

**PICKENS COUNTY,
SOUTH CAROLINA**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2006

*Issued By
Pickens County Finance Department*

PICKENS COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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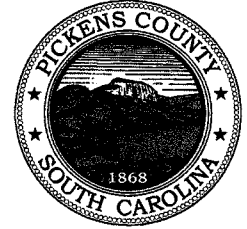
INTRODUCTORY SECTION

COUNTY OF PICKENS

Office of Finance

COUNCIL MEMBERS

JENNIFER H. WILLIS, Chairman
G. NEIL SMITH, Vice Chairman
JAMES B. LONDON
C. ROY COLLINS
TOM E. PONDER
BEN L. TROTTER



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

November 20, 2006

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, 2006, 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 McAbee, Talbert, Halliday & Co., 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, 2006. 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, 2006, 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 MD&A and should be read in conjunction with it. Pickens County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

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

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

The County provides a full range of services including elections, assessment and taxation, public safety, corrections, criminal and civil court, roads and bridges maintenance, emergency management, animal control, parks, solid waste disposal, recycling, and environmental services.

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, Research Analyst, and the Director of Finance, 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 Department of Finance. 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 Department of Finance. 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

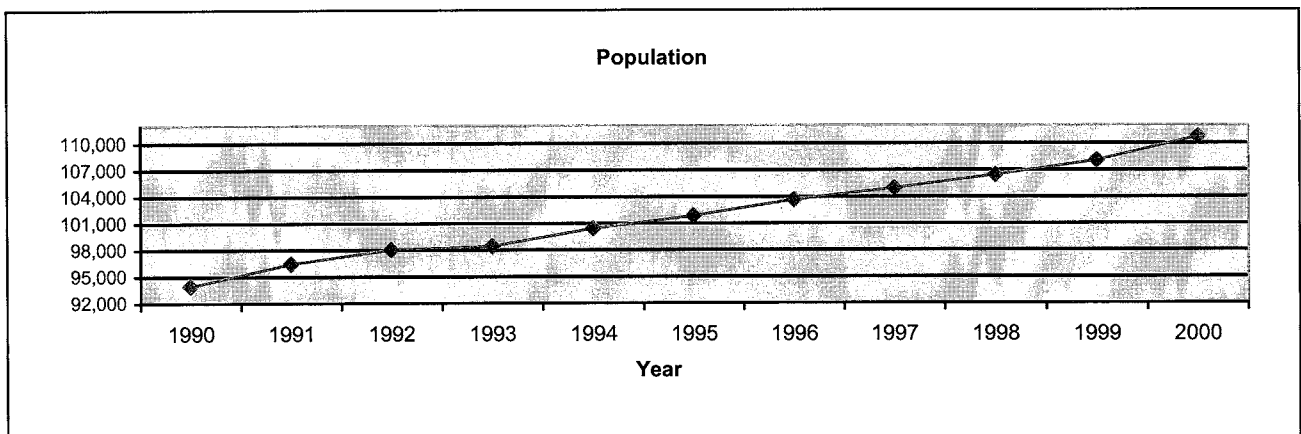
Local Economy

With a work force of nearly 70,000, Greater 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. Within the County's borders, there are over 12,500 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 27,030 unemployed combine with 84,000 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, for a total untapped work force of 123,920.

