	72
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Shady Grove Fire District Fund	13	73
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Rocky Bottom Fire District Fund	14	74
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Vineyards Fire District Fund	15	75
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Springs Fire District Fund	16	76
Combining Schedules – Nonmajor Governmental Funds		77-78
Combining Balance Sheet – Nonmajor Governmental Funds	17	79
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	18	80
Combining Balance Sheet – Nonmajor Special Revenue Funds	19	81-82
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	20	83-84
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tri – County Tech Fund	21	85
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Library Fund	22	86
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Victim Rights Fund	23	87

# PICKENS COUNTY, SOUTH CAROLINA

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

### Table of Contents – continued

	<u>Schedule</u>	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Accommodation Tax Fund	24	88
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tourism Development Fee Fund	25	89
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Emergency Phone System Fund	26	90
Combining Schedules – Debt Service Fund		91
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	27	92
Combining Statements – Agency Funds		93
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	28	94-95
Capital Assets Used in the Operation of Governmental Funds:		
Schedule of Capital Assets by Function	29	96
Schedule of Changes in Capital Assets by Function	30	97

### Part III – Statistical Section

Statistical Section	98
Net Assets by Component (Accrual Basis of Accounting)	99
Changes in Net Assets (Accrual Basis of Accounting)	100-102
Fund Balances – Governmental Funds (Modified Accrual Basis of Accounting)	103
Changes in Fund Balances – Governmental Funds (Modified Accrual Basis of Accounting)	104
Assessed Value and Estimated Actual Value of Taxable Property	105
Property Tax Rates – Direct and Overlapping Rates	106
Principal Property Taxpayers	107
County Property Tax Levy and Collections	108
Ratios of Outstanding Debt by Type	109
Ratios of General Bonded Debt Outstanding	110
Computation of Legal Debt Margin	111

# PICKENS COUNTY, SOUTH CAROLINA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

## Table of Contents – continued

Pledged Revenue Coverage	112
Demographic and Economic Statistics	113
Principal Employers	114
Authorized County Employee Positions by Function	115
Operating Indicators by Function/Program	116
Capital Asset Statistics by Function/Program	117

### **Part IV – Single Audit Section**

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	118-119
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	120-121
Schedule of Findings and Questioned Costs	122-125
Schedule of Expenditures of Federal Awards	126
Note to Schedule of Expenditures of Federal Awards	127

### **Part V – Compliance Section**

Supplementary Information Required by State of South Carolina Schedule of Assessments for Victim Services	128
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INTRODUCTORY SECTION

# COUNTY OF PICKENS

[www.co.pickens.sc.us](http://www.co.pickens.sc.us)



## COUNCIL MEMBERS

JENNIFER H. WILLIS, CHAIRMAN  
G. NEIL SMITH, VICE CHAIRMAN  
TOM PONDER, V.C. PRO-TEM  
JEFF MARTIN  
TREY WHITEHURST  
SAM WYCHE

COUNTY ADMINISTRATOR  
J. Chappell Hurst, Jr.  
CLERK TO COUNCIL  
Donna F. Owen

November 18, 2011

Honorable Chairman, Council Members,  
and County Administrator  
Pickens County, South Carolina

The Comprehensive Annual Financial Report (Report) for the County of Pickens, South Carolina, for the fiscal year ended June 30, 2011, is hereby submitted pursuant to South Carolina Code Title 4 Chapter 9 Section 150 of the South Carolina Code of Laws. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures rests with the County. The staff of the Finance Department compiled this report in close cooperation with the external auditors. It represents the official report of the County's financial operations and condition to the citizens, County Council, County management, rating agencies and other interested persons.

We believe that the Report, prepared by the County's Finance Department, based on U.S. generally accepted accounting principals (GAAP), presents fairly and consistently the County's financial position and changes in financial position and conforms to the standard of governmental accounting and financial reporting principals as promulgated by the Governmental Accounting Standards Board (GASB). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and changes in the financial position of the County; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activity have been included.

The County's management is responsible for establishing and maintaining internal control to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits require estimates and judgments by management. All internal control evaluations occur within this framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In compliance with the laws of the State of South Carolina, the County's financial statements have been audited by Cherry, Bekaert & Holland, L.L.P., a firm of licensed certified public accountants. The audit was performed to provide reasonable assurance that the financial statements are free of material misstatement for the fiscal year ended June 30, 2011. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The Independent Auditors' report is presented in the Financial Section of this report.



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

## **PROFILE OF THE GOVERNMENT**

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

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

The County provides a full range of services including elections, assessment and taxation, public safety, corrections, criminal and civil court, roads and bridges maintenance, emergency management, animal control, parks, solid waste disposal, recycling and environmental services. In addition to the various operational departments of the County, one discretely presented component unit is presented in addition to the primary government. The Economic Development Alliance of Pickens County (the "Alliance") was established in 2005 to aggressively promote and preserve job opportunities and increase per capita income through high quality, environmentally sound recruitment and expansion of existing business and industry of Pickens County. A 13 member Board of Directors, six of which are appointed to staggered terms by County Council, governs the Alliance.

## **BUDGETARY CONTROLS**

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

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

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

Transfers between departments within the same fund require County Council approval by ordinance. Transfers between funds require County Council approval by ordinance. Increases in total appropriations require County Council approval by ordinance.

**FACTORS AFFECTING FINANCIAL CONDITION**

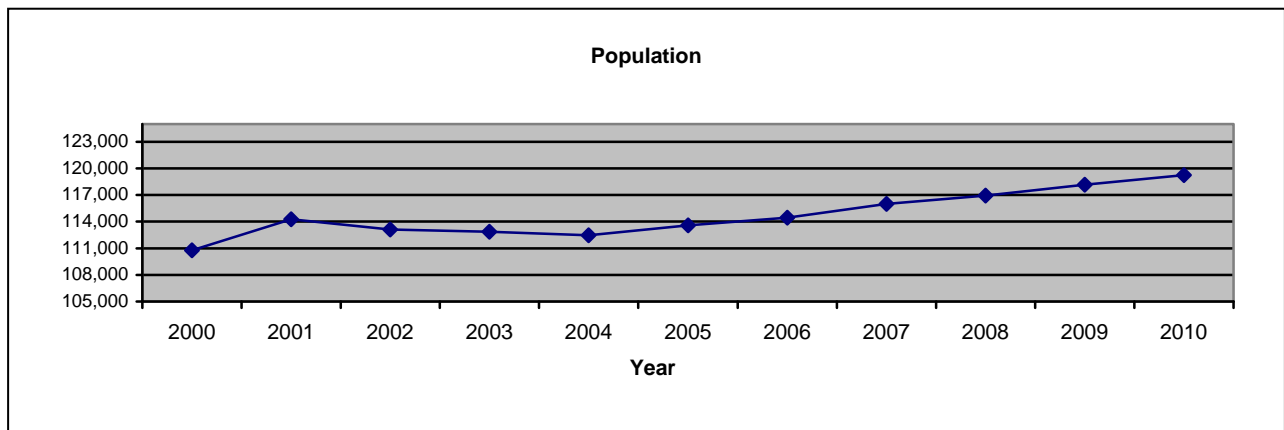
**Local Economy**

With a work force of over 60,000, Pickens County has an ample labor pool. It is a diverse work force - comprised of skilled advanced manufacturing workers in industries from metalworking and automotive to fibers and kayaks to ceramics and implant cardio defibrillators. In the Pickens County labor draw area, there are over 56,000 employed in manufacturing, with more than half employed in the metalworking/industrial equipment industries. But these figures don't tell the entire story. Underemployed figures give a more accurate depiction of employees, particularly skilled workers. Pickens and the surrounding counties comprise its true labor pool where 49,600 unemployed combine with 109,700 underemployed workers (those individuals who would take a better job if offered by a new or existing employer and who possess the skills, education, and experience to qualify them for a better job) and 14,700 who are not currently seeking employment but are contemplating re-entering the work force for a total available work force of over 215,000. The County also has a major presence within the area relating to education with Clemson University and the School District of Pickens County employing over 3,500 and 1,800 people, respectively.

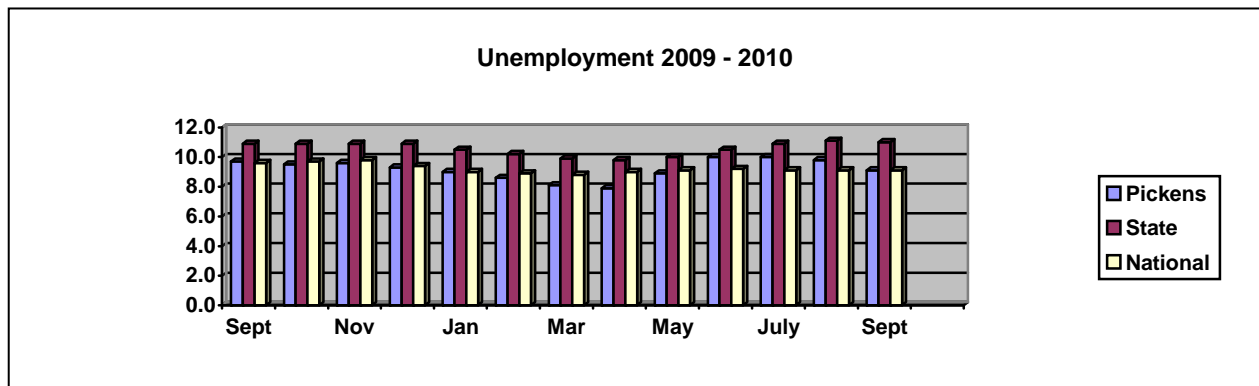
The County population grew 7.6% between the 2000 and 2010 censuses with average annual growth of .76% for the period. This has resulted in Pickens County lagging behind in the South Carolina Upstate region, which experienced an 11.2% population growth between censuses. The State of South Carolina experienced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

**Expected Growth**

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



According to the South Carolina Employment Security Commission, unemployment decreased in September (latest available numbers) from the previous year figure of 9.7% to 9.1%. This is below the State of South Carolina unemployment rate of 11.0% and the same for the United States at 9.1% in September 2011.



### Long-Term Financial Planning

The County entered FY 2011 with a strong financial position as noted with our credit rating with Moody's of A1, Fitch Rating of AA- and Standard & Poor's of AA-. Total fund balance and unassigned fund balance as of June 30, 2011, in the General Fund was \$27,154,856 and \$21,624,814 respectively. This represents 75% and 60% of expenditures, respectively.

The County recently completed a detailed Capital Improvements Plan (C.I.P.) for the next five years. In the past, the County's focus on a Capital Improvements Plan related to capital items which cost greater than \$75,000. Five years ago, the County went a step further to include all capital items which include items costing \$5,000 or more. In the end, the County will allocate over \$7.9 million over the next five years for capital items. This C.I.P. plan was accomplished with a minor tax increase in FY 2004 of 2 mils on the citizens of the County.

Council approved, as part of continuation of the Fiscal Year 2011 budget, the expansion of the Waste Water Treatment Facility. This expansion includes a \$3.2 million upgrade of the Central-North Waste Water Treatment Plant. The project includes the installation of twin 150,000 gallon per day package waste water treatment plants, replacement of certain head works equipment, the conversion of the aeration basin to a storm surge basin and the installation of a UV disinfection system. The project will be funded by a \$1.7 million USDA loan and a \$2.0 million grant. In August 2010, Council completed the purchase of 520 acres of land on Highway 123 near Central, South Carolina for \$2,845,000. The land was originally purchased in the early 1990's by Anderson, Oconee and Pickens County and the plan was to use the land for a tri-county landfill. After several years of no decision on developing the property, the Counties agreed to sell the property to the highest bidder. The County was the lone bidder and after fees were deducted, the County received 1/3 of the sales price which was approximately \$940,000. There are no current plans for the use of the land but it is expected to be used for some type of economic development project.

### Risk Management

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

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

### **Pension Plans**

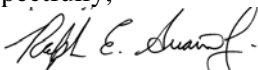
Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Retirement System (PORS), both of which are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board.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

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickens County for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report would not have been possible without the assistance of the Finance Department staff. The hard work and dedication of these individuals significantly contributed to the completion of this document. Moreover, the support and leadership of the County Council and the Administrator have been instrumental in the development of this report. We would also like to thank the accounting firm of Cherry, Bekaert & Holland, L.L.P. for their assistance with this project.

Respectfully,



Ralph E. Guarino, Jr.  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pickens County  
South Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



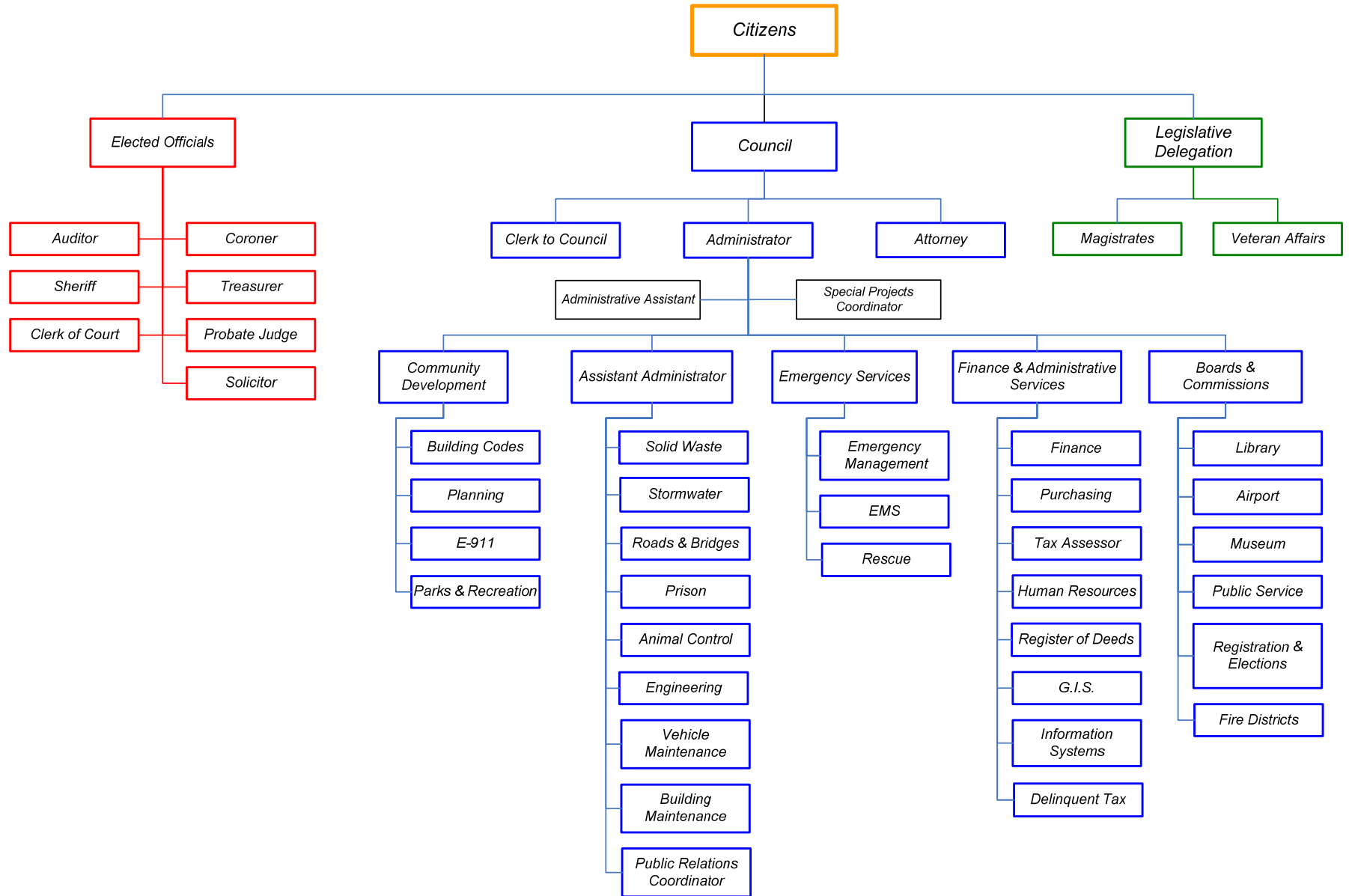
*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

# Pickens County



PICKENS COUNTY, SOUTH CAROLINA

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PRINCIPAL OFFICIALS

For the Year Ended June 30, 2011

MEMBERS OF COUNTY COUNCIL

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

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

FINANCIAL SECTION





## Independent Auditors' Report

Pickens County Council  
Pickens, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the Economic Development Alliance of Pickens County (the "Alliance"), a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina (the "County") as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the Alliance, a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Fire District Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the County adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the year ended June 30, 2011.

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2011 on our consideration of Pickens County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, as listed in the table of contents on pages 11 to 19, is not a required part of the basic financial statements but is supplementary information as required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pickens County, South Carolina's basic financial statements. The introductory section, the other supplementary information, statistical section and the compliance section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information, the Schedule of Expenditures of Federal Awards and the compliance section as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Cheng, Behaert + Holland, L.L.P.*

Greenville, South Carolina  
November 18, 2011

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pickens County, we offer readers of Pickens County's financial statements this narrative overview and analysis of the financial activities of Pickens County for the fiscal year ended June 30, 2011. We encourage readers to read the information presented here in conjunction with additional information we have furnished in the County's financial statements, which follow this narrative.

### Financial Highlights

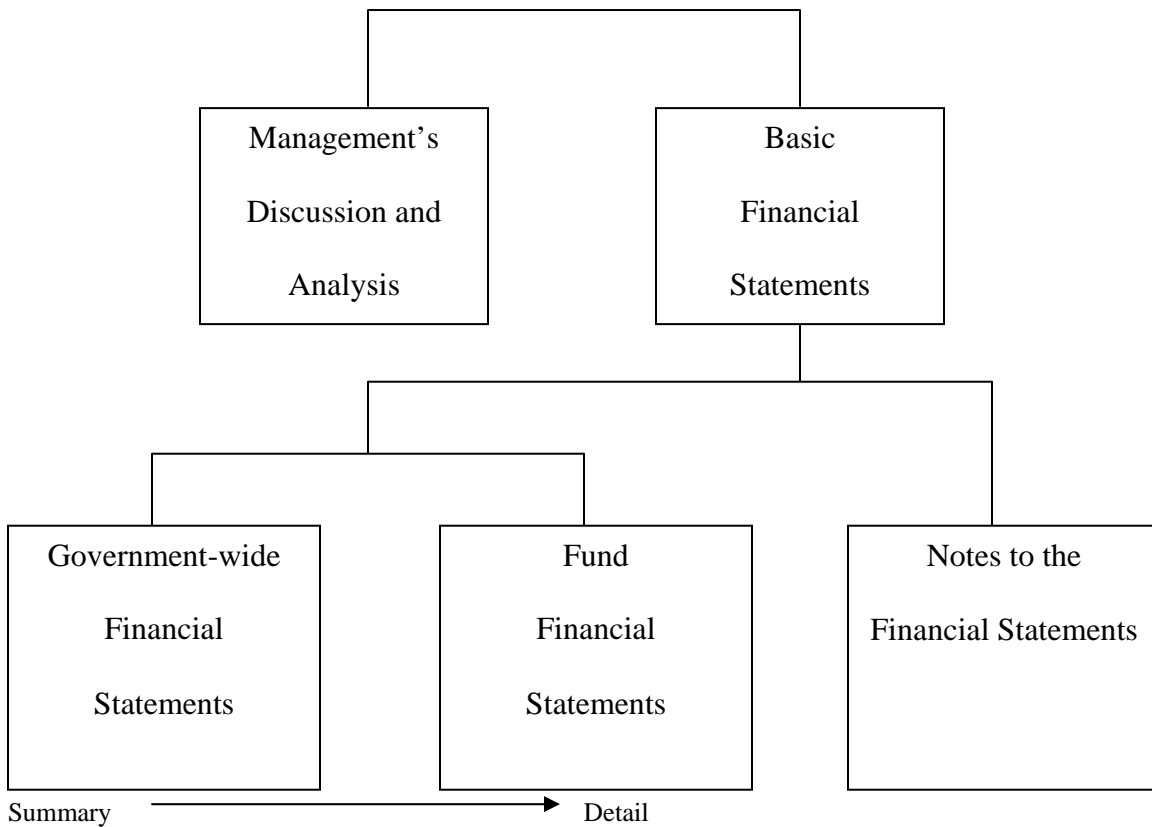
- The assets of Pickens County exceeded its liabilities at the close of the fiscal year by \$109,398,263. Of this amount \$45,915,898 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$6,687,942, several elements of this increase were due to the conservative approach Council makes toward estimating revenues for the budget, attrition of County employees and deferral of acquisitions of capital items.
- The County's General Fund total fund balance increased by \$932,808 during the 2011 fiscal year due to the increase in revenues from EMS collections, vacant positions not being filled, a decrease in health insurance premiums for County employees, and higher than expected local option sales tax.
- The County had \$47,777,831 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$16,540,727 of these expenses. General revenues (primarily taxes and unrestricted grants) and net assets of \$37,792,139 provided the remaining funding for these programs.
- As of the close of the current fiscal year, Pickens County's governmental funds reported combined ending fund balances of \$39,209,904 an increase of \$1,629,055 in comparison with the prior year. Approximately 66% of this total amount, or \$25,875,573, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$20,039,896 or 74% of total general fund expenditures for the fiscal year.
- Pickens County's total debt decreased by \$1,703,670 during the current fiscal year.
- During the 2011 fiscal year, the County's governmental fund type revenues were approximately \$55.4 million compared to \$53.7 million in the prior year.

### Overview of the Financial Statements

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

## Required Components of the Annual Financial Report

Figure 1



### Basic Financial Statements

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

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

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

### Government-wide Financial Statements

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

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to assess the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the County's basic services such as public safety, parks and recreation and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities include the sewer and airport services offered by Pickens County. The County collects revenues from the users of these services.

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

### **Fund Financial Statements**

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

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

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

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

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

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

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning Pickens County’s general obligation debt. Required supplementary information, as listed in the table of contents, can be found beginning at Schedule 1. Additional trend information about Pickens County can be found in the Statistical Section of the report and information about federal grants can be found in the Single Audit Section.

### Government-Wide Financial Analysis

#### Pickens County’s Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 47,031,862	\$ 45,924,775	\$ 2,226,818	\$ 3,148,601	\$ 49,258,680	\$ 49,073,376
Capital assets	61,605,468	57,870,703	34,198,272	33,282,344	95,803,740	91,153,047
Total assets	<u>108,637,330</u>	<u>103,795,478</u>	<u>36,425,090</u>	<u>36,430,945</u>	<u>145,062,420</u>	<u>140,226,423</u>
Long-term liabilities outstanding	23,561,495	24,312,698	4,834,005	4,918,722	28,395,500	29,231,420
Other liabilities	6,881,310	7,843,290	509,953	563,998	7,391,263	8,407,288
Total liabilities	<u>30,442,805</u>	<u>32,155,988</u>	<u>5,343,958</u>	<u>5,482,720</u>	<u>35,786,763</u>	<u>37,638,708</u>
Net assets:						
Invested in capital assets, net of related debt	34,058,641	35,269,425	29,301,120	28,304,398	63,359,761	63,573,823
Restricted	12,451,931	11,358,716	631,008	631,008	13,082,939	11,989,724
Unrestricted	31,683,953	25,011,349	1,149,004	2,012,819	32,832,957	27,024,168
Total net assets	<u>\$ 78,194,525</u>	<u>\$ 71,639,490</u>	<u>\$ 31,081,132</u>	<u>\$ 30,948,225</u>	<u>\$ 109,275,657</u>	<u>\$ 102,587,715</u>

As noted earlier, net assets may serve over time as one useful indicator of a government’s financial condition. The assets of Pickens County exceeded liabilities by \$109,398,263 as of June 30, 2011. The County’s net assets increased by \$6,687,942 for the fiscal year ended June 30, 2011. The County’s investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt still outstanding that was issued to acquire those items accounts for the largest portion was \$63,359,761 (58% of total net assets). Pickens County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Pickens County’s investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Pickens County’s net assets of \$12,259,304 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$33,779,798 (30.9%) is unrestricted.

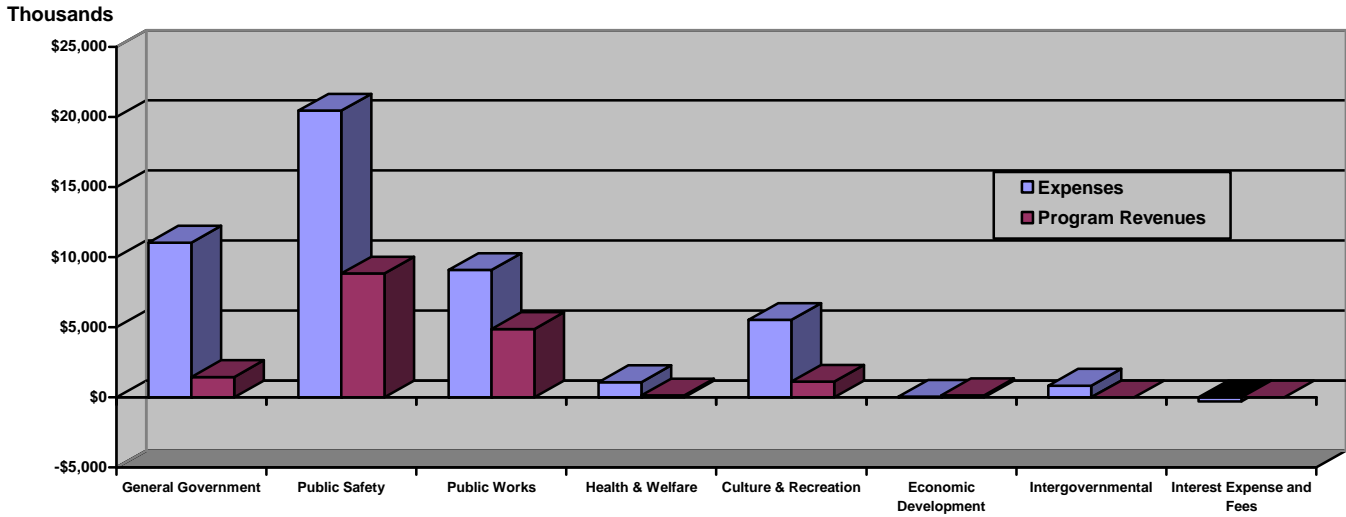
**Pickens County's Changes in Net Assets**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	Total
	2011	2010	2011	2010	2011	2010
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 10,299,372	\$ 9,918,057	\$ 1,736,509	\$ 1,657,901	\$ 12,035,881	\$ 11,575,958
Operating grants and contributions	5,743,390	4,998,531	-	-	5,743,390	4,998,531
Capital grants and contributions	497,965	717,022	1,023,482	1,179,087	1,521,447	1,896,109
General revenues:						
Property taxes	25,721,666	25,752,172	-	-	25,721,666	25,752,172
Other taxes	7,231,974	6,536,621	-	-	7,231,974	6,536,621
Grants and contributions not restricted to specific programs	4,664,736	5,592,546	-	-	4,664,736	5,592,546
Other	1,634,726	196,526	(9,285)	-	1,625,441	196,526
<b>Total revenues</b>	<b>55,793,829</b>	<b>53,711,475</b>	<b>2,750,706</b>	<b>2,836,988</b>	<b>58,544,535</b>	<b>56,548,463</b>
<b>Expenses:</b>						
General government	10,917,949	11,104,765	-	-	10,917,949	11,104,765
Public safety	20,465,118	20,917,120	-	-	20,465,118	20,917,120
Public works	9,094,190	10,179,397	-	-	9,094,190	10,179,397
Health and welfare	1,078,351	1,229,437	-	-	1,078,351	1,229,437
Culture and recreation	5,520,862	5,206,481	-	-	5,520,862	5,206,481
Economic development	381,571	427,052	-	-	381,571	427,052
Intergovernmental	827,473	901,755	-	-	827,473	901,755
Unallocated interest expense and fees	92,815	94,907	-	-	92,815	94,907
Public service commission	-	-	2,451,997	2,493,077	2,451,997	2,493,077
Airport	-	-	903,663	817,008	903,663	817,008
<b>Total expenses</b>	<b>48,378,329</b>	<b>50,060,914</b>	<b>3,355,660</b>	<b>3,310,085</b>	<b>51,733,989</b>	<b>53,370,999</b>
Increase (decrease) in net assets before transfers	7,415,500	3,650,561	(604,954)	(473,097)	6,810,546	3,177,464
Transfers	(737,861)	(674,635)	737,861	674,635	-	-
Increase (decrease) in net assets	6,677,639	2,975,926	132,907	201,538	6,810,546	3,177,464
Net assets, beginning	71,639,492	68,663,564	30,948,225	30,896,725	102,587,717	99,560,289
Prior period adjustment	-	-	-	(150,038)	-	(150,038)
Net assets, beginning (restated)	71,639,492	68,663,564	30,948,225	30,746,687	102,587,717	99,410,251
Net assets, ending	\$ 78,317,131	\$ 71,639,490	\$ 31,081,132	\$ 30,948,225	\$ 109,398,263	\$ 102,587,715

**Governmental activities** – Governmental activities increased the County’s net assets by \$6,555,035. Several particular aspects of the County’s financial operations positively influenced the total governmental activities:

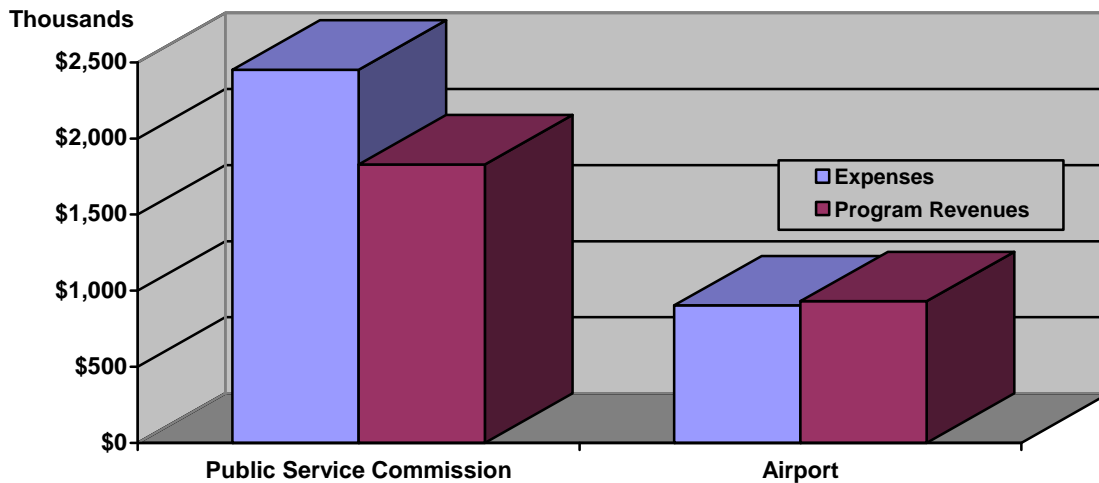
- Increased charges for services revenue due to growth in the EMS fees and the County participation in the State of South Carolina off-set debt collection program. This program enables political subdivisions of the State to file a lien against taxpayers for unpaid bills. If a citizen is due a refund from the State from excess income tax payments, the refund is first offset against any liens filed against the taxpayer. For fiscal year 2011, the County collected approximately \$146,000 for this program and for the eight years Pickens County has participated in the program, the County has collected \$1.31 million.
- The County projected a 5% increase in health insurance cost for FY 2011, however after negotiations with the insurance company, the County did not have a health insurance increase for FY 2011. Also the County received approximately \$400,000 back from the insurance company for the over estimation on claims from being partially self insured.

**Expenses and Program Revenues - Governmental Activities**



**Business-type activities** – Business-type activities increased Pickens County’s net assets by a modest \$132,907, accounting for a portion of the total growth in the government’s net assets. An element for this increase in net assets was the County received a capital grant from the Federal and State government for the widening and relocation of the taxiway to the proposed box hangars in the amount of \$422,386. Also the County received a capital grant for the Public Service Commission for extending a trunk line at the 18 Mile Creek Plant.

**Expenses and Program Revenues - Business Activities**





## Financial Analysis of the County's Funds

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

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

The general fund is the chief operating fund of Pickens County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$20,039,896, while total fund balance reached \$27,154,856. Several items contributed to this increase in fund balance: EMS revenues were \$300,000 higher than expected, delinquent tax revenues were \$350,000 higher than budgeted, however vehicle taxes were lower by \$200,000, health insurance came in lower than an estimated cost of a 5% along with the refund from the insurance company of \$400,000 resulted in a \$1 million savings and vacant positions attributed \$375,000 to the net assets of the general fund. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 55.3% of total General Fund expenditures, while total fund balance represents 74.9% of that same amount.

At June 30, 2011, the governmental funds of Pickens County reported a combined fund balance of \$39,209,904, a 4.3% increase over last year. The primary reason for this increase is due to the items listed in the above paragraph.

**General Fund Budgetary Highlights** – During the fiscal year, the County revised the budget on one occasion. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted expenditures by \$3,521,488.

**Proprietary Funds** – Pickens County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Wastewater Treatment Fund at the end of the fiscal year amounted to \$1,127,971 and those for the airport equaled \$21,033. The total adjustment in net assets for Public Service Commission and the Airport was \$(166,017) and \$298,924 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Pickens County's business-type activities.

### Capital Asset and Debt Administration

**Capital assets** – Pickens County's capital assets for its governmental and business-type activities as of June 30, 2011, totaled \$94,349,689 (net of accumulated depreciation). This is a net increase of \$4,670,040 or 5.2%. These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, construction-in-progress and vehicles.

Major capital asset transactions during the year include:

- Purchased various types of new equipment for Sheriff's Office, Solid Waste, Roads & Bridges and Emergency Medical Service Department
- Purchased land at the former proposed Tri-County Landfill with Anderson and Oconee County
- Purchased land for Economic Development and the Airport
- Built a new Quickjobs center at the new Tri-County Technical College Easley Campus
- Built a park pavilion at Mile Creek Park

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

**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 6,979,580	\$ 4,057,517	\$ 1,189,023	\$ 1,001,358	\$ 8,168,603	\$ 5,058,875
Buildings	23,058,167	22,943,841	1,689,733	2,152,941	24,747,900	25,096,782
Improvements and infrastructure	18,626,568	19,314,414	27,649,625	28,472,059	46,276,193	47,786,473
Machinery and equipment	10,358,890	9,422,321	144,041	81,251	10,502,931	9,503,572
Construction in progress	1,128,212	659,212	3,525,850	1,574,735	4,654,062	2,233,947
<b>Total</b>	<b>\$ 60,151,417</b>	<b>\$ 56,397,305</b>	<b>\$ 34,198,272</b>	<b>\$ 33,282,344</b>	<b>\$ 94,349,689</b>	<b>\$ 89,679,649</b>

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

**Long-term Debt** – As of June 30, 2011, Pickens County had total bonded debt outstanding of \$13,599,219 part of which is debt backed by the full faith and credit of the County.

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

**Figure 4**

	Governmental Activities	
	2011	2010
General obligation bonds	\$ 13,599,219	\$ 14,121,644

Pickens County's total long-term debt decreased by \$1,703,670 during the past fiscal year. The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Pickens County is \$25,523,851. The County has \$9,738,018 in bonds and notes authorized at June 30, 2011, which is pledged against the full faith, credit and taxing power of Pickens County.

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

## **Economic Factors and Next Year's Budgets and Rates**

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

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

Known as *Time* Magazine's 2000 "Public School of the Year," and *U.S. News & World Report's* Top 20 Engineering Schools, Clemson University and its focus on academics and applied research, has been a major draw for industry. The community's economic diversity stems in large part from the University's support of industries through applied programs, groundbreaking research and development and by supplying a skilled work force.

Manufacturing is the County's primary source of economic growth, with approximately 150 facilities in the Easley, Liberty and Pickens areas. Pickens County and the surrounding communities in the Upstate of South Carolina is an emerging automotive hub. From Clemson University's world class ICAR (International Center for Automotive Research) facility with plans for a full-scale 200 mph rolling test track and motor sport research facilities to the North American BMW manufacturing plant located within a 45 minute drive, Pickens County is the perfect location for tier-1, 2 and 3 automotive suppliers.

Alliance Pickens, the economic development organization, also fosters industry growth by offering aggressive incentives and existing industry programs such as a partnership with the well-known technical schools system that helps train workers at little or no cost to companies.

## **Budget Highlights for the Fiscal Year Ending June 30, 2012**

The budget will relatively remain the same for fiscal year 2012. The total expenditures for fiscal year 2012 will be \$51,768,778 compared to \$51,993,345 for fiscal 2011 which is a decrease of .5%. The budget includes a 2.5% cost of living increase for employees, capital equipment replacement of \$1,487,787, and health insurance increase of 8%. The largest portion of the General Fund expenditures is personnel services which account for 69% of the budget. The largest portion on the revenue side is taxes and this accounts for 66.77% of the revenue. Taxes are made up of property taxes and sales use taxes and account for 72% and 28% of all taxes in the General Fund, respectively.

## **Requests for Information**

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

**PICKENS COUNTY, SOUTH CAROLINA**

**Statement of Net Assets**

**June 30, 2011**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>	<u>Alliance Pickens</u>	<u>Total Reporting Unit</u>
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 38,414,816	\$ 2,034,162	\$ 40,448,978	\$ 471,476	\$ 40,920,454
Property taxes receivable	2,594,566	-	2,594,566	-	2,594,566
Accounts receivable - other	3,114,830	91,946	3,206,776	-	3,206,776
Due from other governments	2,513,656	46,362	2,560,018	-	2,560,018
Note receivable	31,891	-	31,891	-	31,891
Inventories	272,041	53,755	325,796	-	325,796
Prepaid items	90,062	593	90,655	-	90,655
<b>Total current assets</b>	<u>47,031,862</u>	<u>2,226,818</u>	<u>49,258,680</u>	<u>471,476</u>	<u>49,730,156</u>
Non-current assets:					
Land held for resale	1,345,186	-	1,345,186	-	1,345,186
Deferred charges - issuance costs	100,851	-	100,851	-	100,851
Deferred charges - refunding	8,014	-	8,014	-	8,014
Capital assets, not being depreciated	8,107,792	4,714,873	12,822,665	-	12,822,665
Capital assets, net of accumulated depreciation	52,043,625	29,483,399	81,527,024	-	81,527,024
<b>Total non-current assets</b>	<u>61,605,468</u>	<u>34,198,272</u>	<u>95,803,740</u>	<u>-</u>	<u>95,803,740</u>
<b>Total assets</b>	<u>108,637,330</u>	<u>36,425,090</u>	<u>145,062,420</u>	<u>471,476</u>	<u>145,533,896</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	2,778,836	333,277	3,112,113	21,545	3,133,658
Accrued payroll	1,248,843	25,159	1,274,002	11,710	1,285,712
Accrued interest payable	147,606	-	147,606	-	147,606
Current portion, long-term debt	2,485,181	85,718	2,570,899	-	2,570,899
Unearned revenue	220,842	65,799	286,641	118,000	404,641
<b>Total current liabilities</b>	<u>6,881,308</u>	<u>509,953</u>	<u>7,391,261</u>	<u>151,255</u>	<u>7,542,516</u>
Non-current liabilities:					
Landfill closure and postclosure	2,585,824	-	2,585,824	-	2,585,824
Capital leases	780,652	-	780,652	-	780,652
Notes payable	4,958,160	-	4,958,160	-	4,958,160
General obligation bonds	11,904,715	-	11,904,715	-	11,904,715
Revenue bonds	-	4,812,433	4,812,433	-	4,812,433
Accrued compensated absences	944,459	21,572	966,031	-	966,031
Net OPEB obligation	2,265,081	-	2,265,081	-	2,265,081
<b>Total non-current liabilities</b>	<u>23,438,891</u>	<u>4,834,005</u>	<u>28,272,896</u>	<u>-</u>	<u>28,272,896</u>
<b>Total liabilities</b>	<u>30,320,199</u>	<u>5,343,958</u>	<u>35,664,157</u>	<u>151,255</u>	<u>35,815,412</u>
<b>Net assets</b>					
Invested in capital assets, net of related debt	34,058,641	29,301,120	63,359,761	-	63,359,761
Restricted for:					
Capital projects	-	-	-	-	-
Debt service	320,569	-	320,569	-	320,569
Public works	6,128,174	-	6,128,174	-	6,128,174
Public safety	2,931,940	-	2,931,940	-	2,931,940
Cultural and recreation	2,223,624	-	2,223,624	-	2,223,624
Intergovernmental	23,989	-	23,989	-	23,989
Other purposes	-	631,008	631,008	-	631,008
Net assets, unrestricted	32,630,194	1,149,004	33,779,198	320,221	34,099,419
<b>Total net assets</b>	<u>\$ 78,317,131</u>	<u>\$ 31,081,132</u>	<u>\$ 109,398,263</u>	<u>\$ 320,221</u>	<u>\$ 109,718,484</u>

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

## PICKENS COUNTY, SOUTH CAROLINA

Statement of Activities  
Year Ended June 30, 2011

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	Total Reporting Unit	
					Governmental Activities	Business-Type Activities	Total Primary Government		Alliance Pickens
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 10,917,949	\$ 1,229,792	\$ 213,928	\$ 192	\$ (9,474,037)	\$ -	\$ (9,474,037)	\$ -	\$ (9,474,037)
Public safety	20,465,118	7,295,934	1,483,109	52,351	(11,633,724)	-	(11,633,724)	-	(11,633,724)
Public works	9,094,190	1,242,067	3,614,036	12,731	(4,225,356)	-	(4,225,356)	-	(4,225,356)
Health and welfare	1,078,351	12,495	123,214	-	(942,642)	-	(942,642)	-	(942,642)
Cultural and recreation	5,520,862	519,084	309,103	288,124	(4,404,551)	-	(4,404,551)	-	(4,404,551)
Economic development	381,571	-	-	144,567	(237,004)	-	(237,004)	-	(237,004)
Unallocated interest expense and fees	92,815	-	-	-	(92,815)	-	(92,815)	-	(92,815)
Debt service - other	827,473	-	-	-	(827,473)	-	(827,473)	-	(827,473)
Total governmental activities	<u>48,378,329</u>	<u>10,299,372</u>	<u>5,743,390</u>	<u>497,965</u>	<u>(31,837,602)</u>	<u>-</u>	<u>(31,837,602)</u>	<u>-</u>	<u>(31,837,602)</u>
Business-type activities:									
Public Service Commission	2,451,997	1,228,583	-	601,096	-	(622,318)	(622,318)	-	(622,318)
Airport	903,663	507,926	-	422,386	-	26,649	26,649	-	26,649
Total business-type activities	<u>3,355,660</u>	<u>1,736,509</u>	<u>-</u>	<u>1,023,482</u>	<u>-</u>	<u>(595,669)</u>	<u>(595,669)</u>	<u>-</u>	<u>(595,669)</u>
<b>Total primary government</b>	<u>\$ 51,733,989</u>	<u>\$ 12,035,881</u>	<u>\$ 5,743,390</u>	<u>\$ 1,521,447</u>	<u>(31,837,602)</u>	<u>(595,669)</u>	<u>(32,433,271)</u>	<u>-</u>	<u>(32,433,271)</u>
<b>Component unit:</b>									
Alliance Pickens	414,629	-	19,104	-	-	-	-	(395,525)	(395,525)
<b>Total component units</b>	<u>\$ 414,629</u>	<u>\$ -</u>	<u>\$ 19,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (395,525)</u>	<u>\$ (395,525)</u>
General revenues:									
Property taxes					25,721,666	-	25,721,666	-	25,721,666
Sales taxes					6,927,415	-	6,927,415	-	6,927,415
Franchise taxes					304,559	-	304,559	-	304,559
Grants and contributions not restricted to specific programs					4,664,736	-	4,664,736	-	4,664,736
Investment earnings					117,105	-	117,105	2,158	119,263
Gain on sale of capital assets					92,409	(9,285)	83,124	-	83,124
Miscellaneous					1,425,212	-	1,425,212	340,000	1,765,212
Transfers					(737,861)	737,861	-	-	-
Total general revenues and transfers					<u>38,515,241</u>	<u>728,576</u>	<u>39,243,817</u>	<u>342,158</u>	<u>39,585,975</u>
Change in net assets					6,677,639	132,907	6,810,546	(53,367)	6,757,179
Net assets - beginning					71,639,492	30,948,225	102,587,717	373,588	102,961,305
Net assets - ending					<u>\$ 78,317,131</u>	<u>\$ 31,081,132</u>	<u>\$ 109,398,263</u>	<u>\$ 320,221</u>	<u>\$ 109,718,484</u>

PICKENS COUNTY, SOUTH CAROLINA

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

	<u>General Fund</u>	<u>Fire Districts</u>	<u>State Road C-Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash and investments	\$ 24,848,001	\$ 2,804,983	\$ 5,717,050	\$ 5,044,782	\$ 38,414,816
Property taxes receivable	1,462,015	598,484	-	534,067	2,594,566
Accounts receivable - EMS	2,474,792	-	-	-	2,474,792
Accounts receivable - other	589,147	811	-	50,080	640,038
Due from other governments	1,930,104	-	126,560	456,992	2,513,656
Note receivable	31,891	-	-	-	31,891
Advances to other funds	1,167,556	-	-	-	1,167,556
Inventories	272,041	-	-	-	272,041
Prepaid items	88,822	1,240	-	-	90,062
Land held for resale	1,345,186	-	-	-	1,345,186
Total assets	<u>\$ 34,209,555</u>	<u>\$ 3,405,518</u>	<u>\$ 5,843,610</u>	<u>\$ 6,085,921</u>	<u>\$ 49,544,604</u>
<b>Liabilities and fund balances</b>					
Liabilities:					
Accounts payable	\$ 2,109,953	\$ 46,184	\$ 182,414	\$ 440,285	\$ 2,778,836
Accrued payroll	1,079,592	53,103	-	116,148	1,248,843
Advances from general fund	-	1,167,556	-	-	1,167,556
Deferred revenue	3,865,154	558,499	-	715,812	5,139,465
Total liabilities	<u>7,054,699</u>	<u>1,825,342</u>	<u>182,414</u>	<u>1,272,245</u>	<u>10,334,700</u>
Fund balances:					
Nonspendable:					
Prepaid items	88,822	1,240	-	-	90,062
Inventories	272,041	-	-	-	272,041
Land held for resale	1,345,186	-	-	-	1,345,186
Restricted	-	1,786,489	5,661,196	4,343,409	11,791,094
Committed	1,594,752	-	-	426,766	2,021,518
Assigned	3,814,159	-	-	71,813	3,885,972
Unassigned	20,039,896	(207,553)	-	(28,312)	19,804,031
Total fund balances	<u>27,154,856</u>	<u>1,580,176</u>	<u>5,661,196</u>	<u>4,813,676</u>	<u>39,209,904</u>
Total liabilities and fund balances	<u>\$ 34,209,555</u>	<u>\$ 3,405,518</u>	<u>\$ 5,843,610</u>	<u>\$ 6,085,921</u>	<u>\$ 49,544,604</u>

**PICKENS COUNTY, SOUTH CAROLINA**  
**Reconciliation of the Balance Sheet of Governmental Funds to the**  
**Statement of Net Assets**  
**June 30, 2011**

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<b>Total Governmental Fund Balances</b>	\$	39,209,904
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		60,151,417
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Deferred charges - issuance cost		100,851
Deferred charges - refunding		8,014
Deferred revenues reported in governmental funds balance sheets include balances of taxes receivable and other receivables. The balances were deferred because funds were not available to pay current-period expenditures.		4,918,623
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Landfill closure and postclosure		(2,683,324)
Capital leases		(1,002,448)
Notes payable		(5,343,823)
General obligation bonds		(13,599,219)
Accrued compensated absences		(1,030,177)
Net OPEB obligation		(2,265,081)
Accrued interest payable		(147,606)
<b>Net Assets of Governmental Activities</b>	<b>\$</b>	<b>78,317,131</b>

**PICKENS COUNTY, SOUTH CAROLINA**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2011**

	<b>General Fund</b>	<b>Fire Districts</b>	<b>State Road C-Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Taxes	\$ 24,120,148	\$ 1,308,685	\$ -	\$ 6,380,669	\$ 31,809,502
Intergovernmental	4,856,126	1,200	1,621,594	1,983,712	8,462,632
Fees, licenses and permits	585,335	2,384,754	-	2,736,101	5,706,190
Charges for services	6,280,711	-	-	173,684	6,454,395
Fines and forfeitures	647,315	-	-	141,715	789,030
Investment income	166,508	1,911	-	5,080	173,499
Rental income	27,210	-	-	-	27,210
Contributions	2,235	227,150	-	60,858	290,243
Miscellaneous	1,513,414	18,358	-	14,113	1,545,885
Total revenues	<u>38,199,002</u>	<u>3,942,058</u>	<u>1,621,594</u>	<u>11,495,932</u>	<u>55,258,586</u>
<b>Expenditures</b>					
Current:					
General government	9,351,316	-	-	282,059	9,633,375
Public safety	15,072,734	3,290,468	-	902,474	19,265,676
Public works	5,669,082	-	513,965	1,917,432	8,100,479
Health and welfare	744,985	-	-	-	744,985
Culture and recreation	904,017	-	-	3,154,447	4,058,464
Economic development and assistance	-	-	-	2,173	2,173
Other	407,448	-	-	1,115,000	1,522,448
Intergovernmental	92,815	-	-	-	92,815
Capital outlay	4,382,556	1,344,682	18,086	1,371,150	7,116,474
Debt service:					
Principal retirement	-	124,319	-	2,008,071	2,132,390
Interest and fiscal charges	-	84,557	-	747,836	832,393
Total expenditures	<u>36,624,953</u>	<u>4,844,026</u>	<u>532,051</u>	<u>11,500,642</u>	<u>53,501,672</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,574,049</u>	<u>(901,968)</u>	<u>1,089,543</u>	<u>(4,710)</u>	<u>1,756,914</u>
<b>Other financing sources (uses)</b>					
Proceeds from bond issuance	-	950,000	-	-	950,000
Transfers in (out)	(1,058,603)	-	-	(19,258)	(1,077,861)
Total other financing sources (uses)	<u>(1,058,603)</u>	<u>950,000</u>	<u>-</u>	<u>(19,258)</u>	<u>(127,861)</u>
<b>Net change in fund balances</b>	<u>515,446</u>	<u>48,032</u>	<u>1,089,543</u>	<u>(23,968)</u>	<u>1,629,053</u>
<b>Fund balance - beginning, unadjusted</b>	<u>26,222,048</u>	<u>1,532,144</u>	<u>4,571,653</u>	<u>5,255,006</u>	<u>37,580,851</u>
Reclassification of fund balance	417,362	-	-	(417,362)	-
<b>Fund balance - beginning, adjusted</b>	<u>26,639,410</u>	<u>1,532,144</u>	<u>4,571,653</u>	<u>4,837,644</u>	<u>37,580,851</u>
<b>Fund balance - ending</b>	<u>\$ 27,154,856</u>	<u>\$ 1,580,176</u>	<u>\$ 5,661,196</u>	<u>\$ 4,813,676</u>	<u>\$ 39,209,904</u>