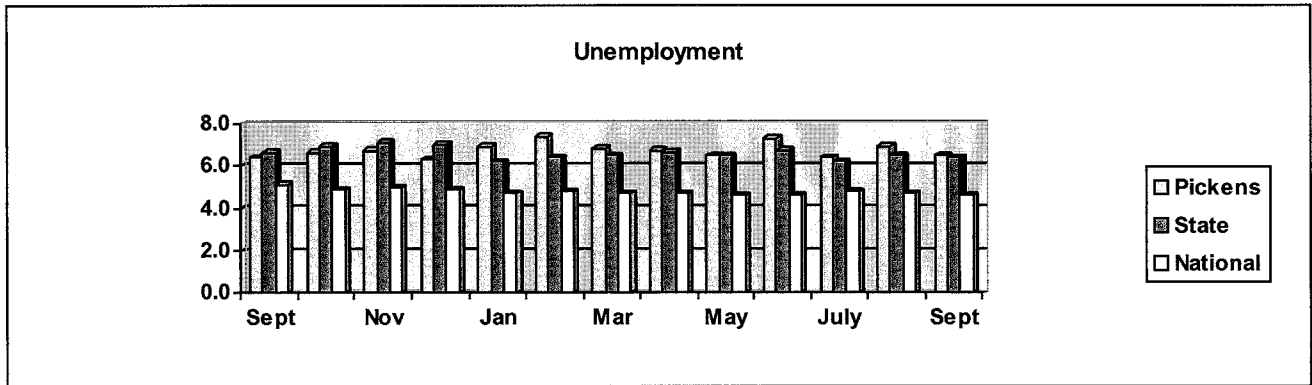
The County population grew 18% between the 1990 and 2000 censuses with average annual growth of 1.7% for the period. This has resulted in Pickens County outpacing growth in the South Carolina Upstate region, which experienced a 15.8% population growth between censuses. The State of South Carolina experienced a 15.1% growth for the same period with an annual average growth of 1.4%. Pickens County, according to the U. S. Census Bureau, ranks 13th most populous county in the state and the 19th fastest growing county in the state among 45 other counties. Pickens County population is projected to increase by 39% between 2000 and 2025 with an average annual growth of 1.6%.

Expected Growth

Year	Population		
	County	SC Upstate	SC
2000	110,757	1,028,656	4,012,012
2005	119,040	1,050,500	4,154,900
2010	128,170	1,103,500	4,387,780
2015	136,680	1,156,100	4,618,440
2020	145,330	1,209,200	4,849,980
2025	154,090	1,261,900	5,077,400



According to the South Carolina Employment Security Commission, unemployment increased in September from the previous year figure of 6.4% to 6.5%. This is above the state unemployment rate of 6.4% in September 2006. Pickens County and South Carolina trail the national average unemployment rate of 4.6% for September 2006.



Long-Term Financial Planning

The County enters FY 2007 with a strong financial position as noted with our recent credit upgrade with Moody's from A2 to A1 and a first time rating from Fitch Rating of AA-. Total fund balance and undesignated fund balance as of June 30, 2006, in the General Fund was \$18,647,633 and \$15,045,211, respectively. This represents 54% and 46% of revenues, respectively.

Major Initiatives

The County recently completed two major projects in fiscal year 2006. The first was a new Emergency Medical Center located in the Six Mile-Shady Grove area. The new Station will drastically reduce the response time in the area. The response times in other parts of the County are in line with the National Standards of 9 minutes, whereas response times in the Six Mile – Shady Grove area are in excess of 12-14 minutes. The area has grown, and is growing, tremendously with the additional residents of the Vineyards, The Reserves, Keowee Mountain Lakes Estates and general recreation use of the lakes and Mile Creek Park. Additionally, there are two nursing homes in the area that frequently use EMS for transport of their patients. The total cost of the Six Mile station was \$455,920.

The second major project Pickens County completed in FY 2006 was the replacement of the current Central Processing Equipment (CPE), also known as Central Link 2000. A complete replacement of hardware and software for the CPE's at both Public Service Answering Points (PSAP) was required. This equipment was purchased in 2000 with a life expectancy of 5 years. Due to obsolescence of current equipment it was required the CPE equipment be replaced with new equipment. This assures that Pickens County will have the resources to continue to provide the most up to date and reliable 911 system for the citizens of Pickens County. The total cost of the equipment replacement was \$591,682.