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



**PICKENS COUNTY, SOUTH CAROLINA**

**Reconciliation of the Statement of Revenues, Expenditures and  
 Changes in Fund Balances of Governmental Funds to the  
 Statement of Activities  
 Year Ended June 30, 2011**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,629,053</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$7,116,469 exceeded depreciation expense of \$3,366,569 in the current period.	3,749,905
Net gain on disposal of assets not recorded in governmental activities	92,409
Reclassify revenue recorded from proceeds of sales	(78,634)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	536,036
Proceeds from debt issues are an other financing source in the fund, but a debt issue increases long-term liabilities in the statement of net assets.	(950,000)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,132,390
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	147,606
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Landfill closure and postclosure costs	270,314
Compensated absences	170,167
Change in net OPEB obligation	(869,353)
Amortization expense	(19,347)
Change in net assets of governmental activities	<b>\$ 6,810,546</b>

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

PICKENS COUNTY, SOUTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual - General Fund  
 Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 23,218,867	\$ 23,218,867	\$ 24,120,148	\$ 901,281
Intergovernmental	5,214,763	5,236,755	4,856,126	(380,629)
Fees, licenses and permits	457,600	457,600	585,335	127,735
Charges for services	5,726,017	5,726,017	6,280,711	554,694
Fines and forfeitures	575,000	575,000	647,315	72,315
Investment income	249,404	249,404	166,508	(82,896)
Rental income	23,483	23,483	27,210	3,727
Contributions	3,300	8,351	2,235	(6,116)
Miscellaneous	75,000	1,019,370	1,513,414	494,044
Total revenues	<u>35,543,434</u>	<u>36,514,847</u>	<u>38,199,002</u>	<u>1,684,155</u>
<b>Expenditures</b>				
Current:				
General government	9,907,540	9,964,398	9,351,316	613,082
Public safety	15,563,130	15,648,817	15,072,734	576,083
Public works	5,892,906	5,965,713	5,669,082	296,631
Health and welfare	763,222	783,360	744,985	38,375
Culture and recreation	777,528	1,195,334	904,017	291,317
Other	437,653	437,653	407,448	30,205
Intergovernmental	184,025	99,115	92,815	6,300
Capital outlay	1,572,070	4,525,172	4,382,556	142,616
Total expenditures	<u>35,098,074</u>	<u>38,619,562</u>	<u>36,624,953</u>	<u>1,994,609</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>445,360</u>	<u>(2,104,715)</u>	<u>1,574,049</u>	<u>3,678,764</u>
<b>Other financing sources (uses)</b>				
Transfers in (out)	(718,491)	(933,491)	(1,058,603)	(125,112)
Total other financing uses	<u>(718,491)</u>	<u>(933,491)</u>	<u>(1,058,603)</u>	<u>(125,112)</u>
<b>Net change in fund balances</b>	<u>\$ (273,131)</u>	<u>\$ (3,038,206)</u>	515,446	<u>\$ 3,553,652</u>
<b>Fund balance - beginning</b>			<u>26,639,410</u>	
<b>Fund balance - ending</b>			<u>\$ 27,154,856</u>	

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

**PICKENS COUNTY, SOUTH CAROLINA**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Fire Districts**  
**Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 1,429,676	\$ 1,429,676	\$ 1,308,685	\$ (120,991)
Intergovernmental	5,408	6,608	1,200	(5,408)
Fees, licenses and permits	2,369,821	2,369,821	2,384,754	14,933
Investment income	12,150	12,150	1,911	(10,239)
Contributions	-	-	227,150	227,150
Miscellaneous	(700)	(700)	18,358	19,058
Total revenues	<u>3,816,355</u>	<u>3,817,555</u>	<u>3,942,058</u>	<u>124,503</u>
<b>Expenditures</b>				
Current:				
Public safety	3,667,812	3,666,009	3,290,468	375,541
Capital outlay	266,000	1,307,478	1,344,682	(37,204)
Debt service:				
Principal retirement	215,389	215,389	124,319	91,070
Interest and fiscal charges	96,710	96,710	84,557	12,153
Total expenditures	<u>4,245,911</u>	<u>5,285,586</u>	<u>4,844,026</u>	<u>441,560</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(429,556)</u>	<u>(1,468,031)</u>	<u>(901,968)</u>	<u>566,063</u>
<b>Other financing sources (uses)</b>				
Proceeds from bond issuance	<u>677,600</u>	<u>677,600</u>	<u>950,000</u>	<u>272,400</u>
Total other financing uses	<u>677,600</u>	<u>677,600</u>	<u>950,000</u>	<u>272,400</u>
<b>Net change in fund balances</b>	<u>\$ 248,044</u>	<u>\$ (790,431)</u>	48,032	<u>\$ 838,463</u>
<b>Fund balance - beginning</b>			<u>1,532,144</u>	
<b>Fund balance - ending</b>			<u>\$ 1,580,176</u>	

**PICKENS COUNTY, SOUTH CAROLINA**

**Statement of Net Assets  
Proprietary Funds  
June 30, 2011**

	<b>Enterprise Funds</b>		
	<b>Public Service Commission</b>	<b>Airport</b>	<b>Total</b>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 1,863,553	\$ 170,609	\$ 2,034,162
Accounts receivable - other	90,983	963	91,946
Due from other governments	43,910	2,452	46,362
Inventories	-	53,755	53,755
Prepaid expenses	148	445	593
Total current assets	<u>1,998,594</u>	<u>228,224</u>	<u>2,226,818</u>
Capital assets:			
Land	336,166	852,858	1,189,024
Construction in process	2,487,173	1,038,676	3,525,849
Capacity	5,938,636	-	5,938,636
Buildings	372,442	2,245,204	2,617,646
Improvements other than buildings	27,406,458	4,120,741	31,527,199
Machinery and equipment	444,575	221,642	666,217
Less accumulated depreciation	(8,105,805)	(3,160,494)	(11,266,299)
Total noncurrent assets	<u>28,879,645</u>	<u>5,318,627</u>	<u>34,198,272</u>
Total assets	<u>30,878,239</u>	<u>5,546,851</u>	<u>36,425,090</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	133,943	199,334	333,277
Accrued payroll	19,969	5,190	25,159
Unearned revenue	65,799	-	65,799
Current portion of long-term debt	85,718	-	85,718
Total current liabilities	<u>305,429</u>	<u>204,524</u>	<u>509,953</u>
Long-term liabilities:			
Revenue bonds	4,812,433	-	4,812,433
Accrued compensated absences	18,905	2,667	21,572
Total noncurrent liabilities	<u>4,831,338</u>	<u>2,667</u>	<u>4,834,005</u>
Total liabilities	<u>5,136,767</u>	<u>207,191</u>	<u>5,343,958</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	23,982,493	5,318,627	29,301,120
Restricted for USDA	631,008	-	631,008
Unrestricted	1,127,971	21,033	1,149,004
Total net assets	<u>\$ 25,741,472</u>	<u>\$ 5,339,660</u>	<u>\$ 31,081,132</u>

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

PICKENS COUNTY, SOUTH CAROLINA

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

Year Ended June 30, 2011

	<b>Enterprise Funds</b>		
	<b>Public Service Commission</b>	<b>Airport</b>	<b>Total</b>
<b>Operating revenues</b>			
Charges for services	\$ 1,228,583	\$ 507,926	\$ 1,736,509
Total operating revenues	<u>1,228,583</u>	<u>507,926</u>	<u>1,736,509</u>
<b>Operating expenses</b>			
Salaries and benefits	415,934	105,718	521,652
Depreciation	973,949	352,489	1,326,438
Other expenses	827,374	445,456	1,272,830
Public works	32	-	32
Total operating expenses	<u>2,217,289</u>	<u>903,663</u>	<u>3,120,952</u>
<b>Operating loss</b>	<u>(988,706)</u>	<u>(395,737)</u>	<u>(1,384,443)</u>
<b>Nonoperating expense</b>			
Interest and fiscal charges	(234,708)	-	(234,708)
Gain (loss) on sale of assets	2,549	(11,834)	(9,285)
Total nonoperating expense	<u>(232,159)</u>	<u>(11,834)</u>	<u>(243,993)</u>
<b>Loss before transfers and contributions</b>	(1,220,865)	(407,571)	(1,628,436)
Transfers in	453,752	284,109	737,861
Capital contributions	601,096	422,386	1,023,482
<b>Change in net assets</b>	(166,017)	298,924	132,907
<b>Total net assets - beginning</b>	<u>25,907,489</u>	<u>5,040,736</u>	<u>30,948,225</u>
<b>Total net assets - ending</b>	<u>\$ 25,741,472</u>	<u>\$ 5,339,660</u>	<u>\$ 31,081,132</u>

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

PICKENS COUNTY, SOUTH CAROLINA

Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2011

	Enterprise Funds		
	Public		
	Service	Airport	Total
	Commission		
<b>Operating activities</b>			
Receipts from customers and users	\$ 1,371,060	\$ 896,695	\$ 2,267,755
Payments to suppliers	(972,085)	(266,906)	(1,238,991)
Payments to employees	(412,823)	(104,905)	(517,728)
Other payments	(32)	-	(32)
<b>Net cash provided by (used in) operating activities</b>	<u>(13,880)</u>	<u>524,884</u>	<u>511,004</u>
<b>Noncapital financing activities</b>			
Transfers from other funds	453,752	284,109	737,861
<b>Net cash provided by noncapital financing activities</b>	<u>453,752</u>	<u>284,109</u>	<u>737,861</u>
<b>Capital and related financing activities</b>			
Capital contributions	601,096	422,386	1,023,482
Capital transfers from other funds	-	(95,885)	(95,885)
Acquisition and construction of capital assets	(1,247,257)	(1,004,394)	(2,251,651)
Principal paid on capital debt	(80,795)	-	(80,795)
Interest paid on capital debt	(234,708)	-	(234,708)
<b>Net cash used in capital and related financing activities</b>	<u>(961,664)</u>	<u>(677,893)</u>	<u>(1,639,557)</u>
<b>Net (decrease) increase in cash and cash equivalents/investments</b>	<u>(521,792)</u>	<u>131,100</u>	<u>(390,692)</u>
<b>Cash and investments</b>			
<b>Beginning of year</b>	<u>2,385,345</u>	<u>39,509</u>	<u>2,424,854</u>
<b>End of year</b>	<u>\$ 1,863,553</u>	<u>\$ 170,609</u>	<u>\$ 2,034,162</u>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities</b>			
Operating loss	\$ (988,706)	\$ (395,737)	\$ (1,384,443)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	973,949	352,489	1,326,438
Change in assets and liabilities			
Decrease in accounts receivable - other and due from other governments	149,418	388,769	538,187
Increase in inventories	-	(7,115)	(7,115)
(Increase) decrease in prepaid expenses	(148)	167	19
(Decrease) increase in accounts payable and accrued expenses	(141,452)	186,311	44,859
Decrease in unearned revenue	(6,941)	-	(6,941)
Total adjustments	<u>974,826</u>	<u>920,621</u>	<u>1,895,447</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (13,880)</u>	<u>\$ 524,884</u>	<u>\$ 511,004</u>

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

**PICKENS COUNTY, SOUTH CAROLINA**

**Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2011**

		<b>Total Agency Funds</b>
<b>Assets</b>		
Cash and investments	\$	32,107,505
Property taxes receivable		5,690,121
Total assets	\$	37,797,626
 <b>Liabilities</b>		
Accounts payable	\$	87,064
Due to others		37,710,562
Total liabilities	\$	37,797,626

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

# PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

## Note 1 – Summary of Significant Accounting Policies

Pickens County (the “County”) was organized in 1868 and operates under a Council/Administrator form of government as provided in Title 14 of the 1962 Code of Laws of South Carolina as amended (Home Rule Act) and provides the following services: public safety, highways and streets, sanitation, health and social services, cultural and recreational programs, planning and zoning and general administrative services.

### Reporting Entity

The basic financial statements of the County present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County’s financial statements to be misleading or incomplete. The reporting entity has been defined to include all offices of elected officials of Pickens County, South Carolina, including Clerk of Court, Probate Judge, Coroner, Auditor, Treasurer, Solicitor and Sheriff, as well as various administrative offices of the County.

The Economic Development Alliance of Pickens County, Inc. (the “Alliance”), a legally separate 501(c)(3), is included as a discretely presented component unit of the County. Founded in 1995, the Alliance’s primary mission is to attract, retain and increase the number of jobs and tax base in Pickens County. The County appoints a voting majority of the Alliance’s board and is financially responsible for any deficits. The Alliance’s fiscal year ends on June 30. Complete financial statements for the Alliance may be obtained at its administrative offices at 509 S. Lewis Street, Suite B, Pickens, SC 29671.

As the financially significant political subdivisions of the County, including the school district, have the authority to hire and fire employees, establish their own operating budgets and enter into their own contracts, it is determined that the County does not significantly influence their operations. As these entities have the authority to borrow funds, establish their own budgets and are responsible for funding their own deficits, it is construed that the County does not have accountability for their fiscal matters.

Accordingly, these political subdivisions have been excluded from the County’s financial statements. Additionally, property tax revenues levied and collected for certain of these excluded entities, as a result of the County’s levy allocation, are not presented in these financial statements, except to the extent they remain in an agency fund at fiscal year end.

### Basis of Presentation

The County’s basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The accounts of the County are organized and operated on the basis of funds.



**PICKENS COUNTY, SOUTH CAROLINA**

Notes to Financial Statements

June 30, 2011

**Note 1 – Summary of Significant Accounting Policies – Continued****Basis of Presentation – continued**

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. There are three categories of funds: governmental, proprietary and fiduciary.

*Government-wide Financial Statements:*

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

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

*Fund Financial Statements:*

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

The major funds types are:

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

**PICKENS COUNTY, SOUTH CAROLINA**

Notes to Financial Statements

June 30, 2011

**Note 1 – Summary of Significant Accounting Policies – Continued****Basis of Presentation – continued**

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

*Fire District Fund* – This special revenue fund is used to account for the County’s fire district operations.

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

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

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

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

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

**Fiduciary fund** reporting focus is on net assets and changes in net assets. This fund accounts for assets held by the County as an agent on behalf of others.

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

**Measurement Focus and Basis of Accounting**

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

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

**PICKENS COUNTY, SOUTH CAROLINA**

Notes to Financial Statements

June 30, 2011

**Note 1 – Summary of Significant Accounting Policies – Continued****Measurement Focus and Basis of Accounting – continued**

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

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

Property taxes, sales taxes, franchise taxes and interest associated with 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.

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

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

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

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

# PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

## Note 1 – Summary of Significant Accounting Policies – Continued

### Measurement Focus and Basis of Accounting – continued

As permitted under accounting principles generally accepted in the United States of America (“GAAP”), the County has elected to not apply Financial Accounting Standards Board (“FASB”) Statements and Interpretations issued after November 30, 1989, for its proprietary funds.

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

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 Equity

#### Cash and Investments

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

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

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

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

#### Receivables and Payables

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

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

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

**PICKENS COUNTY, SOUTH CAROLINA**

Notes to Financial Statements

June 30, 2011

**Note 1 – Summary of Significant Accounting Policies – Continued****Assets, Liabilities and Equity – continued**

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

*Due from Other Governments*

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

*Note Receivable*

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

*Inventories and Prepaid Items*

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

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

*Land Held for Resale*

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

*Capital Assets and Depreciation*

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

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

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

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

**PICKENS COUNTY, SOUTH CAROLINA**

Notes to Financial Statements

June 30, 2011

**Note 1 – Summary of Significant Accounting Policies – Continued****Assets, Liabilities and Equity – continued**Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Deferred refunding costs represent the difference between the reacquisition price and the net carrying value of the refunded debt.

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

Compensated Absences

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

Landfill Closure and Postclosure Care Costs

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

The landfill capacity used to date of the third County landfill equals 80%. Actual cost may be higher due to inflation, changes in technology or changes in regulation. The County anticipates that available resources will be the primary source of funds to pay for closure and postclosure care costs.

Net Assets and Fund Balances

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

**PICKENS COUNTY, SOUTH CAROLINA**

Notes to Financial Statements

June 30, 2011

**Note 1 – Summary of Significant Accounting Policies – Continued****Assets, Liabilities and Equity – continued**

During 2011, the County adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

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

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

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

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

**Unassigned** – All amounts not included in other spendable classifications.

## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 1 – Summary of Significant Accounting Policies – Continued

#### Assets, Liabilities and Equity – continued

At June 30, 2011, the County's governmental fund balances were classified as follows:

	General Fund	Fire Districts	State Road C-Fund	Other Governmental Funds	Total Governmental Funds
Net assets					
Nonspendable					
Prepaid items	\$ 88,822	\$ 1,240	\$ -	\$ -	\$ 90,062
Inventories	272,041	-	-	-	272,041
Land held for resale	1,345,186	-	-	-	1,345,186
Total nonspendable	<u>1,706,049</u>	<u>1,240</u>	<u>-</u>	<u>-</u>	<u>1,707,289</u>
Restricted					
Tri-County Tech	-	-	-	23,989	23,989
Fixed nuclear	-	-	-	43,720	43,720
Law enforcement	-	-	-	446,315	446,315
Library	-	-	-	1,518,826	1,518,826
Culture and recreation	-	-	-	632,974	632,974
Transportation roads	-	-	5,661,196	466,978	6,128,174
Emergency phone system	-	-	-	890,038	890,038
Debt service	-	-	-	320,569	320,569
Fire rescue	-	1,786,489	-	-	1,786,489
Total restricted	<u>-</u>	<u>1,786,489</u>	<u>5,661,196</u>	<u>4,343,409</u>	<u>11,791,094</u>
Committed					
Fire station capital projects	1,167,556	-	-	-	1,167,556
Culture and recreation	427,196	-	-	-	427,196
Capital projects	-	-	-	426,766	426,766
Total committed	<u>1,594,752</u>	<u>-</u>	<u>-</u>	<u>426,766</u>	<u>2,021,518</u>
Assigned					
Museum	-	-	-	71,813	71,813
Capital projects	3,734,180	-	-	-	3,734,180
Reserved for encumbrances	79,979	-	-	-	79,979
Total assigned	<u>3,814,159</u>	<u>-</u>	<u>-</u>	<u>71,813</u>	<u>3,885,972</u>
Unassigned					
	20,039,896	(207,553)	-	(28,312)	19,804,031
Total fund balances	<u>\$ 27,154,856</u>	<u>\$ 1,580,176</u>	<u>\$ 5,661,196</u>	<u>\$ 4,813,676</u>	<u>\$ 39,209,904</u>

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

#### Assets, Liabilities and Equity

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



**PICKENS COUNTY, SOUTH CAROLINA**

Notes to Financial Statements

June 30, 2011

**Note 1 – Summary of Significant Accounting Policies – Continued****New Pronouncements**

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement enhances the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying the existing governmental fund type definitions. The requirements of this new Statement are effective for financial statements for periods beginning after June 15, 2010. The County adopted this Statement as of July 1, 2010. As a result of adoption of this Statement, the recreation capital fund was closed to the general fund. The effect of this closure was \$417,362 transferred to the general fund.

The GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, An Amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Standards. The provisions of this statement are effective for periods beginning after June 15, 2012.

The GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011. The impact of this Statement on the County has not yet been determined.

The GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources and amends GASB Statement No. 34 by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. This statement is effective for periods beginning after December 15, 2011. The impact of this Statement will be to separate deferred inflows and outflows from other financial statement components and to reformat accrual basis financial statements to derive a net position.

**Risk Management**

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

# PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

## Note 1 – Summary of Significant Accounting Policies – Continued

### Risk Management – continued

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

### Estimates

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

## Note 2 – Stewardship, Compliance and Accountability

### Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with GAAP for the general fund and certain special revenue funds including Tri-County Tech fund, library fund, victim rights fund, emergency phone system fund, the individual fire district funds, accommodation tax fund, tourism development fee fund and the debt service fund. The balance of the special revenue funds and the capital projects funds are budgeted over the life of the grant or project. For the year ended June 30, 2011, two Special Revenue Funds, Victims Rights and Liberty Fire District, had fund deficits of \$28,312 and \$207,553, respectively. The fund deficit for the Victim Services Fund will be replenished from cuts made in the fiscal year 2012 budget. The Liberty Fire Station fund deficit will be replenished over the next 8 years as the fire district pays the County for an advancement for the construction of a new fire station.

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

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund, special revenue fund and capital projects fund. Restricted, committed, and assigned fund balances include encumbrances of at June 30, 2011 as follows:

General Fund	\$	79,979
Fire Districts		79,845
State Road C-Funds		88,749
Other Governmental Funds		446,473
	\$	<u>695,046</u>

## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 3 – Deposits and Investments

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

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

The County places its cash and cash equivalents on deposit with a financial institution in the United States. The Federal Deposit Insurance Corporation (“FDIC”) covers \$250,000 for substantially all depository accounts and temporarily provides unlimited coverage through December 31, 2012 for certain qualifying and participating non-interest bearing transaction accounts.

The County’s deposits had a carrying value of \$72,556,485 and the bank balance was \$71,688,610 of which \$1,900,753 was covered by FDIC insurance and \$69,787,857 was collateralized by securities held by the pledging bank’s trust department or agent in the County’s name.

#### Deposits for the Alliance

At June 30, 2011, the Alliance’s deposits had a carrying value of \$471,476 and a bank balance of \$438,221. Of this bank balance, \$250,000 was covered by FDIC insurance and \$188,221 was in excess of federal and state depository insurance limits and was uncollateralized.

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

Unrestricted cash, including time deposits	\$ 40,448,978
Agency fund cash (not included in government-wide statement)	32,107,507
	\$ 72,556,485

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

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

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

## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 4 – Property Taxes

The County's property taxes are levied each September (except vehicles which are annually assessed on the first day of the month the vehicles are registered) on the assessed value as of the prior December 31 for all real and personal property located in the County. Assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates ranging from 4 to

10.5 percent of the estimated market value. The assessed value as of June 30, 2011 was \$431,633,901. The estimated market value was \$8 billion making the assessed value approximately 5.4 percent of the estimated market value.

The County is permitted under South Carolina law to levy property taxes for general governmental services and principal and interest on long-term debt. The combined tax rate to finance general government services and principal and interest on long-term debt for the year ended June 30, 2011 was \$6.56 per \$100 of assessed value.

Taxes on property (except vehicle taxes which are due on the last day of the month levied) are due on or before January 15. A three percent penalty is added on January 16. If taxes remain unpaid on February 2, a seven percent penalty is added to the original tax. If taxes remain unpaid on the March 17 lien date, an additional 5 percent penalty is added to the original levy, totaling a 15% penalty. The County bills and collects its own property taxes and also those for all other taxing entities within the County which are accounted for in various agency funds.

Property taxes receivable and allowances for doubtful accounts at June 30, 2011 are summarized as follows:

	General Fund	Fire Districts	Other Governmental Funds	Total Government Funds	Agency Funds
Gross receivables	\$ 1,740,494	\$ 678,273	\$ 634,460	\$ 3,053,227	\$ 6,733,953
Allowance for doubtful accounts	<u>(278,479)</u>	<u>(79,789)</u>	<u>(100,393)</u>	<u>(458,660)</u>	<u>(1,083,832)</u>
	<u>\$ 1,462,015</u>	<u>\$ 598,484</u>	<u>\$ 534,067</u>	<u>\$ 2,594,567</u>	<u>\$ 5,690,121</u>

### Note 5 – Accounts Receivable

Accounts receivable at June 30, 2011 are summarized as follows:

	Fund Wide Statements					
	General Fund	Fire Districts	Other Governmental Funds	Total	Government Wide Statements	Agency Funds
EMS fees	\$ 7,070,835	\$ -	\$ -	\$ 7,070,835	\$ 7,070,835	\$ -
Less allowance for doubtful accounts	<u>(4,596,043)</u>	<u>-</u>	<u>-</u>	<u>(4,596,043)</u>	<u>(4,596,043)</u>	<u>-</u>
	<u>2,474,792</u>	<u>-</u>	<u>-</u>	<u>2,474,792</u>	<u>2,474,792</u>	<u>-</u>
Interest	49,060	811	4,682	54,553	54,553	-
Landfill	25,302	-	-	25,302	25,302	-
Sewer fees	-	-	-	-	-	90,983
Other	514,785	-	45,398	560,183	560,183	963
	<u>589,147</u>	<u>811</u>	<u>50,080</u>	<u>640,038</u>	<u>640,038</u>	<u>91,946</u>
	<u>\$ 3,063,939</u>	<u>\$ 811</u>	<u>\$ 50,080</u>	<u>\$ 3,114,830</u>	<u>\$ 3,114,830</u>	<u>\$ 91,946</u>

**PICKENS COUNTY, SOUTH CAROLINA**  
Notes to Financial Statements  
June 30, 2011

**Note 6 – Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions	Deletions	Transfers	Adjustments	Balance June 30, 2011
<b>Governmental Activities:</b>						
Capital assets not being depreciated:						
Land	\$ 4,057,517	\$ 2,922,063	\$ -	\$ -	\$ -	\$ 6,979,580
Construction in progress	659,212	1,258,805	(789,805)	-	-	1,128,212
Total capital assets not being depreciated:	<u>4,716,729</u>	<u>4,180,868</u>	<u>(789,805)</u>	<u>-</u>	<u>-</u>	<u>8,107,792</u>
Capital assets being depreciated:						
Buildings	32,943,361	995,705	-	-	(9,849)	33,929,217
Improvements and infrastructure	28,168,554	70,105	-	-	-	28,238,659
Machinery and equipment	25,043,819	2,677,601	(1,060,930)	2,977	-	26,663,467
Total capital assets being depreciated	<u>86,155,734</u>	<u>3,743,411</u>	<u>(1,060,930)</u>	<u>2,977</u>	<u>(9,849)</u>	<u>88,831,343</u>
Less accumulated depreciation:						
Buildings	(9,999,520)	(871,530)	-	-	-	(10,871,050)
Improvements and infrastructure	(8,854,140)	(757,986)	35	-	-	(9,612,091)
Machinery and equipment	(15,621,498)	(1,737,053)	1,056,951	(2,977)	-	(16,304,577)
Total accumulated depreciation	<u>(34,475,158)</u>	<u>(3,366,569)</u>	<u>1,056,986</u>	<u>(2,977)</u>	<u>-</u>	<u>(36,787,718)</u>
Total capital assets being depreciated, net	<u>51,680,576</u>	<u>376,842</u>	<u>(3,944)</u>	<u>-</u>	<u>(9,849)</u>	<u>52,043,625</u>
Governmental activities capital assets, net	<u>\$ 56,397,305</u>	<u>\$ 4,557,710</u>	<u>\$ (793,749)</u>	<u>\$ -</u>	<u>\$ (9,849)</u>	<u>\$ 60,151,417</u>
<b>Business-type Activities:</b>						
Capital assets not being depreciated:						
Land	\$ 1,001,358	\$ 187,665	\$ -	\$ -	\$ -	\$ 1,189,023
Construction in progress	1,574,735	2,130,932	(179,817)	-	-	3,525,850
Total capital assets not being depreciated:	<u>2,576,093</u>	<u>2,318,597</u>	<u>(179,817)</u>	<u>-</u>	<u>-</u>	<u>4,714,873</u>
Capital assets being depreciated:						
Capacity	5,938,636	-	-	-	-	5,938,636
Buildings	2,617,645	-	-	-	-	2,617,645
Improvements and infrastructure	31,527,199	-	-	-	-	31,527,199
Machinery and equipment	583,511	123,068	(73,127)	(2,977)	35,743	666,218
Total capital assets being depreciated	<u>40,666,991</u>	<u>123,068</u>	<u>(73,127)</u>	<u>(2,977)</u>	<u>35,743</u>	<u>40,749,698</u>
Less accumulated depreciation:						
Capacity	(464,704)	(64,369)	-	-	-	(529,073)
Buildings	(779,446)	(148,466)	-	-	-	(927,912)
Improvements and infrastructure	(8,214,330)	(1,072,807)	-	-	-	(9,287,137)
Machinery and equipment	(502,260)	(40,797)	53,646	2,977	(35,743)	(522,177)
Total accumulated depreciation	<u>(9,960,740)</u>	<u>(1,326,439)</u>	<u>53,646</u>	<u>2,977</u>	<u>(35,743)</u>	<u>(11,266,299)</u>
Total capital assets being depreciated, net	<u>30,706,251</u>	<u>(1,203,371)</u>	<u>(19,481)</u>	<u>-</u>	<u>-</u>	<u>29,483,399</u>
Governmental activities capital assets, net	<u>\$ 33,282,344</u>	<u>\$ 1,115,226</u>	<u>\$ (199,298)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,198,272</u>

## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 6 – Capital Assets – Continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$	379,660
Public Safety		1,323,869
Public Works		1,238,283
Health and Welfare		36,353
Cultural and Recreation		308,187
Economic Development		39,398
Intergovernmental		40,819
Total	\$	3,366,569

Construction in progress in the Governmental Activities as of June 30, 2011 represents costs incurred to date on the Department of Social Services building expansion, Museum building restoration, Golden Creek Road and construction of a walking track. Construction in progress in the Business-type Activities as of June 30, 2011 represents costs of construction for the 18 Mile Middle Trunk Extension, the Central North Wastewater Treatment Facilities upgrade and airport hangers.

### Note 7 – Long-term Debt

#### Governmental Activities Debt

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

		Beginning Balance		Additions		Retirements		Ending Balance		Due Within One Year
	\$		\$		\$		\$		\$	
General obligation bonds	\$	14,121,644	\$	950,000	\$	1,472,425	\$	13,599,219	\$	1,694,504
Capital leases		1,291,643		-		289,195		1,002,448		221,795
Notes payable		5,714,593		-		370,770		5,343,823		385,663
Compensated absences		1,200,344		12,348		182,515		1,030,177		85,718
Net OPEB obligation		1,395,728		869,353		-		2,265,081		-
Landfill closure & postclosure		2,953,638		-		270,314		2,683,324		97,500
Total	\$	26,677,590	\$	1,831,701	\$	2,585,219	\$	25,924,072	\$	2,485,181

General obligation (general purpose) bonds payable at June 30, 2011 are comprised of the following individual issues:

\$3,690,000 2002 general obligation refunding bond used to refund the 1990 and 1992 general obligation bonds; due in annual installments of \$320,000 to \$390,000 through March 1, 2013; interest at 2.30% to 4.30%	\$	755,000
\$6,665,000 2003 general obligation bond used for the construction of the Easley Library; due in annual installments of \$125,000 to \$1,300,000 through March 1, 2016; interest at 3.00% to 3.25%		5,300,000
\$1,100,000 2004 general obligation bond used for the Vineyard Building project and purchase of fire trucks; due in annual installments of \$40,000 to \$102,000 through March 1, 2019; interest at 4.134%		693,000

# PICKENS COUNTY, SOUTH CAROLINA

## Notes to Financial Statements

June 30, 2011

### Note 7 – Long-term Debt – Continued

#### Governmental Activities Debt – continued

\$1,024,709 2008 general obligation bond used for the Cramer Upgrade project; due in quarterly installments of principal and interest of \$17,865 through April 1, 2028; interest at 3.5%	892,793
\$3,266,039 2008 general obligation bond used for the Roper Upgrade project; due in quarterly installments of principal and interest of \$56,939 through August 1, 2028; interest at 3.5%	2,908,836
\$197,000 2008 general obligation bond used for the purchase of fire trucks; due in semi-annual installments of principal and interest of \$10,000 to \$20,000 through April 23, 2023; interest at 3.95%	170,000
\$1,800,000 2008 general obligation bond used for the Springs Building project and purchase of a fire truck; due in annual installments of principal and interest of \$112,570 to \$145,901 through March 1, 2023; interest at 4.03%	1,572,590
\$800,000 2004 general obligation bond used for the Shady Grove Building project and purchase of fire trucks; due in annual installments of \$65,000 to \$95,000 through March 1, 2015; interest at 3.130%	357,000
\$950,000 2010 general obligation bond used to fund multiple fire districts throughout Pickens County; due in semi-annual installments of principal and interest of \$145,000 to \$149,000 through July 1, 2017; interest of 2.28%.	<div style="text-align: right;"> <u>950,000</u>            13,599,219         </div>
Less current portion	<div style="text-align: right;"> <u>1,694,504</u> </div>
Long-term portion outstanding	<div style="text-align: right;"> <u>\$ 11,904,715</u> </div>

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011 are as follows:

Year Ending June 30	Principal	Interest	Totals
2012	\$ 1,694,504	\$ 481,344	\$ 2,175,848
2013	1,759,835	414,148	2,173,983
2014	1,838,426	350,023	2,188,449
2015	1,885,282	286,281	2,171,563
2016	1,862,417	220,926	2,083,343
2017 to 2021	2,407,428	609,275	3,016,703
2022 to 2026	1,609,258	235,630	1,844,888
2027 to 2031	542,069	20,633	562,701
	\$ 13,599,219	\$ 2,618,260	\$ 16,217,478

## PICKENS COUNTY, SOUTH CAROLINA

### Notes to Financial Statements

June 30, 2011

#### Note 7 – Long-term Debt – Continued

##### Governmental Activities Debt – continued

Capital leases payable at June 30, 2011 are comprised of the following individual leases:

\$284,300 capital lease to BB&T used for the purchase of a fire truck; payable in annual installments of principal and interest of \$34,374 through June 2015 at 3.610%; collateralized by equipment	\$ 125,930
\$154,287 capital lease to an equipment vendor used for the purchase of a fire truck; payable in annual installments of principal and interest of \$18,824 through June 2013 at 3.79%; collateralized by equipment	35,611
\$819,636 capital lease to BB&T used for the Pickens County Museum expansion; payable in annual installments of principal and interest of \$100,000 through May 2013 at 3.79%; collateralized by the real property	189,179
\$222,725 capital lease to Bank of America used for the purchase of a fire truck; payable in annual installments of principal and interest of \$27,459 through March 2016 at 4.00%; collateralized by equipment	122,245
\$360,000 capital lease to RBC Centura used for the purchase of a fire truck; payable in annual installments of principal and interest of \$43,221 through May 2018 at 3.47%; collateralized by equipment	264,576
\$289,000 capital lease to BB&T used for the purchase of a fire truck; payable in annual installments of principal and interest of \$35,596 through April 2020 at 3.980%; collateralized by equipment	264,906
	1,002,447
Less current portion	221,795
Long-term portion outstanding	\$ 780,652

Annual requirements to amortize all capital leases outstanding as of June 20, 2011 are as follows:

Year Ending June 30	Principal	Interest	Totals
2012	\$ 221,795	\$ 37,678	\$ 259,473
2013	230,134	29,340	259,474
2014	119,962	20,688	140,650
2015	124,437	16,213	140,650
2016	94,705	11,571	106,276
2017 to 2021	211,414	17,413	228,828
	\$ 1,002,447	\$ 132,903	\$ 1,135,351

As of June 30, 2011, the County had assets under capital leases with a total cost of \$3,176,179.



## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 7 – Long-term Debt – Continued

#### Governmental Activities Debt – continued

Notes payable at June 30, 2011 are comprised of the following individual notes:

\$3,256,865 note to the SC Water Pollution Control Revolving Fund used for the 18-Mile Creek Sewer project; payable in quarterly installments of principal and interest of \$59,336 through October 2019 at 4.0%	\$ 1,660,805
\$3,112,288 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority used for the Georges Creek (Capacity) Project; payable in monthly installments of principal and interest of \$18,860 through October 2023 at 4.0%	2,324,719
\$1,988,315 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority used for the Georges Creek (Trunk Line) project; payable in monthly installments of principal and interest of \$10,500 through September 2024 at 3.75%	1,358,299
	5,343,823
Less current portion	385,663
Long-term portion outstanding	\$ 4,958,160

Annual requirements to amortize all notes payable outstanding as of June 30, 2011 are as follows:

Year Ending June 30	Principal	Interest	Totals
2012	\$ 385,663	\$ 204,001	\$ 589,664
2013	401,154	188,510	589,664
2014	417,267	172,397	589,664
2015	434,029	155,636	589,665
2016	451,463	138,201	589,664
2017 to 2021	2,116,351	416,615	2,532,966
2022 to 2026	1,137,896	80,641	1,218,536
	\$ 5,343,823	\$ 1,356,001	\$ 6,699,823

#### Business-Type Activities Debt

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

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011	Due Within One Year
Revenue bonds	\$ 4,977,946	\$ -	\$ 80,795	\$ 4,897,151	\$ 84,718
Compensated absences	22,572	-	-	22,572	1,000
Total	\$ 5,000,518	\$ -	\$ 80,795	\$ 4,919,723	\$ 85,718

## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 7 – Long-term Debt – Continued

#### Business-Type Activities Debt – continued

Revenue bonds payable recorded in the Public Service Commission Enterprise Fund at June 30, 2011 are comprised of the following individual issues:

\$1,988,200 USDA Rural Development revenue bond used for the Middle Plant expansion; due in monthly installments of principal and interest of \$9,345 through October 2039 at 4.75%. At June 30, 2011, pledged revenue was \$112,140.	\$ 1,740,522
\$3,605,700 USDA Rural Development revenue bond used for the Upper Plant expansion; due in monthly installments of principal and interest of \$16,947 through October 2039 at 4.75%. At June 30, 2011, pledged revenue was \$203,364.	3,156,629
	4,897,151
Less current portion	84,718
Long-term portion outstanding	\$ 4,812,432

Annual requirements to amortize all revenue bonds outstanding as of June 30, 2011 are as follows:

Year Ending June 30	Principal	Interest	Totals
2012	\$ 84,718	\$ 230,786	\$ 315,504
2013	88,831	226,673	315,504
2014	93,143	222,361	315,504
2015	97,665	217,839	315,504
2016	102,407	213,097	315,504
2017 to 2021	591,615	985,905	1,577,520
2022 to 2026	749,860	827,660	1,577,520
2027 to 2031	950,433	627,087	1,577,520
2032 to 2036	1,204,655	372,865	1,577,520
2037 to 2041	933,823	74,529	1,008,352
	\$ 4,897,150	\$ 3,998,802	\$ 8,895,952

Under the revenue bonds with the USDA Rural Development, the Public Service Commission is required to maintain certain reservations of retained earnings. At June 30, 2011 the Public Service Commission was in compliance with the following reserve requirements:

Reserved for debt services	\$ 315,504
Reserved for depreciation funding	157,752
Reserved for contingency fund	157,752
Total	\$ 631,008

## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 8 – Inter-fund Receivables, Payables and Transfers

#### Inter-fund Receivables and Payables

	Advance Receivable	Advance Payable
Major Governmental Fund:		
General Fund	\$ 1,167,556	\$ -
Fire Districts	-	1,167,556
	\$ 1,167,556	\$ 1,167,556

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

#### Transfers

	Transfers In	Transfers Out
Major Governmental Fund:		
General Fund	\$ -	\$ (737,861)
Major Enterprise Funds:		
Public Service Commission Fund	453,752	-
Airport	284,109	-
	\$ 737,861	\$ (737,861)

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

### Note 9 – Employee Pension Plans

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

## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 9 – Employee Pension Plans – Continued

SCRS and PORS Class II plan members are required to contribute 6.50% of their annual covered salary. The County is required to contribute an actuarially determined rate. The current rates for the SCRS and PORS Class II are 9.24% and 11.13% of annual covered payroll, respectively.

In addition to the preceding rates, participating employers contribute .15% and .20% of covered payroll to a group life insurance benefit for their SCRS and PORS participants, respectively.

Additionally, participating employers contribute .20% of covered payroll to provide an accidental death benefit for their PORS participants. The contribution requirements of plan members and the County are established under Title 9 of the South Carolina Code of Laws. The County's contributions to SCRS and the PORS (average membership of 581) are summarized as follows:

Year Ended June 30,	Employer			
	SCRS	Percent of Covered Payroll	PORS	Percent of Covered Payroll
2011	\$ 1,236,724	9.39%	\$ 705,155	11.53%
2010	\$ 1,255,938	9.39%	\$ 666,542	11.05%
2009	\$ 1,286,804	9.39%	\$ 626,255	11.05%

Year Ended June 30,	Employee			
	SCRS	Percent of Covered Payroll	PORS	Percent of Covered Payroll
2011	\$ 859,228	6.50%	\$ 402,606	6.50%
2010	\$ 865,562	6.50%	\$ 392,084	6.50%
2009	\$ 878,130	6.50%	\$ 368,387	6.50%

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

### Note 10 – Post Retirement Health Care and Life Insurance Benefits

#### Plan Summary

In accordance with the provisions of the County personnel manual, retired employees are eligible for individual insurance coverage on the same terms as active employees until age 65. The total cost of any dependent coverage is charged to the retiree. Benefits provided include health and dental insurance coverage.

As of year-end, there were 28 employees retired and under the age of 65 that were receiving insurance benefits. For the year ended June 30, 2011, the County incurred net expenditures for the plan of approximately \$177,258 financed on a pay-as-you-go basis.

## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 10 – Post Retirement Health Care and Life Insurance Benefits – Continued

#### *Medical/Prescription Drug*

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

#### *Dental*

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

#### *Required Monthly Contributions*

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

	Medical Economy Plan	Medical Base Plan	Medical Buy-Up Plan
Employee Only	-0-	\$40.52	\$82.18
Employee + Spouse	\$100.60	\$173.40	\$305.40
Employee + Child(ren)	\$65.36	\$100.42	\$186.84
Employee + Family	\$183.68	\$246.46	\$411.72

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

#### *Funding Policy and Annual OPEB Cost*

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

Annual required contribution	\$ 1,137,379
Interest on OPEB obligation	62,808
Adjustment to ARC	(83,814)
Annual OPEB cost, end of year	<u>1,116,373</u>
Net estimated employer contributions	(247,020)
Increase in net OPEB obligation	<u>869,353</u>
Net OPEB obligation as of beginning of the year	1,395,728
Net OPEB obligation as of end of year	<u>\$ 2,265,081</u>

## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 10 – Post Retirement Health Care and Life Insurance Benefits – Continued

#### Funding Policy and Annual OPEB Cost – Continued

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending June 30, 2011 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
June 30, 2009	\$ 1,065,698	\$ 289,624	37.3%	\$ 776,074
June 30, 2010	\$ 973,559	\$ 353,905	57.1%	\$ 1,395,728
June 30, 2011	\$ 1,116,373	\$ 247,020	28.4%	\$ 2,265,081

#### Funding Status and Funding Progress

The funded status of Pickens County's retiree health care plan, under GASB Statement No. 45 as of June 30, 2011 is as follows:

Actuarial Valuation Date as of June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
2010	\$ -	\$ 9,239,019	\$ 9,239,019	0.0%

Under the reporting parameters, Pickens County's retiree health care plan is 0.0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$9,239,019 at June 30, 2010.

#### Actuarial Methods and Assumptions

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

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

## PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2011

### Note 10 – Post Retirement Health Care and Life Insurance Benefits – Continued

*Actuarial Methods and Assumptions*

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

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

### Note 11 – Closure and Post Closure Care Costs for Solid Waste Landfills

On October 9, 1991, federal regulations issued by the Environmental Protection Agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills as well as post closure maintenance for a period of 30 years after closure. The \$2.7 million liability reported as landfill closure and post closure represents total costs to date, as of June 30, 2011 based on 100% use of all landfills. Actual cost for closure and postclosure care may vary due to inflation, developments in technology or changes in laws and regulations.

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

Landfill	Post Closure Years Remaining	% Used	Open/ Close Year	Closure/ Post Closure Costs
Easley	21	100	2003	\$ 1,331,000
Central	11	100	1994	357,500
C & D	20	80	1998	994,824
				<u>\$ 2,683,324</u>

**PICKENS COUNTY, SOUTH CAROLINA**

Notes to Financial Statements

June 30, 2011

**Note 12 – Commitments and Contingencies**

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

The County has entered into various construction commitments. Such contracts include contracts for construction of wastewater treatment extension and a satellite campus for Tri-County Technical College. Several of these contracts were in progress but not completed as of June 30, 2011.

The County is involved in several pending lawsuits. The attorneys representing the County are of the opinion that all suits are covered by applicable insurance and that none of the claims, if any, would exceed such coverage. In the event of an unfavorable outcome, any resulting liability would be covered by the State of South Carolina Insurance Reserve Fund.



PICKENS COUNTY, SOUTH CAROLINA

Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 23,218,867	\$ 23,218,867	\$ 24,120,148	\$ 901,281
Intergovernmental	5,214,763	5,236,755	4,856,126	(380,629)
Fees, licenses and permits	457,600	457,600	585,335	127,735
Charges for services	5,726,017	5,726,017	6,280,711	554,694
Fines and forfeitures	575,000	575,000	647,315	72,315
Investment income	249,404	249,404	166,508	(82,896)
Rental income	23,483	23,483	27,210	3,727
Contributions	3,300	8,351	2,235	(6,116)
Miscellaneous	75,000	1,019,370	1,513,414	494,044
Total revenues	<u>35,543,434</u>	<u>36,514,847</u>	<u>38,199,002</u>	<u>1,684,155</u>
Expenditures				
Current				
General government				
County council	221,480	227,959	199,657	28,302
County attorney	93,000	93,000	75,539	17,461
State solicitor	773,889	773,889	777,235	(3,346)
Public defender	94,303	98,895	95,555	3,340
Probate judge	285,092	288,524	277,943	10,581
Register of deeds	238,663	247,952	235,832	12,120
Clerk of court	627,882	631,183	585,385	45,798
Administrator	400,825	331,494	319,650	11,844
Purchasing	158,090	158,090	131,928	26,162
Finance	435,184	449,876	449,749	127
Building maintenance	1,509,745	1,504,446	1,434,137	70,309
Human resources	178,349	181,317	180,653	664
Delinquent tax	252,741	252,741	241,158	11,583
Circuit judge	4,355	4,355	5,018	(663)
Treasurer	427,481	428,400	429,198	(798)
Auditor	329,948	331,465	310,956	20,509
Tax assessor	776,001	778,613	712,901	65,712
Board of appeals	2,000	8,000	6,023	1,977
GIS mapping	310,371	358,980	344,363	14,617
Registration and elections	260,438	263,814	209,657	54,157
Planning commission	152,135	160,301	148,522	11,779
Information services	970,862	979,200	875,428	103,772
County magistrates	626,555	629,691	591,306	38,385
Vehicle maintenance	543,373	543,963	531,748	12,215
Public relations	28,450	31,922	16,066	15,856
Retiree health and dental	206,328	206,328	165,709	40,619
	<u>9,907,540</u>	<u>9,964,398</u>	<u>9,351,316</u>	<u>613,082</u>

## PICKENS COUNTY, SOUTH CAROLINA

**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2011**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Positive (Negative)</b>
Public safety				
Sheriff's department	8,668,874	8,742,936	8,678,347	64,589
Emergency management	343,181	349,171	331,937	17,234
County coroner	184,387	184,699	176,065	8,634
Prison camp	1,297,671	1,299,042	1,141,524	157,518
Emergency medical services	4,631,828	4,633,739	4,314,141	319,598
Building codes	301,122	302,863	303,029	(166)
County radio system	26,000	26,300	26,295	5
E-911	110,067	110,067	101,396	8,671
	<u>15,563,130</u>	<u>15,648,817</u>	<u>15,072,734</u>	<u>576,083</u>
Public works				
Roads and bridges	2,175,681	2,261,658	2,273,936	(12,278)
Solid waste department	3,551,866	3,538,351	3,238,178	300,173
Engineering	165,359	165,704	156,968	8,736
	<u>5,892,906</u>	<u>5,965,713</u>	<u>5,669,082</u>	<u>296,631</u>
Health and welfare				
Health department	54,188	54,188	48,505	5,683
Animal control	424,467	423,887	396,061	27,826
Humane society	70,000	70,000	70,000	-
Veterans affairs	99,125	103,573	101,761	1,812
Storm water management	90,442	106,712	103,658	3,054
Pickens County health partners	20,000	20,000	20,000	-
Meals on Wheels	5,000	5,000	5,000	-
	<u>763,222</u>	<u>783,360</u>	<u>744,985</u>	<u>38,375</u>
Culture and recreation				
Cultural commission	585,420	1,002,782	723,836	278,946
Parks department	192,108	192,552	180,181	12,371
	<u>777,528</u>	<u>1,195,334</u>	<u>904,017</u>	<u>291,317</u>
Intergovernmental				
Legislative delegation	21,803	21,803	17,838	3,965
Seniors unlimited	10,000	10,000	10,000	-
Department of social services	85,890	85,890	74,243	11,647
Medically indigent fund	214,067	214,067	199,549	14,518
SC Appalachian Council of Governments	45,593	45,593	45,593	-
Clemson extension	56,800	56,800	56,725	75
Soil and water conservation	3,500	3,500	3,500	-
	<u>437,653</u>	<u>437,653</u>	<u>407,448</u>	<u>30,205</u>

**PICKENS COUNTY, SOUTH CAROLINA**

**Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Positive (Negative)</b>
Other				
Contingency	150,000	75,912	73,790	2,122
SCAC	19,025	19,025	19,025	-
Non-departmental	15,000	4,178	-	4,178
	<u>184,025</u>	<u>99,115</u>	<u>92,815</u>	<u>6,300</u>
 Capital outlay	 <u>1,572,070</u>	 <u>4,525,172</u>	 <u>4,382,556</u>	 <u>142,616</u>
 Total expenditures	 <u>35,098,074</u>	 <u>38,619,562</u>	 <u>36,624,953</u>	 <u>1,994,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>445,360</u>	<u>(2,104,715)</u>	<u>1,574,049</u>	<u>3,678,764</u>
 Other financing sources (uses)				
Transfers in (out)	<u>(718,491)</u>	<u>(933,491)</u>	<u>(1,058,603)</u>	<u>125,112</u>
Total other financing uses	<u>(718,491)</u>	<u>(933,491)</u>	<u>(1,058,603)</u>	<u>125,112</u>
 Net change in fund balances	 \$ <u><u>(273,131)</u></u>	 \$ <u><u>(3,038,206)</u></u>	 515,446	 \$ <u><u>3,553,652</u></u>
 Fund balance - beginning			 <u>26,639,410</u>	
 Fund balance - end			 \$ <u><u>27,154,856</u></u>	