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, a public entity risk pool currently operating as a common risk management and insurance fund. The County pays annual premiums to the Insurance Pool for its general insurance coverage. The Insurance 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

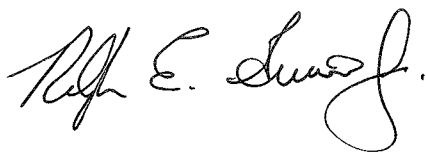
Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Retirement System (PORS), both of which are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. SCRS and PORS provide retirement and disability benefit, 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 (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, the County must publish a comprehensive annual financial report (CAFR) whose contents satisfy both generally accepted accounting principals and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement Programs' requirements and we are submitting it to the GFOA to determine its eligibility for the 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 has been instrumental in the development of this report. We would also like to thank the accounting firm of McAbee, Talbert, Halliday, & Co. 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, 2005

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.



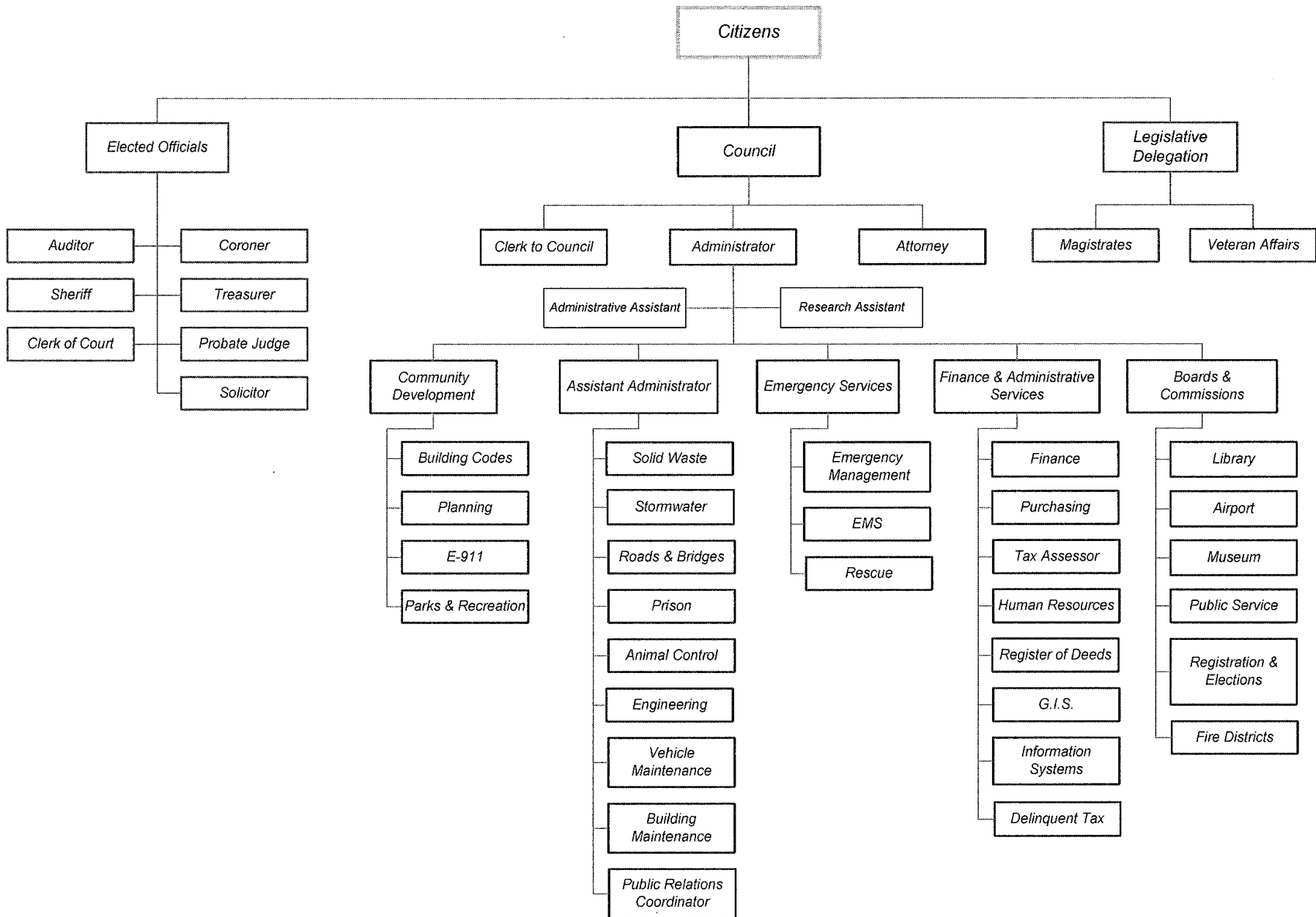
Carla E. Perry

President

Jeffrey R. Emer

Executive Director

Pickens County



PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2006

MEMBERS OF COUNTY COUNCIL

Jennifer H. Willis, Chairman
G. Neil Smith, Vice Chairman
James B. London
C. Roy Collins
Tom E. Ponder
Ben L. Trotter

ELECTED OFFICIALS

Dale M. Looper, Treasurer
C. David Stone, Sheriff
Kathy Zorn, Probate Judge
LeJette Gatlin, Clerk of Court
George N. Bryant, Auditor
Dr. James R. Mahanes, Coroner

ADMINISTRATIVE OFFICIALS

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

FINANCIAL SECTION

Pickens County Council
Pickens, South Carolina

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina as of and for the year ended June 30, 2006, 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 Pickens County, South Carolina. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 opinion.

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, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U. S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2006, on our consideration of Pickens County, South Carolina's internal control over financial reporting and 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 and budgetary comparison information on pages 3 through 10 and 41 through 43, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pickens County, South Carolina basic financial statements. The introductory section, combining statements and individual nonmajor fund financial schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Pickens County, South Carolina. The combining statements and individual nonmajor fund financial schedules and the schedule of expenditures of federal awards 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.

Spartanburg, South Carolina
October 12, 2006

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, 2006. We encourage readers to read the information presented here in conjunction with additional information we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