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

## PICKENS COUNTY, SOUTH CAROLINA

**Combining Balance Sheet**  
**Major Fund - Fire Districts**  
**June 30, 2011**

	<u>Easley</u>	<u>Liberty</u>	<u>Pumpkintown</u>	<u>Crosswell</u>	<u>Six Mile</u>	<u>Pickens</u>	<u>Dacusville</u>
<b>Assets</b>							
Cash and investments	\$ 107,758	\$ 374,180	\$ 66,275	\$ 797,182	\$ 118,584	\$ 175,077	\$ 221,152
Property taxes receivable	73,811	69,779	16,759	104,020	28,015	56,382	35,475
Accounts receivable - other	-	-	-	325	-	486	-
Prepaid items	-	980	-	-	-	-	-
Total assets	<u>\$ 181,569</u>	<u>\$ 444,939</u>	<u>\$ 83,034</u>	<u>\$ 901,527</u>	<u>\$ 146,599</u>	<u>\$ 231,945</u>	<u>\$ 256,627</u>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable	\$ 7,434	\$ 2,465	\$ 4,780	\$ 4,296	\$ 1,876	\$ -	\$ 1,512
Accrued payroll	-	-	-	15,236	-	-	3,207
Advances from general fund	-	583,778	-	583,778	-	-	-
Unearned revenue	69,861	66,249	16,059	100,067	26,935	52,374	32,261
Total liabilities	<u>77,295</u>	<u>652,492</u>	<u>20,839</u>	<u>703,377</u>	<u>28,811</u>	<u>52,374</u>	<u>36,980</u>
Fund balances:							
Nonspendable							
Prepaid items	-	980	-	-	-	-	-
Restricted	104,274	-	62,195	198,150	117,788	179,571	219,647
Unassigned	-	(208,533)	-	-	-	-	-
Total fund balances	<u>104,274</u>	<u>(207,553)</u>	<u>62,195</u>	<u>198,150</u>	<u>117,788</u>	<u>179,571</u>	<u>219,647</u>
Total liabilities and fund balances	<u>\$ 181,569</u>	<u>\$ 444,939</u>	<u>\$ 83,034</u>	<u>\$ 901,527</u>	<u>\$ 146,599</u>	<u>\$ 231,945</u>	<u>\$ 256,627</u>

## PICKENS COUNTY, SOUTH CAROLINA

**Combining Balance Sheet**  
**Major Fund - Fire Districts**  
**June 30, 2011**

	<u>Holly Springs</u>	<u>Central</u>	<u>Shady Grove</u>	<u>Rocky Bottom</u>	<u>Vineyards</u>	<u>Springs</u>	<u>Total</u>
<b>Assets</b>							
Cash and investments	\$ 104,250	\$ 137,774	\$ 269,046	\$ 22,559	\$ 232,929	\$ 178,217	\$ 2,804,983
Property taxes receivable	9,979	14,935	9,738	46	37,824	141,721	598,484
Accounts receivable - other	-	-	-	-	-	-	811
Prepaid items	-	-	175	-	-	85	1,240
Total assets	<u>\$ 114,229</u>	<u>\$ 152,709</u>	<u>\$ 278,959</u>	<u>\$ 22,605</u>	<u>\$ 270,753</u>	<u>\$ 320,023</u>	<u>\$ 3,405,518</u>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable	\$ 1,478	\$ 1,670	\$ 1,625	\$ -	\$ 7,462	\$ 11,586	\$ 46,184
Accrued payroll	-	-	-	-	34,660	-	53,103
Advances from general fund	-	-	-	-	-	-	1,167,556
Unearned revenue	9,047	14,151	8,290	46	33,985	129,174	558,499
Total liabilities	<u>10,525</u>	<u>15,821</u>	<u>9,915</u>	<u>46</u>	<u>76,107</u>	<u>140,760</u>	<u>1,825,342</u>
Fund balances:							
Nonspendable							
Prepaid items	-	-	175	-	-	85	1,240
Restricted	103,704	136,888	268,869	22,559	194,646	179,178	1,787,469
Unassigned	-	-	-	-	-	-	(208,533)
Total fund balances	<u>103,704</u>	<u>136,888</u>	<u>269,044</u>	<u>22,559</u>	<u>194,646</u>	<u>179,263</u>	<u>1,580,176</u>
Total liabilities and fund balances	<u>\$ 114,229</u>	<u>\$ 152,709</u>	<u>\$ 278,959</u>	<u>\$ 22,605</u>	<u>\$ 270,753</u>	<u>\$ 320,023</u>	<u>\$ 3,405,518</u>

## PICKENS COUNTY, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Major Fund - Fire Districts  
Year Ended June 30, 2011

	<u>Easley</u>	<u>Liberty</u>	<u>Pumpkintown</u>	<u>Crosswell</u>	<u>Six Mile</u>	<u>Pickens</u>	<u>Dacusville</u>
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	1,200
Fees, licenses and permits	441,764	383,174	100,771	606,565	129,470	318,366	171,342
Investment income	-	-	-	745	-	1,166	-
Contributions	-	-	250	-	-	-	500
Miscellaneous	-	-	15,000	-	-	-	-
Total revenues	<u>441,764</u>	<u>383,174</u>	<u>116,021</u>	<u>607,310</u>	<u>129,470</u>	<u>319,532</u>	<u>173,042</u>
Expenditures							
Current:							
Personnel services	-	-	-	267,487	-	-	64,859
Supplies	-	4,971	4,628	8,360	60	-	14,720
Contractual services	444,918	183,724	1,121	276,064	85,180	310,000	2,903
Utilities	-	9,213	11,655	9,657	-	-	13,881
Repairs and maintenance	-	21,078	28,583	5,627	1,883	-	9,329
Fuel and oil	-	-	6,700	6,348	838	-	5,689
Furniture, machinery and equipment	-	7,822	9,681	13,011	1,969	-	1,022
Insurance, bonds and licenses	-	3,881	20,274	5,701	3,797	-	33,487
Rent	-	-	-	-	-	-	-
Other	-	4,985	4,543	35,591	9,285	-	20,739
Contingency	-	750	-	-	-	-	-
Capital outlay	-	-	283,155	354,865	2,500	-	10,402
Debt service:							
Principal retirement	-	-	16,836	32,899	-	-	28,789
Interest and fiscal charges	-	24,702	1,988	35,024	-	-	5,585
Total expenditures	<u>444,918</u>	<u>261,126</u>	<u>389,164</u>	<u>1,050,634</u>	<u>105,512</u>	<u>310,000</u>	<u>211,405</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,154)</u>	<u>122,048</u>	<u>(273,143)</u>	<u>(443,324)</u>	<u>23,958</u>	<u>9,532</u>	<u>(38,363)</u>
Other financing sources (uses)							
Proceeds from bond issuance	-	-	242,345	290,225	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>242,345</u>	<u>290,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(3,154)</u>	<u>122,048</u>	<u>(30,798)</u>	<u>(153,099)</u>	<u>23,958</u>	<u>9,532</u>	<u>(38,363)</u>
Fund balance - beginning	<u>107,428</u>	<u>(329,601)</u>	<u>92,993</u>	<u>351,249</u>	<u>93,830</u>	<u>170,039</u>	<u>258,010</u>
Fund balance - ending	<u>\$ 104,274</u>	<u>\$ (207,553)</u>	<u>\$ 62,195</u>	<u>\$ 198,150</u>	<u>\$ 117,788</u>	<u>\$ 179,571</u>	<u>\$ 219,647</u>

## PICKENS COUNTY, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Major Fund - Fire Districts  
Year Ended June 30, 2011

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
Revenues							
Taxes	\$ -	\$ -	\$ 264,607	\$ -	\$ 645,430	\$ 398,648	\$ 1,308,685
Intergovernmental	-	-	-	-	-	-	1,200
Fees, licenses and permits	61,958	168,086	-	3,258	-	-	2,384,754
Investment income	-	-	-	-	-	-	1,911
Contributions	226,150	-	-	-	250	-	227,150
Miscellaneous	2,330	-	1,028	-	-	-	18,358
Total revenues	<u>290,438</u>	<u>168,086</u>	<u>265,635</u>	<u>3,258</u>	<u>645,680</u>	<u>398,648</u>	<u>3,942,058</u>
Expenditures							
Current:							
Personnel services	-	4,416	-	-	755,231	-	1,091,993
Supplies	2,518	6,605	1,325	-	15,479	23,989	82,655
Contractual services	750	80,200	200,185	2,330	6,313	5,320	1,599,008
Utilities	6,227	3,216	-	-	20,658	12,737	87,244
Repairs and maintenance	2,650	4,353	3,590	-	14,963	23,644	115,700
Fuel and oil	1,996	2,147	-	-	6,996	6,425	37,139
Furniture, machinery and equipment	-	21,894	3,625	-	14,790	8,508	82,322
Insurance, bonds and licenses	488	6,098	2,214	-	11,137	4,227	91,304
Rent	-	-	-	-	64	-	64
Other	494	2,884	-	-	9,773	13,885	102,179
Contingency	-	-	110	-	-	-	860
Capital outlay	225,900	25,185	202,573	-	26,505	213,597	1,344,682
Debt service:							
Principal retirement	21,702	24,093	-	-	-	-	124,319
Interest and fiscal charges	5,756	11,502	-	-	-	-	84,557
Total expenditures	<u>268,481</u>	<u>192,593</u>	<u>413,622</u>	<u>2,330</u>	<u>881,909</u>	<u>312,332</u>	<u>4,844,026</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>21,957</u>	<u>(24,507)</u>	<u>(147,987)</u>	<u>928</u>	<u>(236,229)</u>	<u>86,316</u>	<u>(901,968)</u>
Other financing sources (uses)							
Proceeds from bond issuance	-	-	176,700	-	26,600	214,130	950,000
Transfers out	-	-	-	-	313,266	(313,266)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>176,700</u>	<u>-</u>	<u>339,866</u>	<u>(99,136)</u>	<u>950,000</u>
<b>Net change in fund balances</b>	21,957	(24,507)	28,713	928	103,637	(12,820)	48,032
Fund balance - beginning	<u>81,747</u>	<u>161,395</u>	<u>240,331</u>	<u>21,631</u>	<u>91,009</u>	<u>192,083</u>	<u>1,532,144</u>
Fund balance - ending	<u>\$ 103,704</u>	<u>\$ 136,888</u>	<u>\$ 269,044</u>	<u>\$ 22,559</u>	<u>\$ 194,646</u>	<u>\$ 179,263</u>	<u>\$ 1,580,176</u>

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Easley Fire District Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 449,959	\$ 449,959	\$ 441,764	\$ (8,195)
Investment income	500	500	-	(500)
Total revenues	<u>450,459</u>	<u>450,459</u>	<u>441,764</u>	<u>(8,695)</u>
Expenditures				
Current:				
Contractual services	449,959	449,959	444,918	5,041
Contingency	500	500	-	500
Total expenditures	<u>450,459</u>	<u>450,459</u>	<u>444,918</u>	<u>5,541</u>
<b>Deficiency of revenues under expenditures</b>	<u>-</u>	<u>-</u>	<u>(3,154)</u>	<u>(3,154)</u>
 <b>Net change in fund balances</b>	 <u>\$ -</u>	 <u>\$ -</u>	 (3,154)	 <u>\$ (3,154)</u>
Fund balance - beginning			<u>107,428</u>	
Fund balance - ending			<u>\$ 104,274</u>	



PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Liberty Fire District Fund  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 373,503	\$ 373,503	\$ 383,174	\$ 9,671
Investment income	500	500	-	(500)
Total revenues	<u>374,003</u>	<u>374,003</u>	<u>383,174</u>	<u>9,171</u>
Expenditures				
Current:				
Supplies	4,000	4,000	4,971	(971)
Contractual services	211,000	211,000	183,724	27,276
Utilities	13,400	13,400	9,213	4,187
Repairs and maintenance	18,000	18,000	21,078	(3,078)
Furniture, machinery and equipment	29,000	29,000	7,822	21,178
Insurance, bonds and licenses	10,000	10,000	3,881	6,119
Other	8,000	8,000	4,985	3,015
Contingency	22,141	22,141	750	21,391
Debt service:				
Principal retirement	33,760	33,760	-	33,760
Interest and fiscal charges	24,702	24,702	24,702	-
Total expenditures	<u>374,003</u>	<u>374,003</u>	<u>261,126</u>	<u>112,877</u>
<b>Deficiency of revenues under expenditures</b>	<u>-</u>	<u>-</u>	<u>122,048</u>	<u>122,048</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>122,048</u>	<u>\$ 122,048</u>
Fund balance - beginning			<u>(329,601)</u>	
Fund balance - ending			<u>\$ (207,553)</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Pumpkintown Fire District Fund  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
<b>Revenues</b>				
Fees, licenses and permits	\$ 99,966	\$ 99,966	\$ 100,771	\$ 805
Investment income	150	150	-	(150)
Contributions	-	-	250	250
Miscellaneous	-	-	15,000	15,000
Total revenues	<u>100,116</u>	<u>100,116</u>	<u>116,021</u>	<u>15,905</u>
<b>Expenditures</b>				
Current:				
Supplies	9,312	9,312	4,628	4,684
Contractual services	4,150	4,150	1,121	3,029
Utilities	9,660	9,660	11,655	(1,995)
Repairs and maintenance	10,000	10,000	28,583	(18,583)
Fuel and oil	4,500	4,500	6,700	(2,200)
Furniture, machinery and equipment	-	-	9,681	(9,681)
Insurance, bonds and licenses	17,640	17,640	20,274	(2,634)
Other	5,730	5,730	4,543	1,187
Contingency	20,300	20,300	-	20,300
Capital outlay	-	279,000	283,155	(4,155)
Debt service:				
Principal retirement	16,836	16,836	16,836	-
Interest and fiscal charges	1,988	1,988	1,988	-
Total expenditures	<u>100,116</u>	<u>379,116</u>	<u>389,164</u>	<u>(10,048)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(279,000)</u>	<u>(273,143)</u>	<u>5,857</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bond issuance	-	-	242,345	242,345
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>242,345</u>	<u>242,345</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ (279,000)</u>	<u>(30,798)</u>	<u>\$ 248,202</u>
Fund balance - beginning			<u>92,993</u>	
Fund balance - ending			<u>\$ 62,195</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Crosswell Fire District Fund  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 608,000	\$ 608,000	\$ 606,565	\$ (1,435)
Investment income	5,000	5,000	745	(4,255)
Total revenues	<u>613,000</u>	<u>613,000</u>	<u>607,310</u>	<u>(5,690)</u>
Expenditures				
Current:				
Personnel services	360,350	337,350	267,487	69,863
Supplies	8,000	10,898	8,360	2,538
Contractual services	277,000	277,210	276,064	1,146
Utilities	14,320	11,001	9,657	1,344
Repairs and maintenance	7,000	8,000	5,627	2,373
Fuel and oil	7,000	7,000	6,348	652
Furniture, machinery and equipment	7,000	13,321	13,011	310
Insurance, bonds and licenses	6,309	6,204	5,701	503
Other	31,000	42,398	35,591	6,807
Capital outlay	-	354,865	354,865	-
Debt service:				
Principal retirement	90,125	90,125	32,899	57,226
Interest and fiscal charges	47,137	47,137	35,024	12,113
Total expenditures	<u>855,241</u>	<u>1,205,509</u>	<u>1,050,634</u>	<u>154,875</u>
<b>Deficiency of revenues under expenditures</b>	<u>(242,241)</u>	<u>(592,509)</u>	<u>(443,324)</u>	<u>149,185</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	<u>285,000</u>	<u>285,000</u>	<u>290,225</u>	<u>5,225</u>
Total other financing sources (uses)	<u>285,000</u>	<u>285,000</u>	<u>290,225</u>	<u>5,225</u>
<b>Net change in fund balances</b>	<u>\$ 42,759</u>	<u>\$ (307,509)</u>	<u>(153,099)</u>	<u>\$ 154,410</u>
Fund balance - beginning			<u>351,249</u>	
Fund balance - ending			<u>\$ 198,150</u>	

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Six Mile Fire District Fund  
Year Ended June 30, 2011**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Positive (Negative)</b>
Revenues				
Intergovernmental	\$ 5,408	\$ 5,408	\$ -	\$ (5,408)
Fees, licenses and permits	129,216	129,216	129,470	254
Investment income	700	700	-	(700)
Total revenues	<u>135,324</u>	<u>135,324</u>	<u>129,470</u>	<u>(5,854)</u>
Expenditures				
Current:				
Supplies	15,315	15,315	60	15,255
Contractual services	83,304	83,304	85,180	(1,876)
Repairs and maintenance	-	-	1,883	(1,883)
Fuel and oil	-	-	838	(838)
Furniture, machinery and equipment	5,250	5,250	1,969	3,281
Insurance, bonds and licenses	4,800	4,800	3,797	1,003
Other	5,400	5,400	9,285	(3,885)
Capital outlay	-	-	2,500	(2,500)
Total expenditures	<u>114,069</u>	<u>114,069</u>	<u>105,512</u>	<u>8,557</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>21,255</u>	<u>21,255</u>	<u>23,958</u>	<u>2,703</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>21,255</u>	<u>21,255</u>	<u>23,958</u>	<u>2,703</u>
<b>Net change in fund balances</b>	<u>\$ 21,255</u>	<u>\$ 21,255</u>	<u>23,958</u>	<u>\$ 2,703</u>
Fund balance - beginning			<u>93,830</u>	
Fund balance - ending			<u>\$ 117,788</u>	

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Pickens Fire District Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 312,262	\$ 312,262	\$ 318,366	\$ 6,104
Investment income	3,000	3,000	1,166	(1,834)
Total revenues	<u>315,262</u>	<u>315,262</u>	<u>319,532</u>	<u>4,270</u>
Expenditures				
Current:				
Contractual services	296,650	296,650	310,000	(13,350)
Contingency	18,612	18,612	-	18,612
Total expenditures	<u>315,262</u>	<u>315,262</u>	<u>310,000</u>	<u>5,262</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>9,532</u>	<u>9,532</u>
<b>Excess of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>9,532</u>	<u>9,532</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>9,532</u>	<u>\$ 9,532</u>
Fund balance - beginning			<u>170,039</u>	
Fund balance - ending			<u>\$ 179,571</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Dacusville Fire District Fund  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 1,200	\$ 1,200	\$ -
Fees, licenses and permits	172,600	172,600	171,342	(1,258)
Investment income	600	600	-	(600)
Contributions	-	-	500	500
<b>Total revenues</b>	<u>173,200</u>	<u>174,400</u>	<u>173,042</u>	<u>(1,358)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Personnel services	56,224	56,224	64,859	(8,635)
Supplies	16,330	18,730	14,720	4,010
Contractual services	1,500	1,500	2,903	(1,403)
Utilities	11,200	11,200	13,881	(2,681)
Repairs and maintenance	8,750	7,550	9,329	(1,779)
Fuel and oil	3,500	3,500	5,689	(2,189)
Furniture, machinery and equipment	2,500	2,500	1,022	1,478
Insurance, bonds and licenses	18,500	18,500	33,487	(14,987)
Other	26,000	26,000	20,739	5,261
Capital outlay	-	-	10,402	(10,402)
<b>Debt service:</b>				
Principal retirement	28,789	28,789	28,789	-
Interest and fiscal charges	5,585	5,585	5,585	-
<b>Total expenditures</b>	<u>178,878</u>	<u>180,078</u>	<u>211,405</u>	<u>(31,327)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,678)</u>	<u>(5,678)</u>	<u>(38,363)</u>	<u>(32,685)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,678)</u>	<u>(5,678)</u>	<u>(38,363)</u>	<u>(32,685)</u>
<b>Net change in fund balances</b>	<u>\$ (5,678)</u>	<u>\$ (5,678)</u>	<u>(38,363)</u>	<u>\$ (32,685)</u>
Fund balance - beginning			<u>258,010</u>	
Fund balance - ending			<u>\$ 219,647</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Holly Springs Fire District Fund  
Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	60,290	60,290	61,958	1,668
Investment income	1,000	1,000	-	(1,000)
Contributions	-	-	226,150	226,150
Miscellaneous	(700)	(700)	2,330	3,030
Total revenues	<u>60,590</u>	<u>60,590</u>	<u>290,438</u>	<u>229,848</u>
Expenditures				
Current:				
Supplies	7,935	7,935	2,518	5,417
Contractual services	1,300	1,300	750	550
Utilities	5,000	5,000	6,227	(1,227)
Repairs and maintenance	4,500	4,500	2,650	1,850
Fuel and oil	2,000	2,000	1,996	4
Furniture, machinery and equipment	200	200	-	200
Insurance, bonds and licenses	7,000	7,000	488	6,512
Other	3,000	3,000	494	2,506
Contingency	2,197	2,197	-	2,197
Capital outlay	-	-	225,900	(225,900)
Debt service:				
Principal retirement	21,702	21,702	21,702	-
Interest and fiscal charges	5,756	5,756	5,756	-
Total expenditures	<u>60,590</u>	<u>60,590</u>	<u>268,481</u>	<u>(207,891)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>21,957</u>	<u>21,957</u>
<b>Excess of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>21,957</u>	<u>21,957</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>21,957</u>	<u>\$ 21,957</u>
Fund balance - beginning			<u>81,747</u>	
Fund balance - ending			<u>\$ 103,704</u>	

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Central Fire District Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Positive (Negative)</b>
<b>Revenues</b>				
Fees, licenses and permits	\$ 160,565	\$ 160,565	\$ 168,086	\$ 7,521
Investment income	400	400	-	(400)
Total revenues	<u>160,965</u>	<u>160,965</u>	<u>168,086</u>	<u>7,121</u>
<b>Expenditures</b>				
Current:				
Personnel services	-	-	4,416	(4,416)
Supplies	9,350	10,944	6,605	4,339
Contractual services	74,509	74,509	80,200	(5,691)
Utilities	4,324	4,324	3,216	1,108
Repairs and maintenance	5,000	5,000	4,353	647
Fuel and oil	1,000	1,000	2,147	(1,147)
Furniture, machinery and equipment	22,701	22,701	21,894	807
Insurance, bonds and licenses	4,537	4,537	6,098	(1,561)
Other	3,825	3,825	2,884	941
Capital outlay	-	25,280	25,185	95
Debt service:				
Principal retirement	24,177	24,177	24,093	84
Interest and fiscal charges	11,542	11,542	11,502	40
Total expenditures	<u>160,965</u>	<u>187,839</u>	<u>192,593</u>	<u>(4,754)</u>
<b>Deficiency of revenues under expenditures</b>	<u>-</u>	<u>(26,874)</u>	<u>(24,507)</u>	<u>2,367</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ (26,874)</u>	<u>(24,507)</u>	<u>\$ 2,367</u>
Fund balance - beginning			<u>161,395</u>	
Fund balance - ending			<u>\$ 136,888</u>	



**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Shady Grove Fire District Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Positive (Negative)</b>
Revenues				
Taxes	\$ 259,850	\$ 259,850	\$ 264,607	\$ 4,757
Investment income	150	150	-	(150)
Miscellaneous	-	-	1,028	1,028
Total revenues	<u>260,000</u>	<u>260,000</u>	<u>265,635</u>	<u>5,635</u>
Expenditures				
Current:				
Supplies	300	300	1,325	(1,025)
Contractual services	199,680	199,680	200,185	(505)
Repairs and maintenance	3,000	3,000	3,590	(590)
Furniture, machinery and equipment	-	-	3,625	(3,625)
Insurance, bonds and licenses	6,300	6,300	2,214	4,086
Contingency	50,720	50,720	110	50,610
Capital outlay	240,000	412,904	202,573	210,331
Total expenditures	<u>500,000</u>	<u>672,904</u>	<u>413,622</u>	<u>259,282</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(240,000)</u>	<u>(412,904)</u>	<u>(147,987)</u>	<u>264,917</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	240,000	240,000	176,700	(63,300)
Total other financing sources (uses)	<u>240,000</u>	<u>240,000</u>	<u>176,700</u>	<u>(63,300)</u>
<b>over expenditures</b>	<u>(240,000)</u>	<u>(412,904)</u>	<u>(147,987)</u>	<u>264,917</u>
<b>Net change in fund balances</b>	\$ <u><u>-</u></u>	\$ <u><u>(172,904)</u></u>	<u>28,713</u>	\$ <u><u>201,617</u></u>
Fund balance - beginning			<u>240,331</u>	
Fund balance - ending			\$ <u><u>269,044</u></u>	

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Rocky Bottom Fire District Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 3,460	\$ 3,460	\$ 3,258	\$ (202)
Investment income	100	100	-	(100)
Total revenues	<u>3,560</u>	<u>3,560</u>	<u>3,258</u>	<u>(302)</u>
Expenditures				
Current:				
Supplies	630	630	-	630
Contractual services	2,930	2,930	2,330	600
Total expenditures	<u>3,560</u>	<u>3,560</u>	<u>2,330</u>	<u>1,230</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>928</u>	<u>928</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>928</u>	<u>928</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>928</u>	<u>\$ 928</u>
Fund balance - beginning			<u>21,631</u>	
Fund balance - ending			<u>\$ 22,559</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Vineyards Fire District Fund  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 664,769	\$ 664,769	\$ 645,430	\$ (19,339)
Investment income	50	50	-	(50)
Contributions	-	-	250	250
Total revenues	<u>664,819</u>	<u>664,819</u>	<u>645,680</u>	<u>(19,139)</u>
<b>Expenditures</b>				
Current:				
Personnel services	781,271	781,271	755,231	26,040
Supplies	24,000	19,000	15,479	3,521
Contractual services	5,000	6,700	6,313	387
Utilities	17,900	21,900	20,658	1,242
Repairs and maintenance	13,500	18,500	14,963	3,537
Fuel and oil	9,000	7,000	6,996	4
Furniture, machinery and equipment	17,100	17,100	14,790	2,310
Insurance, bonds and licenses	19,047	19,047	11,137	7,910
Rent	100	100	64	36
Other	15,200	11,500	9,773	1,727
Contingency	25,000	25,000	-	25,000
Capital outlay	26,000	26,000	26,505	(505)
Total expenditures	<u>953,118</u>	<u>953,118</u>	<u>881,909</u>	<u>71,209</u>
<b>Deficiency of revenues under expenditures</b>	<u>(288,299)</u>	<u>(288,299)</u>	<u>(236,229)</u>	<u>52,070</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bond issuance	26,000	26,000	26,600	600
Transfers out	313,266	313,266	313,266	-
Total other financing uses	<u>339,266</u>	<u>339,266</u>	<u>339,866</u>	<u>600</u>
<b>Net change in fund balances</b>	<u>\$ 50,967</u>	<u>\$ 50,967</u>	103,637	<u>\$ 52,670</u>
Fund balance - beginning			<u>91,009</u>	
Fund balance - ending			<u>\$ 194,646</u>	

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Springs Fire District Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Positive (Negative)</b>
Revenues				
Taxes	\$ 505,057	\$ 505,057	\$ 398,648	\$ (106,409)
Total revenues	<u>505,057</u>	<u>505,057</u>	<u>398,648</u>	<u>(106,409)</u>
Expenditures				
Current:				
Supplies	42,600	34,600	23,989	10,611
Contractual services	25,900	26,900	5,320	21,580
Utilities	15,800	17,800	12,737	5,063
Repairs and maintenance	24,000	29,000	23,644	5,356
Fuel and oil	8,000	8,000	6,425	1,575
Furniture, machinery and equipment	17,200	17,200	8,508	8,692
Insurance, bonds and licenses	22,600	22,600	4,227	18,373
Rent	750	750	-	750
Other	22,800	22,800	13,885	8,915
Capital outlay	-	209,429	213,597	(4,168)
Total expenditures	<u>179,650</u>	<u>389,079</u>	<u>312,332</u>	<u>76,747</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>325,407</u>	<u>115,978</u>	<u>86,316</u>	<u>(29,662)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	126,600	126,600	214,130	87,530
Transfers out	(313,266)	(313,266)	(313,266)	-
Total other financing sources	<u>(186,666)</u>	<u>(186,666)</u>	<u>(99,136)</u>	<u>87,530</u>
<b>Net change in fund balances</b>	<u>\$ 138,741</u>	<u>\$ (70,688)</u>	(12,820)	<u>\$ 57,868</u>
Fund balance - beginning			<u>192,083</u>	
Fund balance - ending			<u>\$ 179,263</u>	

**PICKENS COUNTY, SOUTH CAROLINA**

Combining Schedules  
Nonmajor Governmental Funds

**Nonmajor Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

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

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

**PICKENS COUNTY, SOUTH CAROLINA**

Combining Schedules

Nonmajor Governmental Funds

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

**Public Safety Capital Replacement** – This fund accounts for the accumulation of resources for the replacement of police and EMS vehicles.

## PICKENS COUNTY, SOUTH CAROLINA

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>				
Cash and investments	\$ 4,312,693	\$ 305,351	\$ 426,738	\$ 5,044,782
Property taxes receivable	298,554	235,513	-	534,067
Accounts receivable - other	49,439	-	641	50,080
Due from other governments	456,992	-	-	456,992
Total assets	<u>\$ 5,117,678</u>	<u>\$ 540,864</u>	<u>\$ 427,379</u>	<u>\$ 6,085,921</u>
<b>Liabilities and fund balances</b>				
Liabilities:				
Accounts payable	\$ 439,672	\$ -	\$ 613	\$ 440,285
Accrued payroll	116,148	-	-	116,148
Deferred revenue	495,517	220,295	-	715,812
Total liabilities	<u>1,051,337</u>	<u>220,295</u>	<u>613</u>	<u>1,272,245</u>
Fund balances:				
Restricted	4,022,840	320,569	-	4,343,409
Committed	-	-	426,766	426,766
Assigned	71,813	-	-	71,813
Unassigned	(28,312)	-	-	(28,312)
Total fund balances	<u>4,066,341</u>	<u>320,569</u>	<u>426,766</u>	<u>4,813,676</u>
Total liabilities and fund balances	<u>\$ 5,117,678</u>	<u>\$ 540,864</u>	<u>\$ 427,379</u>	<u>\$ 6,085,921</u>

## PICKENS COUNTY, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ 3,797,252	\$ 2,583,417	\$ -	\$ 6,380,669
Intergovernmental	1,983,712	-	-	1,983,712
Fees, licenses and permits	2,736,101	-	-	2,736,101
Charges for services	173,684	-	-	173,684
Fines and forfeitures	141,715	-	-	141,715
Investment income	5,080	-	-	5,080
Contributions	60,858	-	-	60,858
Miscellaneous	14,113	-	-	14,113
Total revenues	<u>8,912,515</u>	<u>2,583,417</u>	<u>-</u>	<u>11,495,932</u>
<b>Expenditures</b>				
Current:				
General government	282,059	-	-	282,059
Public safety	902,474	-	-	902,474
Public works	1,917,432	-	-	1,917,432
Culture and recreation	3,154,447	-	-	3,154,447
Economic development and assistance	2,173	-	-	2,173
Other	1,115,000	-	-	1,115,000
Capital outlay	1,355,726	-	15,424	1,371,150
Debt service:				
Principal retirement	164,875	1,843,196	-	2,008,071
Interest and fiscal charges	13,491	734,345	-	747,836
Total expenditures	<u>8,907,677</u>	<u>2,577,541</u>	<u>15,424</u>	<u>11,500,642</u>
<b>Deficiency of revenues under expenditures</b>	<u>4,838</u>	<u>5,876</u>	<u>(15,424)</u>	<u>(4,710)</u>
<b>Other financing sources</b>				
Transfers in (out)	<u>(19,258)</u>	<u>-</u>	<u>-</u>	<u>(19,258)</u>
Total other financing sources	<u>(19,258)</u>	<u>-</u>	<u>-</u>	<u>(19,258)</u>
<b>Net change in fund balances</b>	(14,420)	5,876	(15,424)	(23,968)
<b>Fund balance - beginning</b>	4,498,123	314,693	442,190	5,255,006
Reclassification of fund balance	<u>(417,362)</u>	<u>-</u>	<u>-</u>	<u>(417,362)</u>
<b>Fund balance - beginning, adjusted</b>	<u>4,080,761</u>	<u>314,693</u>	<u>442,190</u>	<u>4,837,644</u>
<b>Fund balance - ending</b>	<u>\$ 4,066,341</u>	<u>\$ 320,569</u>	<u>\$ 426,766</u>	<u>\$ 4,813,676</u>



## PICKENS COUNTY, SOUTH CAROLINA

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2011**

	<u>Tri-County Tech</u>	<u>Fixed Nuclear</u>	<u>Sheriff Special</u>	<u>Library</u>	<u>Victim Rights</u>	<u>Grants</u>
<b>Assets</b>						
Cash and investments	\$ 166,685	\$ 45,830	\$ 446,254	\$ 1,631,407	\$ (20,795)	\$ (72,170)
Property taxes receivable	90,258	-	-	208,296	-	-
Accounts receivable - other	-	-	61	2,244	-	-
Due from other governments	1,441	-	-	750	-	404,850
Total assets	<u>\$ 258,384</u>	<u>\$ 45,830</u>	<u>\$ 446,315</u>	<u>\$ 1,842,697</u>	<u>\$ (20,795)</u>	<u>\$ 332,680</u>
<b>Liabilities and fund balances</b>						
Liabilities:						
Accounts payable	\$ 150,000	\$ 83	\$ -	\$ 37,634	\$ 77	\$ 108,677
Accrued payroll	-	2,027	-	91,977	5,547	9,034
Deferred revenue	84,395	-	-	194,260	1,893	214,969
Total liabilities	<u>234,395</u>	<u>2,110</u>	<u>-</u>	<u>323,871</u>	<u>7,517</u>	<u>332,680</u>
Fund balances:						
Restricted	23,989	43,720	446,315	1,518,826	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	(28,312)	-
Total fund balances	<u>23,989</u>	<u>43,720</u>	<u>446,315</u>	<u>1,518,826</u>	<u>(28,312)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 258,384</u>	<u>\$ 45,830</u>	<u>\$ 446,315</u>	<u>\$ 1,842,697</u>	<u>\$ (20,795)</u>	<u>\$ 332,680</u>

## PICKENS COUNTY, SOUTH CAROLINA

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2011

	Law Enforcement Block Grants	Museum Restricted Resources	Accomodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Total Nonmajor Special Revenue Funds
<b>Assets</b>							
Cash and investments	\$ (98)	\$ 320,558	\$ 78,102	\$ 468,989	\$ 352,685	\$ 895,246	\$ 4,312,693
Property taxes receivable	-	-	-	-	-	-	298,554
Accounts receivable - other	-	-	-	-	25,464	21,670	49,439
Due from other governments	98	-	49,853	-	-	-	456,992
Total assets	<u>\$ -</u>	<u>\$ 320,558</u>	<u>\$ 127,955</u>	<u>\$ 468,989</u>	<u>\$ 378,149</u>	<u>\$ 916,916</u>	<u>\$ 5,117,678</u>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable	\$ -	\$ 3,224	\$ 114,232	\$ 837	\$ 1,253	\$ 23,655	\$ 439,672
Accrued payroll	-	1,365	-	1,174	1,801	3,223	116,148
Deferred revenue	-	-	-	-	-	-	495,517
Total liabilities	<u>-</u>	<u>4,589</u>	<u>114,232</u>	<u>2,011</u>	<u>3,054</u>	<u>26,878</u>	<u>1,051,337</u>
Fund balances:							
Restricted	-	244,156	13,723	466,978	375,095	890,038	4,022,840
Assigned	-	71,813	-	-	-	-	71,813
Unassigned	-	-	-	-	-	-	(28,312)
Total fund balances	<u>-</u>	<u>315,969</u>	<u>13,723</u>	<u>466,978</u>	<u>375,095</u>	<u>890,038</u>	<u>4,066,341</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 320,558</u>	<u>\$ 127,955</u>	<u>\$ 468,989</u>	<u>\$ 378,149</u>	<u>\$ 916,916</u>	<u>\$ 5,117,678</u>

PICKENS COUNTY, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds  
Year Ended June 30, 2011

	<u>Tri-County Tech</u>	<u>Fixed Nuclear</u>	<u>Sheriff Special</u>	<u>Library</u>	<u>Victim Rights</u>	<u>Grants</u>
<b>Revenues</b>						
Taxes	\$ 1,120,558	\$ -	\$ -	\$ 2,676,694	\$ -	\$ -
Intergovernmental	-	67,900	-	141,586	-	1,503,520
Fees, licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	117,128	-	-
Fines and forfeitures	-	-	15,913	-	125,802	-
Investment income	-	-	(632)	2,244	-	-
Contributions	-	-	8,720	7,199	-	897
Miscellaneous	-	-	-	(53)	-	-
Total revenues	<u>1,120,558</u>	<u>67,900</u>	<u>24,001</u>	<u>2,944,798</u>	<u>125,802</u>	<u>1,504,417</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	282,059
Public safety	-	75,090	94,123	-	147,462	113,894
Public works	-	-	-	-	-	75,744
Culture and recreation	-	-	-	2,792,844	-	-
Economic development and assistance	-	-	-	-	-	2,173
Other	1,110,000	-	-	-	-	-
Capital outlay	-	-	-	9,245	-	1,030,547
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,110,000</u>	<u>75,090</u>	<u>94,123</u>	<u>2,802,089</u>	<u>147,462</u>	<u>1,504,417</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>10,558</u>	<u>(7,190)</u>	<u>(70,122)</u>	<u>142,709</u>	<u>(21,660)</u>	<u>-</u>
<b>Other financing sources (uses)</b>						
Transfers in (out)	-	9,551	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>9,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	10,558	2,361	(70,122)	142,709	(21,660)	-
<b>Fund balance - beginning</b>	<u>13,431</u>	<u>41,359</u>	<u>516,437</u>	<u>1,376,117</u>	<u>(6,652)</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 23,989</u>	<u>\$ 43,720</u>	<u>\$ 446,315</u>	<u>\$ 1,518,826</u>	<u>\$ (28,312)</u>	<u>\$ -</u>

## PICKENS COUNTY, SOUTH CAROLINA

## Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds  
Year Ended June 30, 2010

	Enforcement Block Grants	Museum Restricted Resources	Accomodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Total Nonmajor Special Revenue Funds
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,797,252
Intergovernmental	27,221	-	101,184	-	-	142,301	1,983,712
Fees, licenses and permits	-	-	-	1,985,914	250,656	499,531	2,736,101
Charges for services	-	56,556	-	-	-	-	173,684
Fines and forfeitures	-	-	-	-	-	-	141,715
Investment income	-	1,091	-	-	-	2,377	5,080
Contributions	-	44,042	-	-	-	-	60,858
Miscellaneous	-	14,166	-	-	-	-	14,113
Total revenues	<u>27,221</u>	<u>115,855</u>	<u>101,184</u>	<u>1,985,914</u>	<u>250,656</u>	<u>644,209</u>	<u>8,912,515</u>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	282,059
Public safety	1,504	-	-	-	-	470,401	902,474
Public works	-	-	-	1,841,688	-	-	1,917,432
Culture and recreation	-	97,303	193,578	-	70,722	-	3,154,447
Economic development and assistance	-	-	-	-	-	-	2,173
Other	-	-	-	-	5,000	-	1,115,000
Capital outlay	25,717	119,801	-	170,416	-	-	1,355,726
Debt service:							
Principal retirement	-	-	-	-	89,440	75,435	164,875
Interest and fiscal charges	-	-	-	-	10,560	2,931	13,491
Total expenditures	<u>27,221</u>	<u>217,104</u>	<u>193,578</u>	<u>2,012,104</u>	<u>175,722</u>	<u>548,767</u>	<u>8,907,677</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>(101,249)</u>	<u>(92,394)</u>	<u>(26,190)</u>	<u>74,934</u>	<u>95,442</u>	<u>4,838</u>
<b>Other financing sources (uses)</b>							
Transfers in (out)	-	53,350	(28,809)	-	(53,350)	-	(19,258)
Total other financing sources (uses)	<u>-</u>	<u>53,350</u>	<u>(28,809)</u>	<u>-</u>	<u>(53,350)</u>	<u>-</u>	<u>(19,258)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(47,899)</u>	<u>(121,203)</u>	<u>(26,190)</u>	<u>21,584</u>	<u>95,442</u>	<u>(14,420)</u>
<b>Fund balance - beginning</b>	<u>-</u>	<u>363,868</u>	<u>134,926</u>	<u>493,168</u>	<u>353,511</u>	<u>794,596</u>	<u>4,080,761</u>
<b>Fund balance - ending</b>	<u>\$ -</u>	<u>\$ 315,969</u>	<u>\$ 13,723</u>	<u>\$ 466,978</u>	<u>\$ 375,095</u>	<u>\$ 890,038</u>	<u>\$ 4,066,341</u>

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Tri-County Tech Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 1,182,700	\$ 1,182,700	\$ 1,120,558	\$ (62,142)
Total revenues	<u>1,182,700</u>	<u>1,182,700</u>	<u>1,120,558</u>	<u>(62,142)</u>
Expenditures				
Current:				
Other	1,182,700	1,182,700	1,110,000	72,700
Total expenditures	<u>1,182,700</u>	<u>1,182,700</u>	<u>1,110,000</u>	<u>72,700</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>10,558</u>	<u>10,558</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>10,558</u>	<u>\$ 10,558</u>
Fund balance - beginning			<u>13,431</u>	
Fund balance - ending			<u>\$ 23,989</u>	

## PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and ActualLibrary Fund  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Operations</u>	<u>State Aid</u>	<u>Totals</u>	<u>Variance With Final Positive (Negative)</u>
Revenues						
Taxes	\$ 2,747,495	\$ 2,747,495	\$ 2,676,694	\$ -	\$ 2,676,694	\$ (70,801)
Intergovernmental	100,000	134,879	34,878	106,708	141,586	6,707
Charges for services	100,000	100,000	117,128	-	117,128	17,128
Investment income	20,000	20,000	2,244	-	2,244	(17,756)
Contributions	8,000	8,000	7,199	-	7,199	(801)
Miscellaneous	120	120	(53)	-	(53)	(173)
Total revenues	<u>2,975,615</u>	<u>3,010,494</u>	<u>2,838,090</u>	<u>106,708</u>	<u>2,944,798</u>	<u>(65,696)</u>
Expenditures						
Current:						
Personnel services	2,115,965	2,109,257	1,948,041	-	1,948,041	161,216
Library collections	297,938	295,546	174,599	106,708	281,307	14,239
Supplies	55,394	61,894	60,596	-	60,596	1,298
Contractual services	124,037	110,777	105,432	-	105,432	5,345
Utilities	161,738	157,138	156,260	-	156,260	878
Repairs and maintenance	101,990	101,990	60,447	-	60,447	41,543
Fuel and oil	2,200	2,700	2,534	-	2,534	166
Furniture, machinery and equipment	63,375	103,265	81,670	-	81,670	21,595
Insurance, bonds and licenses	38,730	38,730	36,351	-	36,351	2,379
Rent	36,249	36,449	36,424	-	36,424	25
Retiree health and dental	18,054	18,054	11,522	-	11,522	6,532
Other	9,945	15,449	12,260	-	12,260	3,189
Capital outlay	14,000	23,245	9,245	-	9,245	14,000
Total expenditures	<u>3,039,615</u>	<u>3,074,494</u>	<u>2,695,381</u>	<u>106,708</u>	<u>2,802,089</u>	<u>272,405</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(64,000)</u>	<u>(64,000)</u>	<u>142,709</u>	<u>-</u>	<u>142,709</u>	<u>206,709</u>
<b>Net change in fund balances</b>	<u>\$ (64,000)</u>	<u>\$ (64,000)</u>	<u>142,709</u>	<u>-</u>	<u>142,709</u>	<u>\$ 206,709</u>
Fund balance - beginning			<u>1,376,117</u>	<u>1,376,117</u>	<u>2,752,234</u>	
Fund balance - ending			<u>\$ 1,518,826</u>	<u>\$ 1,376,117</u>	<u>\$ 2,894,943</u>	

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Victim Rights Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Positive (Negative)</b>
Revenues				
Fines and forfeitures	\$ 158,000	\$ 158,000	\$ 125,802	\$ (32,198)
Total revenues	<u>158,000</u>	<u>158,000</u>	<u>125,802</u>	<u>(32,198)</u>
Expenditures				
Current:				
Personnel services	148,389	148,389	137,671	10,718
Supplies	6,405	6,405	522	5,883
Contractual services	1,475	1,475	(81)	1,556
Utilities	3,182	3,182	3,719	(537)
Repairs and maintenance	705	705	275	430
Fuel and oil	4,000	4,000	3,029	971
Insurance, bonds and licenses	2,423	2,423	2,327	96
Other	2,050	2,050	-	2,050
Debt service:				
Total expenditures	<u>168,629</u>	<u>168,629</u>	<u>147,462</u>	<u>21,167</u>
<b>Deficiency of revenues under expenditures</b>	<u>(10,629)</u>	<u>(10,629)</u>	<u>(21,660)</u>	<u>(11,031)</u>
<b>Net change in fund balances</b>	<u>\$ (10,629)</u>	<u>\$ (10,629)</u>	(21,660)	<u>\$ (11,031)</u>
Fund balance - beginning			<u>(6,652)</u>	
Fund balance - ending			<u>\$ (28,312)</u>	

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Accommodation Tax Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Positive (Negative)</b>
Revenues				
Intergovernmental	\$ 131,000	\$ 131,000	\$ 101,184	\$ (29,816)
Investment income	1,000	1,000	-	(1,000)
Total revenues	<u>132,000</u>	<u>132,000</u>	<u>101,184</u>	<u>(30,816)</u>
Expenditures				
Current:				
Direct assistance	73,290	86,679	193,578	(106,899)
Total expenditures	<u>73,290</u>	<u>86,679</u>	<u>193,578</u>	<u>(106,899)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>58,710</u>	<u>45,321</u>	<u>(92,394)</u>	<u>(137,715)</u>
Other financing uses				
Transfers out	(58,710)	(58,710)	(28,809)	29,901
Total other financing uses	<u>(58,710)</u>	<u>(58,710)</u>	<u>(28,809)</u>	<u>29,901</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ (13,389)</u>	(121,203)	<u>\$ (107,814)</u>
Fund balance - beginning			<u>134,926</u>	
Fund balance - ending			<u>\$ 13,723</u>	



PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Tourism Development Fee Fund  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
<b>Revenues</b>				
Fees, licenses and permits	\$ 212,000	\$ 212,000	\$ 250,656	\$ 38,656
Investment income	5,000	5,000	-	(5,000)
Miscellaneous	-	-	-	-
Total revenues	<u>217,000</u>	<u>217,000</u>	<u>250,656</u>	<u>33,656</u>
<b>Expenditures</b>				
Current:				
Personnel services	34,172	34,172	36,692	(2,520)
Supplies	-	-	637	(637)
Contractual services	600	600	675	(75)
Repairs and maintenance	28,000	28,000	14,159	13,841
Furniture, machinery and equipment	10,990	10,990	13,345	(2,355)
Grant match	-	-	5,214	(5,214)
Debt service:				
Principal retirement	89,440	89,440	89,440	-
Interest and fiscal charges	10,560	10,560	10,560	-
Total expenditures	<u>173,762</u>	<u>173,762</u>	<u>170,722</u>	<u>3,040</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>43,238</u>	<u>43,238</u>	<u>79,934</u>	<u>36,696</u>
Transfers out	-	(45,000)	(53,350)	(8,350)
Total other financing sources (uses)	<u>-</u>	<u>(45,000)</u>	<u>(53,350)</u>	<u>(8,350)</u>
<b>Net change in fund balances</b>	<u>\$ 43,238</u>	<u>\$ (1,762)</u>	26,584	<u>\$ 28,346</u>
Fund balance - beginning			<u>353,511</u>	
Fund balance - ending			<u>\$ 380,095</u>	

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Emergency Phone System Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 165,105	\$ 165,105	\$ 142,301	\$ (22,804)
Fees, licenses and permits	436,000	436,000	499,531	63,531
Investment income	7,500	7,500	2,377	(5,123)
Total revenues	<u>608,605</u>	<u>608,605</u>	<u>644,209</u>	<u>35,604</u>
<b>Expenditures</b>				
<b>Current:</b>				
Personnel services	60,648	60,648	60,385	263
Supplies	5,700	4,780	3,486	1,294
Contractual services	53,177	54,177	52,744	1,433
Utilities	298,420	285,774	299,253	(13,479)
Repairs and maintenance	500	7,567	7,535	32
Fuel and oil	-	1,200	1,256	(56)
Furniture, machinery and equipment	28,800	33,099	32,250	849
Insurance, bonds and licenses	815	815	768	47
Other	15,540	16,630	12,724	3,906
<b>Debt service:</b>				
Principal retirement	75,435	75,435	75,435	-
Interest and fiscal charges	2,931	2,931	2,931	-
Total expenditures	<u>541,966</u>	<u>543,056</u>	<u>548,767</u>	<u>(5,711)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>66,639</u>	<u>65,549</u>	<u>95,442</u>	<u>29,893</u>
<b>Net change in fund balances</b>	<u>\$ 66,639</u>	<u>\$ 65,549</u>	<u>95,442</u>	<u>\$ 29,893</u>
Fund balance - beginning			<u>794,596</u>	
Fund balance - ending			<u>\$ 890,038</u>	

**PICKENS COUNTY, SOUTH CAROLINA**

Combining Schedules  
Nonmajor Governmental Funds

**Debt Service Fund**

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

**PICKENS COUNTY, SOUTH CAROLINA**

**Schedule of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
Debt Service Fund  
Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance With Final Positive (Negative)</b>
Revenues				
Taxes	\$ 2,380,082	\$ 2,380,082	\$ 2,583,417	\$ 203,335
Intergovernmental	209,418	209,418	-	(209,418)
Total revenues	<u>2,589,500</u>	<u>2,589,500</u>	<u>2,583,417</u>	<u>(6,083)</u>
Expenditures				
Current:				
Debt service:				
Principal retirement	1,838,893	1,838,893	1,843,196	(4,303)
Interest and fiscal charges	737,974	737,974	734,345	3,629
Total expenditures	<u>2,576,867</u>	<u>2,576,867</u>	<u>2,577,541</u>	<u>(674)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>12,633</u>	<u>12,633</u>	<u>5,876</u>	<u>(6,757)</u>
 <b>Net change in fund balances</b>	 <u>\$ 12,633</u>	 <u>\$ 12,633</u>	 5,876	 <u>\$ (6,757)</u>
Fund balance - beginning			<u>314,693</u>	
Fund balance - ending			<u>\$ 320,569</u>	

**PICKENS COUNTY, SOUTH CAROLINA**  
Combining Statements  
Agency Funds

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

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

Pickens County, South Carolina

Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
Year ended June 30, 2011

	Balance June 30, 2010	Receipts	Disbursements	Balance June 30, 2011
<b>School District Fund</b>				
Assets				
Cash	\$ 21,148,573	\$ 165,163,020	\$ 155,630,501	\$ 30,681,092
Property taxes receivable, net	4,112,906	1,018,087	162,894	4,968,099
	<u>\$ 25,261,479</u>	<u>\$ 166,181,107</u>	<u>\$ 155,793,395</u>	<u>\$ 35,649,191</u>
Liabilities				
Due to others	\$ 25,261,479	\$ 166,181,107	\$ 155,793,395	\$ 35,649,191
	<u>\$ 25,261,479</u>	<u>\$ 166,181,107</u>	<u>\$ 155,793,395</u>	<u>\$ 35,649,191</u>
<b>Municipal Fund</b>				
Assets				
Cash	\$ 70,836	\$ 9,369,478	\$ 9,353,250	\$ 87,064
Property taxes receivable, net	541,722	214,643	34,343	722,022
	<u>\$ 612,558</u>	<u>\$ 9,584,121</u>	<u>\$ 9,387,593</u>	<u>\$ 809,086</u>
Liabilities				
Accounts payable	\$ 70,844	\$ 9,197,743	\$ 9,181,523	\$ 87,064
Due to others	541,714	386,378	206,070	722,022
	<u>\$ 612,558</u>	<u>\$ 9,584,121</u>	<u>\$ 9,387,593</u>	<u>\$ 809,086</u>
<b>Mini-bottle Fund</b>				
Assets				
Cash	\$ -	\$ 190,779	\$ 190,779	\$ -
Liabilities				
Due to others	\$ -	\$ 190,779	\$ 190,779	\$ -
<b>Fire District Fund</b>				
Assets				
Cash	\$ -	\$ 193,297	\$ 193,297	\$ -
Liabilities				
Due to others	\$ -	\$ 193,297	\$ 193,297	\$ -
<b>Magistrates' Fund</b>				
Assets				
Cash	\$ 94,167	\$ 1,001,726	\$ 993,154	\$ 102,739
Liabilities				
Due to others	\$ 94,167	\$ 1,001,726	\$ 993,154	\$ 102,739

## Pickens County, South Carolina

## Combining Statement of Changes in Fiduciary Assets and Liabilities

## Agency Funds

Year ended June 30, 2011

	Balance June 30, 2010	Receipts	Disbursements	Balance June 30, 2011
<b>Family Court Fund</b>				
Assets				
Cash and investments	\$ 37,670	\$ 6,961,225	\$ 6,959,440	\$ 39,455
Liabilities				
Due to others	\$ 37,670	\$ 6,961,225	\$ 6,959,440	\$ 39,455
<b>Clerk of Court Fund</b>				
Assets				
Cash and investments	\$ 849,149	\$ 1,536,368	\$ 1,254,851	\$ 1,130,666
Liabilities				
Due to others	\$ 849,149	\$ 1,536,368	\$ 1,254,851	\$ 1,130,666
<b>Museum</b>				
Assets				
Cash and investments	\$ 13,771	\$ 3,841	\$ 14,855	\$ 2,757
Liabilities				
Due to others	\$ 13,771	\$ 3,841	\$ 14,855	\$ 2,757
<b>Library Foundation</b>				
Assets				
Cash and investments	\$ 60,921	\$ 6,589	\$ 3,777	\$ 63,733
Liabilities				
Due to others	\$ 60,921	\$ 6,589	\$ 3,777	\$ 63,733
<b>Total of all Agency Funds</b>				
Assets				
Cash and investments	\$ 22,275,087	\$ 184,426,322	\$ 174,593,904	\$ 32,107,505
Property taxes receivable	4,654,628	1,232,730	197,237	5,690,121
Total assets	\$ 26,929,715	\$ 185,659,052	\$ 174,791,141	\$ 37,797,626
Liabilities				
Accounts payable	\$ 70,844	\$ 9,197,743	\$ 9,181,523	\$ 87,064
Due to others	26,858,871	176,461,309	165,609,618	37,710,562
Total liabilities	\$ 26,929,715	\$ 185,659,052	\$ 174,791,141	\$ 37,797,626

**PICKENS COUNTY, SOUTH CAROLINA**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule of Capital Assets by Function  
June 30, 2011**

Function	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Improvements and Infrastructure	Total
General government	\$ 1,778,247	\$ -	\$ 10,892,543	\$ 1,624,581	\$ -	\$ 14,295,371
Public safety	332,392	25,734	8,473,633	13,695,374	92,752	22,619,885
Public works	1,052,129	122,817	1,308,565	10,250,820	27,364,588	40,098,919
Public health and welfare	26,902	-	998,301	293,028	-	1,318,231
Culture and recreation	778,549	119,801	10,388,871	799,664	71,173	12,158,058
Economic development	3,011,361	859,860	683,555	-	710,146	5,264,922
Intergovernmental	-	-	1,183,749	-	-	1,183,749
Total governmental funds capital assets	<u>\$ 6,979,580</u>	<u>\$ 1,128,212</u>	<u>\$ 33,929,217</u>	<u>\$ 26,663,467</u>	<u>\$ 28,238,659</u>	<u>\$ 96,939,135</u>



**PICKENS COUNTY, SOUTH CAROLINA**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes in Capital Assets by Function  
June 30, 2011**

Function	Beginning of Year	Additions	Deletions	Transfers		End of Year
				In	Out	
General government administration	\$ 14,376,006	\$ 101,847	\$ 219,631	\$ 67,353	\$ 12,280	\$ 14,295,371
Public safety	20,946,514	2,265,155	529,264	12,280	12,623	22,619,885
Public works	39,615,527	703,443	236,526	-	54,730	40,098,920
Public health and welfare	1,331,721	22,374	35,864	-	-	1,318,231
Culture and recreation	12,043,462	1,013,672	39,313	-	-	12,158,058
Economic development	1,365,635	3,027,983	7,203	-	-	5,264,922
Intergovernmental	1,193,598	-	-	-	-	1,183,749
Total governmental funds capital assets	<u>\$ 90,872,463</u>	<u>\$ 7,134,474</u>	<u>\$ 1,067,801</u>	<u>\$ 79,633</u>	<u>\$ 79,633</u>	<u>\$ 96,939,136</u>

STATISTICAL SECTION

**Pickens County, South Carolina**

**Net Assets by Component  
Last Eight Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>								
Invested in capital assets, net of related debt	\$ 5,432,002	\$ 13,090,011	\$ 18,309,975	\$ 38,341,795	\$ 41,537,095	\$ 33,371,208	\$ 35,269,425	\$ 34,058,641
Restricted	17,772,051	14,398,760	12,205,788	13,038,304	13,002,730	12,314,922	11,358,716	11,628,296
Unrestricted	7,576,829	10,188,977	16,849,075	15,010,111	15,754,877	22,977,434	25,011,349	32,630,194
Total governmental activities net assets	<u>30,780,882</u>	<u>37,677,748</u>	<u>47,364,838</u>	<u>66,390,210</u>	<u>70,294,702</u>	<u>68,663,564</u>	<u>71,639,490</u>	<u>78,317,131</u>
<b>Business-type Activities</b>								
Invested in capital assets, net of related debt	21,954,538	23,508,097	22,851,882	23,533,189	27,584,777	28,137,870	28,304,398	29,301,120
Restricted	288,265	351,373	414,481	477,589	540,697	603,805	631,008	631,008
Unrestricted (Deficit)	524,982	(26,653)	215,564	(249,782)	324,284	2,155,050	2,012,819	1,149,004
Total business-type activities net assets	<u>22,767,785</u>	<u>23,832,817</u>	<u>23,481,927</u>	<u>23,760,996</u>	<u>28,449,758</u>	<u>30,896,725</u>	<u>30,948,225</u>	<u>31,081,132</u>
<b>Component Unit</b>								
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Unrestricted (Deficit)	-	-	-	-	-	337,586	373,588	320,221
Total component unit net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,586</u>	<u>373,588</u>	<u>320,221</u>
<b>Primary Government</b>								
Invested in capital assets, net of related debt	27,386,540	36,598,108	41,161,857	61,874,984	69,121,872	61,509,078	63,573,823	63,359,761
Restricted	18,060,316	14,750,133	12,620,269	13,515,893	13,543,427	12,918,727	11,989,724	12,259,304
Unrestricted	8,101,811	10,162,324	17,064,639	14,760,329	14,760,329	25,470,070	27,397,756	33,779,198
Total primary government net assets	<u>\$ 53,548,667</u>	<u>\$ 61,510,565</u>	<u>\$ 70,846,765</u>	<u>\$ 90,151,206</u>	<u>\$ 97,425,628</u>	<u>\$ 99,897,875</u>	<u>\$ 102,961,303</u>	<u>\$ 109,398,263</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Source: Annual Financial Statements

**Pickens County, South Carolina**

**Changes in Net Assets  
Last Eight Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>								
<u>Governmental activities:</u>								
General government	\$ 8,125,875	\$ 9,354,229	\$ 9,292,433	\$ 9,531,581	\$ 10,383,406	\$ 11,629,191	\$ 11,104,765	\$ 10,917,949
Public safety	13,822,142	14,377,237	17,028,781	17,381,994	18,701,286	20,164,030	20,917,120	20,465,118
Public works	10,379,251	9,324,127	10,061,181	10,182,540	11,342,672	12,499,271	10,179,397	9,094,190
Health and welfare	505,494	894,069	690,329	734,956	329,074	1,217,282	1,229,437	1,078,351
Cultural and recreation	2,445,278	3,334,446	3,615,200	4,168,650	4,197,104	5,433,793	5,206,481	5,520,862
Economic development	3,988,379	968,303	562,665	568,792	589,302	419,161	427,052	381,571
Intergovernmental	1,751,671	1,664,330	1,573,120	1,769,773	1,696,013	-	-	-
Capital outlay	1,395,421	-	-	-	-	-	-	-
Interest on long-term debt	352,715	551,100	483,791	423,517	432,473	140,600	94,907	92,815
Debt service - other	-	-	-	-	-	934,897	901,755	827,473
Total governmental activities expenses	<u>42,766,226</u>	<u>40,467,841</u>	<u>43,307,500</u>	<u>44,761,803</u>	<u>47,671,330</u>	<u>52,438,225</u>	<u>50,060,914</u>	<u>48,378,329</u>
<u>Business-type activities:</u>								
Public Service Commission	1,715,756	2,216,662	2,086,584	2,041,793	2,025,662	2,273,647	2,493,077	2,451,997
Airport	701,255	489,946	588,187	641,239	860,893	880,955	817,008	903,663
Total business-type activities expense	<u>2,417,011</u>	<u>2,706,608</u>	<u>2,674,771</u>	<u>2,683,032</u>	<u>2,886,555</u>	<u>3,154,602</u>	<u>3,310,085</u>	<u>3,355,660</u>
Total Primary Government Expenses	<u>45,183,237</u>	<u>43,174,449</u>	<u>45,982,271</u>	<u>47,444,835</u>	<u>50,557,885</u>	<u>55,592,827</u>	<u>53,370,999</u>	<u>51,733,989</u>
<u>Component unit activities:</u>								
Alliance Pickens	-	-	-	-	-	578,695	357,901	414,629
Total component unit expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>578,695</u>	<u>357,901</u>	<u>414,629</u>
Total expenses	<u>45,183,237</u>	<u>43,174,449</u>	<u>45,982,271</u>	<u>47,444,835</u>	<u>50,557,885</u>	<u>56,171,522</u>	<u>53,728,900</u>	<u>52,148,618</u>
<b>Program Revenues</b>								
<u>Governmental activities:</u>								
Charges for services								
General government	1,348,957	1,471,204	1,810,994	1,676,604	2,141,308	1,317,074	1,285,073	1,229,792
Public safety	5,110,166	5,375,064	6,666,736	6,833,609	6,738,601	6,833,279	7,042,849	7,295,934
Public works	1,144,015	1,360,549	1,236,061	3,281,515	3,355,920	1,189,219	1,135,204	1,242,067
Health and welfare	590	115	-	28,988	22,741	330	13,965	12,495
Cultural and recreation	316,517	292,931	379,457	551,901	592,737	416,725	440,966	519,084
Economic development	12,033	16,148	11,842	21,732	26,612	-	-	-
Operating grants and contributions	4,685,103	4,833,323	5,751,643	5,090,312	3,543,585	4,755,930	4,998,531	5,743,390
Capital grants and contributions	1,390,071	906,154	585,721	609,054	1,923,909	631,301	717,022	497,965
Total governmental activities program revenues	<u>14,007,452</u>	<u>14,255,488</u>	<u>16,442,454</u>	<u>18,093,715</u>	<u>18,345,413</u>	<u>15,143,858</u>	<u>15,633,610</u>	<u>16,540,727</u>

**Pickens County, South Carolina**

**Changes in Net Assets  
Last Eight Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Business-type activities:</b>								
Charges for services								
Public Service Commission	981,678	1,118,346	1,248,421	1,111,067	1,195,127	949,682	1,223,966	1,228,583
Airport	346,733	147,886	253,965	287,119	413,056	474,368	433,935	507,926
Operating grants and contributions	900	-	10,672	-	69,971	884	-	-
Capital grants and contributions	2,029,225	1,983,498	110,896	710,863	1,170,716	2,088,611	1,179,087	1,023,482
<b>Total business-type activities program revenues</b>	<b>3,358,536</b>	<b>3,249,730</b>	<b>1,623,954</b>	<b>2,109,049</b>	<b>2,848,870</b>	<b>3,513,545</b>	<b>2,836,988</b>	<b>2,759,991</b>
<b>Total Primary Government Program Revenues</b>	<b>17,365,988</b>	<b>17,505,218</b>	<b>18,066,408</b>	<b>20,202,764</b>	<b>21,194,283</b>	<b>18,657,403</b>	<b>18,470,598</b>	<b>19,300,718</b>
<b>Component unit activities:</b>								
Alliance Pickens	-	-	-	-	-	192,613	393,903	19,104
<b>Total component unit revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192,613</b>	<b>393,903</b>	<b>19,104</b>
<b>Total revenues</b>	<b>17,365,988</b>	<b>17,505,218</b>	<b>18,066,408</b>	<b>20,202,764</b>	<b>21,194,283</b>	<b>18,850,016</b>	<b>18,864,501</b>	<b>19,319,822</b>
<b>Net (Expense) Revenue</b>								
Governmental activities	(28,758,774)	(26,212,353)	(26,865,046)	(26,668,088)	(29,325,917)	(37,294,367)	(34,427,304)	(31,837,602)
Business-type activities	941,525	543,122	(1,050,817)	(573,983)	(37,685)	358,943	(473,097)	(595,669)
Component unit activities	-	-	-	-	-	(386,082)	36,002	(395,525)
<b>Total Primary Government</b>	<b>(27,817,249)</b>	<b>(25,669,231)</b>	<b>(27,915,863)</b>	<b>(27,242,071)</b>	<b>(29,363,602)</b>	<b>(37,321,506)</b>	<b>(34,864,399)</b>	<b>(32,828,796)</b>
<b>General Revenues and Other Changes in Net Assets</b>								
<b>Governmental activities:</b>								
Taxes	22,431,734	25,261,022	28,051,248	28,144,246	29,960,665	31,541,678	32,288,793	32,953,640
Grants and contributions	5,217,805	5,271,087	5,495,186	6,139,217	6,774,688	6,626,329	5,592,546	4,664,736
Investment earnings	130,491	380,469	548,420	966,546	682,166	299,313	111,949	117,105
Fees, licenses, and permits	172,772	132,091	143,335	-	-	-	-	-
Miscellaneous	139,129	1,311,031	3,018,377	391,397	269,712	330,760	84,577	1,425,212
Gain on sale of capital assets	-	-	-	(509)	53,454	(323,162)	-	92,409
Transfer of Capital Asset	-	-	-	-	-	-	-	-
Transfers	(2,936,293)	(521,911)	(699,927)	(872,089)	(4,798,421)	(2,463,024)	(674,635)	(737,861)
<b>Total governmental activities</b>	<b>25,155,638</b>	<b>31,833,789</b>	<b>36,556,639</b>	<b>34,768,808</b>	<b>32,942,264</b>	<b>36,011,894</b>	<b>37,403,230</b>	<b>38,515,241</b>

**Pickens County, South Carolina**

**Changes in Net Assets  
Last Eight Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Business-type activities:</b>								
Gain on sale of capital assets								(9,285)
Transfers	2,936,293	521,911	699,927	872,089	4,798,421	2,088,024	674,635	737,861
Total business-type activities	<u>2,936,293</u>	<u>521,911</u>	<u>699,927</u>	<u>872,089</u>	<u>4,798,421</u>	<u>2,088,024</u>	<u>674,635</u>	<u>728,576</u>
 Total Primary Government	<u>28,091,931</u>	<u>32,355,700</u>	<u>37,256,566</u>	<u>35,640,897</u>	<u>37,740,685</u>	<u>38,099,918</u>	<u>38,077,865</u>	<u>39,243,817</u>
 <b>Component Unit Activities:</b>								
Investment Earnings								2,158
Transfers	-	-	-	-	-	375,000	-	340,000
Total component unit activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>	<u>-</u>	<u>342,158</u>
 <b>Change in Net Assets</b>								
Governmental activities	(3,603,136)	5,621,436	9,691,593	8,100,720	3,616,347	(1,282,473)	2,975,926	6,677,639
Business-type activities	3,877,818	1,065,033	(350,890)	298,106	4,760,736	2,446,967	201,538	132,907
Component unit activities	-	-	-	-	-	(11,082)	36,002	(53,367)
 Total Primary Government	<u>\$ 274,682</u>	<u>\$ 6,686,469</u>	<u>\$ 9,340,703</u>	<u>\$ 8,398,826</u>	<u>\$ 8,377,083</u>	<u>\$ 1,153,412</u>	<u>\$ 3,213,466</u>	<u>\$ 6,757,179</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Source: Annual Financial Statements

**Pickens County, South Carolina**

**Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>General Fund</b>										
Reserved	\$ 1,382,532	\$ 2,839,838	\$ 2,201,434	\$ 1,914,549	\$ 1,784,717	\$ 1,597,235	\$ 2,455,301	\$ 3,713,840	\$ 3,045,149	
Unreserved	13,849,205	12,897,458	11,192,229	13,130,692	16,862,916	21,527,579	23,882,694	20,870,743	23,176,899	
Total General Fund	<u>15,231,737</u>	<u>15,737,296</u>	<u>13,393,663</u>	<u>15,045,241</u>	<u>18,647,633</u>	<u>23,124,814</u>	<u>26,337,995</u>	<u>24,584,583</u>	<u>26,222,048</u>	
<b>All Other Governmental Funds</b>										
Reserved										
Debt service	579,651	-	912,526	1,135,204	843,318	535,141	541,633	541,633	314,693	
Other reserves	-	228,371	3,887,756	1,057,463	328,664	620,352	2,000,027	558,733	1,417,705	
Unreserved, reported in:										
Special revenue funds	377,484	6,228,918	11,880,410	11,829,130	12,118,506	12,938,696	11,793,525	10,705,047	9,184,588	
Debt service funds	4,827	607,878	-	-	-	-	-	(102,627)	-	
Capital project funds	11,438,802	8,463,898	2,186,523	1,527,628	1,214,214	671,084	887,462	444,405	441,815	
Total All Other Governmental Funds	<u>12,400,764</u>	<u>15,529,065</u>	<u>18,867,215</u>	<u>15,549,425</u>	<u>14,504,702</u>	<u>14,765,273</u>	<u>15,222,647</u>	<u>12,147,191</u>	<u>11,358,801</u>	
Total Governmental Fund Balance	<u>\$ 27,632,501</u>	<u>\$ 31,266,361</u>	<u>\$ 32,260,878</u>	<u>\$ 30,594,666</u>	<u>\$ 33,152,335</u>	<u>\$ 37,890,087</u>	<u>\$ 41,560,642</u>	<u>\$ 36,731,774</u>	<u>\$ 37,580,849</u>	
<b>General Fund</b>										
Nonspendable										\$ 1,706,049
Restricted										-
Committed										1,594,752
Assigned										3,814,159
Unassigned										<u>20,039,896</u>
Total General Fund										<u>27,154,856</u>
<b>All Other Governmental Funds</b>										
Nonspendable										1,240
Restricted										11,791,094
Committed										426,766
Assigned										71,813
Unassigned										<u>(235,865)</u>
Total All Other Governmental Funds										<u>12,055,048</u>
Total Governmental Fund Balance										<u>\$ 39,209,904</u>

Source: Annual Financial Statements

The information for FY 2011 is presented differently due to the implementation of GASB 54.

**Pickens County, South Carolina**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes	\$ 21,259,787	\$ 20,633,138	\$ 22,507,766	\$ 25,315,693	\$ 27,909,119	\$ 27,883,001	\$ 29,593,673	\$ 29,907,909	\$ 31,463,280	\$ 31,809,502
Fees, licenses and permits	694,433	4,245,388	4,609,257	4,560,429	4,894,813	5,108,915	5,461,999	5,307,166	5,429,003	5,706,190
Intergovernmental	8,309,830	8,350,505	9,251,235	8,699,593	9,335,262	11,210,389	11,045,142	10,109,495	9,050,636	8,462,632
Charges for services	5,094,039	3,888,066	4,335,537	4,790,488	5,722,544	6,398,628	6,251,805	5,886,863	6,324,966	6,454,395
Fines and forfeitures	2,647,179	929,332	927,665	808,594	938,369	942,141	975,288	832,055	899,557	789,030
Investment income	492,804	331,430	251,702	593,511	1,024,978	1,520,297	1,176,242	451,499	179,095	173,499
Rental income								22,103	20,052	27,210
Contributions	3,148	16,231	12,257	255,299	115,668	74,446	148,642	21,720	15,136	290,243
Miscellaneous	405,950	170,442	137,773	651,182	705,252	159,906	190,062	1,522,903	114,601	1,545,885
<b>Total Revenues</b>	<b>38,907,170</b>	<b>38,564,532</b>	<b>42,033,192</b>	<b>45,674,789</b>	<b>50,646,005</b>	<b>53,297,723</b>	<b>54,842,853</b>	<b>54,061,713</b>	<b>53,496,326</b>	<b>55,258,586</b>
<b>Expenditures</b>										
General government	7,258,565	7,661,096	8,081,076	8,616,734	8,932,315	9,155,233	9,861,628	10,307,518	10,099,195	9,633,375
Public safety	10,928,234	11,686,937	14,389,530	14,971,515	17,207,330	16,249,967	17,453,255	19,122,790	19,700,901	19,265,676
Public works	5,420,038	7,807,873	9,569,400	8,858,010	10,324,117	8,939,715	9,914,630	11,877,268	9,375,375	8,100,479
Health and welfare	308,899	395,499	440,974	644,549	661,020	690,162	778,940	823,673	758,168	744,985
Culture and recreation	1,973,758	2,117,156	2,336,952	3,145,300	3,483,387	3,863,186	3,892,592	3,938,808	3,779,990	4,058,464
Economic development	154,143	245,912	3,876,989	904,739	1,050,117	548,535	570,531	397,421	397,622	2,173
Other	578,616	523,343	1,589,548	133,632	127,681	169,233	73,067	452,016	1,587,236	1,522,448
Intergovernmental	1,898,313	1,447,674	162,123	1,530,698	1,422,564	1,577,665	1,673,392	1,325,975	94,907	92,815
Capital outlay	4,476,810	2,992,437	6,389,198	6,218,964	959,939	3,930,308	4,120,698	7,085,512	3,672,026	7,116,474
Debt service										
Principal	1,221,322	1,570,285	1,489,332	2,007,512	2,810,309	1,767,801	1,767,006	2,135,545	2,018,689	2,132,390
Interest	772,145	611,136	679,553	928,310	982,353	845,923	790,629	902,872	896,901	832,393
<b>Total Expenditures</b>	<b>34,990,843</b>	<b>37,059,348</b>	<b>49,004,675</b>	<b>47,959,963</b>	<b>47,961,132</b>	<b>47,737,728</b>	<b>50,896,368</b>	<b>58,369,398</b>	<b>52,381,010</b>	<b>53,501,672</b>
Excess of Revenues Over (Under) Expenditures	3,916,327	1,505,184	(6,971,483)	(2,285,174)	2,684,873	5,559,995	3,946,485	(4,307,685)	1,115,316	1,756,914
<b>Other Financing Sources (Uses)</b>										
Proceeds from capital lease	466,839	973,923	2,965,781	284,300	572,725	-	360,000	490,510	408,394	-
Proceeds from notes payable	-	-	1,988,315	-	-	-	-	-	-	-
Proceeds from bond issuance	3,690,000	-	7,801,372	800,000	-	-	3,874,344	1,800,000	-	950,000
Payment to escrow agent	(3,651,706)	-	-	-	-	-	-	-	-	-
Transfer of capital asset	-	1,717,778	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	135,138	56,566	-	-	-	-	-	-
Transfers in (out)	(1,476,488)	(563,029)	(2,936,293)	(521,911)	(699,927)	(872,089)	(4,798,421)	(2,463,024)	(674,635)	(1,077,861)
<b>Total Other Financing Sources (Uses)</b>	<b>(971,355)</b>	<b>2,128,672</b>	<b>9,954,313</b>	<b>618,955</b>	<b>(127,202)</b>	<b>(872,089)</b>	<b>(564,077)</b>	<b>(172,514)</b>	<b>(266,241)</b>	<b>(127,861)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 2,944,972</b>	<b>\$ 3,633,856</b>	<b>\$ 2,982,830</b>	<b>\$ (1,666,219)</b>	<b>\$ 2,557,671</b>	<b>\$ 4,687,906</b>	<b>\$ 3,382,408</b>	<b>\$ (4,480,199)</b>	<b>\$ 849,075</b>	<b>\$ 1,629,053</b>
Debt Service as a percentage of noncapital expenditures	6.53%	6.40%	5.09%	7.03%	8.07%	5.97%	5.47%	5.92%	5.99%	6.39%

Note: In fiscal year 2001 the County's functions were reclassified to more accurately reflect activity and in anticipation of GASB 34 implementation. The Public Service Commission and the Airport were reclassified as enterprise funds and are not included in the table above after fiscal year 2000.



**Pickens County, South Carolina**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Tax Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Less: Exemptions</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (1)</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
2002	2001	\$ 172,210,774	\$ 136,022,956		\$ 308,233,730	\$ 72.40	\$ 6,164,674,600	5.00%
2003	2002	186,995,306	124,960,109		311,955,415	66.70	6,074,712,060	5.14%
2004	2003	191,866,823	124,008,174		315,874,997	67.70	6,236,514,740	5.06%
2005	2004	203,068,376	115,654,380		318,722,756	74.80	6,206,812,380	5.14%
2006	2005	269,309,178	116,884,194		386,193,372	70.00	6,623,699,956	5.83%
2007	2006	282,718,664	113,649,991		396,368,655	69.10	6,870,455,103	5.77%
2008	2007	290,390,511	112,850,047		403,240,558	69.10	7,090,308,644	5.69%
2009	2008	310,458,774	110,238,582		420,697,356	69.10	7,423,479,505	5.67%
2010	2009	319,731,823	102,207,991		421,939,814	69.10	7,505,625,497	5.62%
2011	2010	341,121,845	100,901,520		442,023,365	65.60	7,956,831,166	5.56%

(1) Per \$1,000 of assessed value

Source: Pickens County Auditor's Office

**Pickens County, South Carolina**

**Property Tax Rates - Direct and Overlapping Rates  
Last Ten Fiscal Years  
(rate per \$1,000 of assessed value)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>County Wide Tax Rates</b>										
General County	64.8	59.3	60.3	65.9	60.9	60.0	60.0	60.0	60.0	57.1
Tri-County Technical	3.1	3.0	3.0	3.0	2.7	2.7	2.7	2.7	2.7	2.5
Library	4.5	4.4	4.4	5.9	6.4	6.4	6.4	6.4	6.4	6.0
Total Direct Rate	<u>72.4</u>	<u>66.7</u>	<u>67.7</u>	<u>74.8</u>	<u>70.0</u>	<u>69.1</u>	<u>69.1</u>	<u>69.1</u>	<u>69.1</u>	<u>65.6</u>
<b>City Rates</b>										
Easley	61.7	61.7	61.7	61.7	59.0	61.0	61.0	61.0	61.0	58.0
Liberty	79.0	77.0	77.0	87.0	77.5	77.5	77.5	77.5	77.5	74.0
Norris	75.0	75.0	75.0	75.0	77.2	77.2	77.2	77.2	77.2	72.2
Central	63.0	63.0	63.0	63.0	59.0	61.0	63.0	64.8	67.3	67.0
Clemson	81.6	81.6	81.6	81.6	76.9	77.9	79.5	81.0	81.0	78.6
Six Mile	37.0	37.0	37.0	37.0	36.0	36.0	36.0	36.0	36.0	35.8
Pickens	48.0	48.0	48.0	48.0	46.7	46.7	48.5	50.0	52.0	47.6
<b>School District Rate</b>	128.9	135.5	132.7	138.2	130.9	128.0	167.0	165.0	159.0	160.0
<b>Special District Rates</b>										
Keowee Vineyards	-	-	18.8	57.6	34.0	32.7	36.2	37.3	38.9	38.4
Pumpkintown	-	-	-	14.2	-	-	-	-	-	-
Shady Grove	-	-	-	26.8	19.0	14.5	12.9	12.0	11.5	11.3
County Sewer	-	2.7	2.7	1.6	0.5	0.5	1.5	1.5	1.5	1.9
Georges Creek	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6
Sedgewood	8.7	8.7	8.4	8.4	7.3	7.0	5.0	4.3	4.3	4.0
Saluda Lake	15.0	15.0	15.0	15.0	10.6	10.6	10.6	10.6	10.6	9.5

Note: Property was reassessed as of 1999-2000

Source: Pickens County Auditor's Office

**Pickens County, South Carolina**

**Principal Property Taxpayers  
Current Fiscal Year and Nine Fiscal Years Ago**

	2011			2002	
	Taxable Assessed Value	Percent of Total Taxable Assessed Value		Taxpayer	Taxable Assessed Value
Duke Energy Corporation	\$ 16,788,730	3.80%	Duke Energy Corporation	\$ 15,592,870	5.06%
Blue Ridge Electric Coop., Inc	5,128,880	1.16%	Bellsouth Telecommunications	4,672,960	1.52%
Bellsouth Telecommunications	3,400,330	0.77%	Alice Manufacturing	4,471,690	1.45%
Keowee River Club LLC	2,386,100	0.54%	Blue Ridge Electric	3,662,660	1.19%
Reliable Automatic Sprinkler	1,796,695	0.41%	Keowee River Club	2,209,470	0.72%
Pacesetter Inc	1,730,899	0.39%	McKechnie Plastic Co	1,331,790	0.43%
Shaw Industries Group Inc	1,415,497	0.32%	American House Spinning Inc	1,210,190	0.39%
Sauer Danfoss US Company	1,318,228	0.30%	Keowee Investment Group	1,141,690	0.37%
Milliken & Company Inc	1,165,814	0.26%	Milliken & Company Inc	1,056,050	0.34%
CH Industries Inc	1,090,540	0.25%	Central Textiles Inc	905,080	0.29%
<b>Total</b>	<b>\$ 36,221,713</b>	<b>8.19%</b>		<b>\$ 36,254,450</b>	<b>11.76%</b>

Source: Pickens County Auditor's Office

**Pickens County, South Carolina**

**County Property Tax Levy and Collections  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Total Adjusted Levy (1)</b>	<b>Collected within the Fiscal Year of the Levy (2)</b>		<b>Receivable June 30, 2011</b>	<b>Estimated Tax Collections to Date (3)</b>	
		<b>Amount</b>	<b>Percentage of Adjusted Levy</b>		<b>Estimated Amount</b>	<b>Percentage of Adjusted Levy</b>
2002	\$ 14,999,432	\$ 12,512,738	83.42%	\$ 29,964	\$ 14,969,468	99.80%
2003	14,209,581	12,485,752	87.87%	39,209	14,170,372	99.72%
2004	14,916,445	13,446,296	90.14%	54,662	14,861,783	99.63%
2005	16,375,917	14,769,963	90.19%	70,374	16,305,543	99.57%
2006	17,824,985	16,133,203	90.51%	74,068	17,750,917	99.58%
2007	17,398,589	15,977,443	91.83%	125,886	17,272,704	99.28%
2008	17,475,608	16,600,160	94.99%	138,598	17,337,010	99.21%
2009	18,379,527	17,426,581	94.82%	165,696	18,213,831	99.10%
2010	19,009,045	17,968,836	94.53%	219,682	18,789,363	98.84%
2011	18,945,172	18,015,888	95.09%	986,141	17,959,031	94.79%

Notes:

- (1) Includes the adjusted County operating and bond millage. The original tax levy information was unavailable.
- (2) Does not include current year taxes collected as delinquent in the year of the levy.
- (3) Collections in subsequent years by year of levy were unavailable. Amounts receivable at June 30, 2011, were used to estimate the total collections to date.

Source: Pickens County Treasurer's and Auditor's offices

**Pickens County, South Carolina**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Governmental Activities</b>				<b>Business-type Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Special Source Revenue Bonds</b>	<b>Capital Leases</b>	<b>Notes Payable</b>	<b>Sewer Revenue Bonds</b>	<b>Notes Payable</b>			
2002	\$ 7,280,000	\$ 1,956,193	\$ 1,302,599	\$ 6,447,248	\$ 5,503,224	\$ 320,833	\$ 22,810,097	0.91%	205
2003	6,395,000	1,728,196	1,941,310	6,325,989	5,447,929	270,833	22,109,257	0.87%	198
2004	13,415,000	1,486,124	2,552,405	7,800,409	5,389,950	220,833	30,864,721	1.18%	275
2005	13,405,000	1,228,464	2,119,865	7,364,442	5,329,156	170,834	29,617,761	1.11%	262
2006	12,506,000	-	2,314,240	7,059,933	5,265,412	120,833	27,266,418	0.97%	240
2007	11,529,000	-	1,840,176	6,743,196	5,198,573	70,833	25,381,778	0.85%	221
2008	14,353,470	-	1,812,503	6,413,737	5,128,488	20,833	27,729,031	0.88%	239
2009	15,405,526	-	1,258,102	6,071,047	5,055,001	-	27,789,676	0.84%	236
2010	14,121,644	-	1,291,643	5,714,593	4,977,946	-	26,105,826	0.80%	221
2011	13,599,219	-	1,002,447	5,343,822	4,897,151	-	24,842,639	0.74%	209

Note: See the "Demographic and Economic Statistics" table for personal income and population data.

Source: Annual Financial Statements

## Pickens County, South Carolina

### Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Debt Per Capita (2)</b>
2002	\$ 7,280,000	0.12%	65
2003	6,395,000	0.11%	57
2004	13,415,000	0.22%	119
2005	13,405,000	0.22%	119
2006	12,506,000	0.19%	110
2007	11,529,000	0.17%	100
2008	14,353,470	0.20%	124
2009	15,405,526	0.21%	131
2010	14,121,644	0.19%	120
2011	13,599,219	0.17%	114

Note:

(1) See the "Assessed Value and Estimated Actual Value of Taxable Property" table for property value data.

(2) See the "Demographic and Economic Statistics" table for population data.

Source: Annual Financial Statements

**Pickens County, South Carolina**

**Computation of Legal Debt Margin  
Last Seven Fiscal Years (1)**

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed valuation	\$ 442,023,365
Less: exemptions	-
Net assessed value	<u>\$ 442,023,365</u>
Debt limit - 8 percent of total assessed value	\$ 35,361,869
Amount of debt applicable to debt limit	<u>9,738,018</u>
Legal debt margin	<u>\$ 25,623,851</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$ 24,380,890	\$ 29,973,504	\$ 31,709,492	\$ 32,259,245	\$ 33,655,788	\$ 33,755,185	\$ 35,361,869
Total net debt applicable to limit	<u>17,140,942</u>	<u>15,393,073</u>	<u>14,368,521</u>	<u>13,287,022</u>	<u>12,163,299</u>	<u>10,977,065</u>	<u>9,738,018</u>
Legal debt margin	<u>\$ 7,239,948</u>	<u>\$ 14,580,431</u>	<u>\$ 17,340,971</u>	<u>\$ 18,972,223</u>	<u>\$ 21,492,489</u>	<u>\$ 22,778,120</u>	<u>\$ 25,623,851</u>
Total net debt applicable to the limit as a percentage of debt limit	70.30%	51.36%	45.31%	41.19%	36.14%	32.52%	27.54%

Notes:

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

Source: Annual Financial Statements

**Pickens County, South Carolina**

**Pledged Revenue Coverage  
Last Nine Fiscal Years**

**Series 1999A and 1999B Revenue Bonds (1)**

Funding Source: Fee in lieu of taxes

Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2003	\$ 352,022	\$ 227,997	\$ 124,025	1.000
2004	352,022	242,073	109,949	1.000
2005	352,022	257,661	94,361	1.000
2006	n/a	n/a	n/a	n/a
2007	n/a	n/a	n/a	n/a
2008	n/a	n/a	n/a	n/a
2009	n/a	n/a	n/a	n/a
2010	n/a	n/a	n/a	n/a
2011	n/a	n/a	n/a	n/a

**Sewer System Revenue Bonds (2)**

Funding Source: Capital charges and transfers

Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2003	\$ 315,504	\$ 55,294	\$ 260,210	1.000
2004	315,504	57,979	257,525	1.000
2005	315,504	60,794	254,710	1.000
2006	315,504	63,745	251,759	1.000
2007	315,504	66,840	248,664	1.000
2008	315,504	70,085	245,419	1.000
2009	315,504	73,487	242,017	1.000
2010	315,504	77,055	238,449	1.000
2011	315,501	80,796	234,705	1.000

Note:

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

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

Source: Annual Financial Statements



## Pickens County, South Carolina

### Demographic and Economic Statistics Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2002	111,511	\$ 2,503,832,000	\$ 22,454	4.3%
2003	111,596	2,548,336,000	22,835	5.3%
2004	112,310	2,612,496,000	23,261	6.1%
2005	113,062	2,667,551,000	23,594	5.1%
2006	113,729	2,802,811,000	24,645	6.7%
2007	114,948	2,975,697,000	25,887	5.8%
2008	116,113	3,147,414,000	27,106	5.3%
2009	117,525	3,290,889,000	28,002	8.6%
2010	118,144	3,247,445,000	27,487	10.6%
2011	119,029	3,365,104,348	28,271	9.3%

Notes:

(1) Personal Income and Per Capita Personal Income for 2011 were estimated based on the average yearly change over the last five years.

2009 new estimates and prior year revisions released April 21, 2011.

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

## Pickens County, South Carolina

### Principal Employers Current Year and Nine Years Ago

<b>Company or Organization</b>	<b>June 30, 2011</b>	
	<b>Number of Employees</b>	<b>Percent of Total County Employment</b>
State of South Carolina	4,807	9.30%
Clemson University	3,400	6.58%
School District of Pickens County	1,893	3.66%
Contract Environmental Services (CES)	1,200	2.32%
ARAMARK Services	800	1.55%
Techtronic Industries N.A.	700	1.35%
Confluence Watersports	650	1.26%
Pickens County	592	1.15%
Wal-Mart	531	1.03%
Palmetto Baptist Medical Center	460	0.89%
	<b>15,033</b>	<b>29.09%</b>

<b>Company or Organization</b>	<b>June 30, 2002</b>	
	<b>Number of Employees</b>	<b>Percent of Total County Employment</b>
Clemson University	7,394	15.57%
State of South Carolina	3,534	7.44%
School District of Pickens County	1,934	4.07%
Alice Manufacturing Co.	1,341	2.82%
Palmetto Baptist Medical Center	750	1.58%
Bi-Lo	453	0.95%
Pickens County	453	0.95%
Mark IV Automotive, Inc.	443	0.93%
BASF Corp. - Clemson Plant	426	0.90%
Champion Aerospace, Inc.	402	0.85%
	<b>17,130</b>	<b>36.06%</b>

Source: Appalachian Council of Governments and InfoMentum.

**Pickens County, South Carolina**

**Authorized County Employee Positions by Function  
Last Ten Fiscal Years**

<b>Function</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
General government	140	144	147	150	147	147	148	150	146	135
Public safety	221	228	232	251	262	268	267	275	278	284
Public works	100	102	103	102	105	105	104	102	97	96
Health and welfare	7	8	8	9	9	9	9	10	11	11
Culture and recreation	50	50	51	68	70	70	70	69	70	70
Transportation	5	6	5	3	4	4	4	4	3	3
Economic Development	2	2	3	3	3	3	0	0	0	2
Intergovernmental	1	1	1	1	1	1	1	1	1	1
<b>Total authorized positions</b>	<b>526</b>	<b>541</b>	<b>550</b>	<b>587</b>	<b>601</b>	<b>607</b>	<b>603</b>	<b>611</b>	<b>606</b>	<b>602</b>

Source: County's Adopted Budget

**Pickens County, South Carolina**  
**Operating Indicators by Function/Program**  
**Fiscal Years 2006-2011 (1)**

Function/Program	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
<b>General government</b>						
Probate Court estate cases	739	716	785	737	716	770
Marriage license applications	769	796	718	762	739	807
Register of Deeds documents filed	29,363	27,188	19,605	21,543	20,292	19,061
Clerk of Court civil cases filed	1,989	1,921	2,233	3,092	3,652	2,735
Clerk of Court warrants received	4,194	3,384	3,615	3,009	3,545	3,244
Vehicle bills and renewals processed	115,319	109,141	111,797	117,633	115,593	115,636
Magistrate case filings	19,040	16,791	20,685	17,384	18,162	17,951
<b>Public Safety</b>						
Sheriff 911 calls received	37,014	35,295	38,167	39,364	44,835	50,609
Coroner's Office investigations	196	200	n/a	426	568	566
Prison inmates received	597	621	742	678	709	643
EMS ambulance calls	12,608	14,498	15,158	14,810	14,494	14,289
Victim Rights services and assistance	7,208	7,792	8,026	8,191	N/A	
<b>Public Works</b>						
Solid Waste transfer station tonnage	41,464	44,356	42,042	40,785	39,974	36,784
Recyclables tonnage	9,030	3,558	7,742	6,618	5,078	6,365
Roads paved	36	65	n/a	113	89	55
Signs installed/repared	457	1,649	n/a	114	270	728
<b>Health and Welfare</b>						
Animal Control calls received	9,985	9,713	9,808	10,292	11,143	11,666
Veteran's Affairs claims/actions	23,073	21,517	24,662	24,706	24,792	25,675
<b>Culture and Recreation</b>						
County Park						
Park camping and day use passes	6,713	5,787	7,360	7,993	7,229	6,929
Museum & Mill visitors (2)	19,277	32,527	33,789	34,171	33,665	32,226
Library visitors	426,075	426,829	480,822	546,557	575,410	543,194
<b>Public Service Commission</b>						
Wastewater Treated /Gallons	280,842,244	333,899,990	298,610,000	307,653,081	323,979,349	300,900,343

Notes:

(1) Only five years of data could accurately be provided for this schedule.

(2) Museum closed September 2004 to April 2006 due to construction.

**Pickens County, South Carolina**

**Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Public Safety										
Sheriff Patrol units	88	92	93	94	101	101	101	102	102	102
EMS Stations	6	6	6	6	7	7	7	8	8	8
Public Works										
Solid Waste convenience centers	8	8	8	8	8	8	8	8	8	8
Roads (miles)	168.3	171.5	172.3	174.1	181.2	182.0	183.6	184.8	185.3	657.0
Bridges	54	58	59	66	68	68	73	74	74	74
Public Service Commission										
Sanitary sewers (miles)	15.91	17.06	23.51	26.5	26.75	28.29	28.61	28.81	28.81	35.97
Culture and Recreation										
Number of county parks	1	1	1	2	2	2	2	2	2	2

Source: County's Adopted Budget and County departments

**SINGLE AUDIT SECTION**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Pickens County Council  
Pickens County, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the Alliance Pickens (the “Alliance”), a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina (the “County”) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 18, 2011. 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.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audits, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## COMPLIANCE AND OTHER MATTERS

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

We noted certain matters that we reported to management of the County in a separate letter dated November 18, 2011.

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

*Cheng, Bekart + Holland, L.L.P.*

Greenville, South Carolina  
November 18, 2011





**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Pickens County Council  
Pickens County, South Carolina

**Compliance**

We have audited Pickens County, South Carolina's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

## Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with OMB circular A-133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

*Cherry, Bebaert + Holland, L.L.P.*

Greenville, South Carolina  
November 18, 2011

**PICKENS COUNTY, SOUTH CAROLINA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011

**Section I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted \_\_\_\_\_ yes      X   no

**Federal Awards**

Internal control over major federal programs:

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

Noncompliance material to federal awards \_\_\_\_\_ yes      X   no

Type of auditors' report issued on compliance for major federal programs: Unqualified

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
20.106	US Department of Transportation Federal Aviation Administration
23.001	US Department of Agriculture Rural Development Loans

**PICKENS COUNTY, SOUTH CAROLINA**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011**Section I. Summary of Auditors' Results (continued)**

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

\$ 300,000

Auditee qualified as low-risk auditee?

X  yes         no

**PICKENS COUNTY, SOUTH CAROLINA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011

**Section II. Financial Statement Findings**

There were no audit findings.

**Section III. Federal Award Questioned Costs & Findings**

There were no audit findings

**PICKENS COUNTY, SOUTH CAROLINA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011

**Section IV. Resolution of Prior Year Findings****Finding: 10-01-Bank Reconciliations**

Condition:

Certain bank account reconciliations were not performed timely during fiscal year 2010.

The County is performing monthly bank reconciliations within 30-45 days after month end.

**PICKENS COUNTY, SOUTH CAROLINA**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011

Federal Grantor / Program Title	Federal CFDA Number	Grant / Award Number	Federal Expenditures	Loan Amount Outstanding
<u>US Department of Agriculture</u>				
Rural Development Loans				
18 Mile Creek Upper Project (PL004)	10.760		\$ -	\$ 3,156,629
18 Mile Creek Middle Project (PL003)	10.760		-	1,740,522
18 Mile Creek Middle Trunk Project (G*201)	23.001	Contract # 2543	219,089	- *
Central-North Waste Water Treatment Plant Project Loan (PC007)	10.664		-	1,680,000
Central-North Waste Water Treatment Plant Project Loan (PC007)	10.664		-	352,000
Passed through SC Forestry Commission				
FY09 VFA Title II - Pumpkintown (G*229)	10.664		-	-
FY10 VFA Title II - Dacusville (G*237)	10.664		1,200	-
			<u>220,289</u>	<u>6,929,151</u>
<u>US Department of Justice</u>				
FY2009 Justice Assistance Grant (G*215)	16.738	2009-DJ-BX-0215	25,717	-
FY2010 Justice Assistance Grant (G*228)	16.738	2010-DJ-BX-0909	-	-
American Recovery & Reinvestment Act of 2009 (ARRA)				
FY2009 Recovery Act JAG (G*209)	16.804	2009-SB-B90663	1,504	-
Passed through SC Department of Public Safety				
VAWA Domestic Investigator/Advocate Year 8 (G*213)	16.588	1KS09009	16,344	-
VAWA Domestic Investigator/Advocate Year 9 (G*230)	16.588	1K10008	48,412	-
2009 State Criminal Alien Assistance Program (G*222)	16.606	2009-AP-BX-0861	5,089	-
2010 State Criminal Alien Assistance Program(G*232)	16.606	2010-AP-BX-0561	15,608	-
Magistrate's Court Technology Improvement (G*231)	16.738	1G09028	3,648	-
			<u>116,322</u>	<u>-</u>
<u>US Department of Health and Human Services</u>				
Passed through SC Dept. of Social Services (G*013)				
Dept. of Social Services Title IV-D Service of Process	93.563		13,398	-
Dept. of Social Services Title IV-D Unit Cost	93.563		248,797	-
Dept. of Social Services Title IV-D Filing Fees	93.563		(109,950)	-
Dept. of Social Services Title IV-D Incentives	93.563		31,083	-
			<u>183,328</u>	<u>-</u>
<u>US Department of Homeland Security</u>				
Passed through SC Office of Adjutant General, Emergency Preparedness Division				
Emergency Management Performance Grant(s)				
FY2009 LEMPG (G*208)	97.042	9EMPG01	2,651	-
FY2009 LEMPG Award Amendment (G*208)	97.042	9EMPG01	12,313	-
FY2010 LEMPG (G*218)	97.042	10EMPG01	52,266	-
FY2011 LEMPG (G*241)	97.042	11EMPG01	6,035	-
Passed through SC Law Enforcement Division				
2006 Buffer Zone Protection Program (BZPP)				
Jocassee Pumped Storage Project	97.078	6BZPP03	62,110	-
			<u>135,375</u>	<u>-</u>
<u>US Department of Energy</u>				
American Recovery & Reinvestment Act of 2009 (ARRA)				
Energy Efficiency & Conservation Block Grant (EECBG)				
EECBG - ARRA (G*223)	81.128	DE-EE0000952 EAP-02	66,891	-
			<u>66,891</u>	<u>-</u>
<u>US Department of Housing and Urban Development</u>				
Passed through SC Department of Commerce				
QuickJobs Development Center (G*182)	14.228	4-W-07-006	83,799	-
Powersville Road/QuickJobs Access (G*233)	14.228	4-G-10-001	500,000	-
			<u>583,799</u>	<u>-</u>
<u>Institute of Museum &amp; Library Services</u>				
Library Services & Technology Act (LSTA) Grant				
Passed through South Carolina State Library				
Conference Attendance - ALSC 2011 (GE227)	45.310	IID-09-31	754	-
Conference Attendance - ALA 2011 (GE246)	45.310	IIDA-10-13	750	-
			<u>1,504</u>	<u>-</u>
<u>US Department of Education</u>				
American Recovery & Reinvestment Act of 2009 (ARRA)				
State Fiscal Stabilization Funds (SFSF)				
Passed through South Carolina State Library (G*234)	84.397	H8701ARRA111	32,374	-
			<u>32,374</u>	<u>-</u>
<u>US Department of Transportation</u>				
Federal Aviation Administration				
Taxilane Widening & Relocation (G*224)	20.106	3-45-0047-16	367,497	- *
Federal Aviation Administration				
Acquire Land for Approaches (G*214)	20.106	3-45-0047-17	178,282	- *
			<u>545,779</u>	<u>-</u>
			<u>\$ 1,885,661</u>	<u>\$ 6,929,151</u>

\* Indicates major program

See accompanying note to Schedule of Expenditures of Federal Awards.

**PICKENS COUNTY, SOUTH CAROLINA**

Note to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011

1. Basis of Presentation

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



COMPLIANCE SECTION

**Pickens County, South Carolina**

**Victim Services  
Supplementary Schedule of Assessments**

<b>Clerk of Court Collections</b>	
Fines and fees	\$ 439,950
Assessments	86,207
Surcharges	<u>135,212</u>
Total Clerk of Court Collections	<u>661,369</u>
<b>Magistrate Court Collections</b>	
Fines and fees	494,028
Assessments	345,881
Surcharges	<u>170,847</u>
Total Collections for Magistrate Court	<u>1,010,756</u>
Total Collections for Clerk of Court and Magistrate Court	\$ <u><u>1,672,124</u></u>
<b>Clerk of Court Retainage</b>	
Fines and fees	\$ 184,820
Assessments	21,086
Surcharges	<u>50,788</u>
Total Clerk of Court Retainage	<u>256,694</u>
<b>Magistrate Court Retainage</b>	
Fines and fees	468,225
Assessments	33,696
Surcharges	<u>20,243</u>
Total Magistrate Court Retainage	<u>522,163</u>
Total Retainage for Clerk of Court and Magistrate Court	\$ <u><u>778,857</u></u>
<b>Amount Remitted to State Treasurer</b>	
Fines and Assessments	\$ <u><u>893,267</u></u>
<b>Amount of Funds Allocated to Victim Services by Fund Source</b>	
From Assessments and Surcharges	\$ <u><u>125,813</u></u>
<b>Funds Carried Forward to Fiscal Year 2011 Designated as Victim Services Funds</b>	\$ <u><u>21,660</u></u>