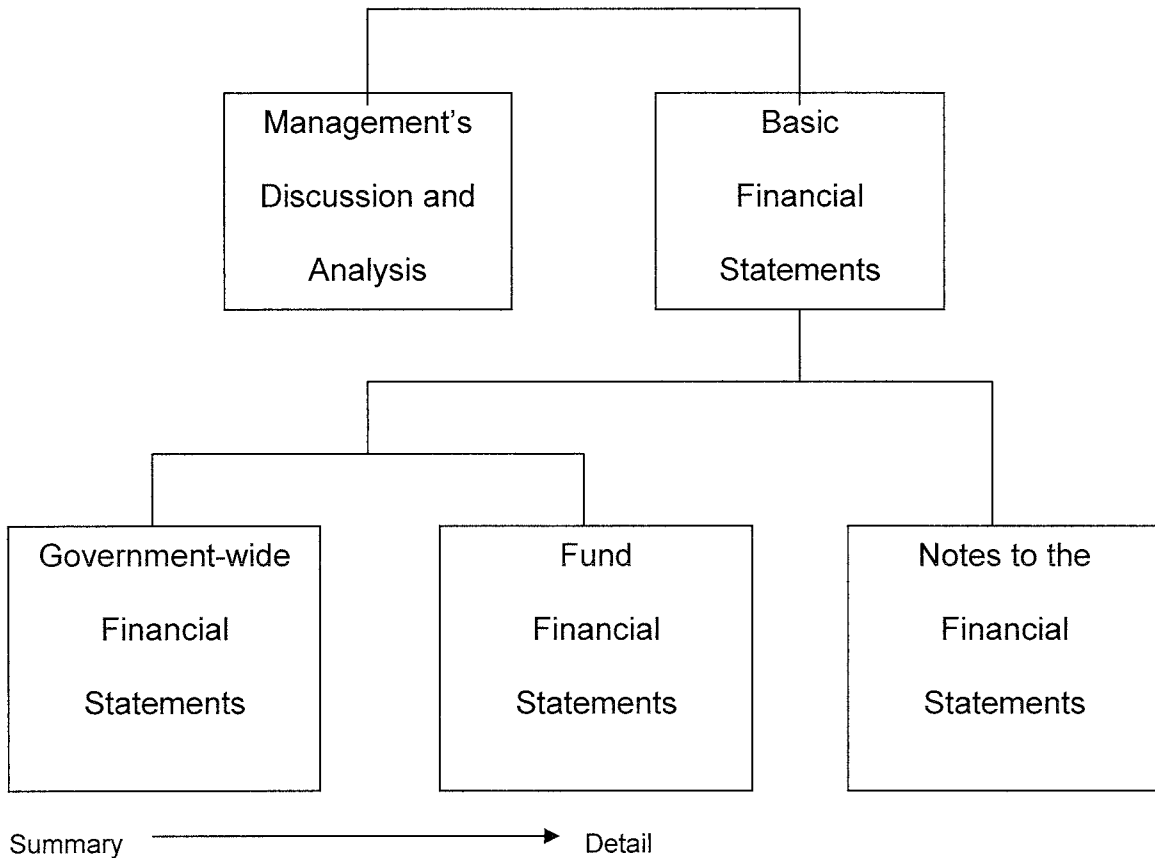
- The assets of Pickens County exceeded its liabilities at the close of the fiscal year by \$81,721,572. Of this amount \$17,095,872 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$20,211,007, primarily due to increased net assets in the Governmental Funds for the addition of infrastructure acquired by the County between fiscal years 1981 through 2002.
- The County's unreserved General Fund balance increased by \$3,602,392 during the 2006 fiscal year due to an increase in revenue of EMS fees, Local Option Sales Tax and a payment from Duke Energy for prior three years that was billed incorrectly.
- The County had \$43,276,267 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$16,442,454 of these expenses. General revenues (primarily taxes and unrestricted grants) and net assets of \$36,556,639 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 \$33,152,336, an increase of \$2,557,670 in comparison with the prior year. Approximately 46% of this total amount, or \$15,403,579, is available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$16,862,916 or 54% of total general fund expenditures for the fiscal year.
- At the end of the fiscal year, unreserved, undesignated fund balance for the General Fund was \$15,403,579 or 49% of total general fund expenditures for the fiscal year.
- Pickens County's total debt decreased by \$2,311,640 during the current fiscal year. This is primarily due to the County paying off the 1999A and 1999B industrial revenue bonds.
- During the 2006 fiscal year, the County's governmental fund type revenues were approximately \$50.6 million compared to \$45.7 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 four parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary fund statements, and 4) 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 two categories: governmental funds and proprietary 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

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 start on page 22 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Pickens County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 41.

Government-Wide Financial Analysis

Pickens County's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 39,273,659	\$ 35,475,806	\$ 852,597	\$ 1,326,253	\$ 40,126,256	\$ 36,802,059
Capital assets	51,233,730	36,208,229	28,432,412	29,233,572	79,666,142	65,441,801
Total assets	<u>\$ 90,507,389</u>	<u>\$ 71,684,035</u>	<u>\$ 29,285,009</u>	<u>\$ 30,559,825</u>	<u>\$ 119,792,398</u>	<u>\$ 102,243,860</u>
Long-term liabilities outstanding	\$ 26,354,030	\$ 28,916,521	\$ 5,299,963	\$ 5,420,960	\$ 31,653,993	\$ 34,337,481
Other liabilities	5,913,714	5,089,766	503,119	1,306,048	6,416,833	6,395,814
Total liabilities	<u>\$ 32,267,744</u>	<u>\$ 34,006,287</u>	<u>\$ 5,803,082</u>	<u>\$ 6,727,008</u>	<u>\$ 38,070,826</u>	<u>\$ 40,733,295</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 29,153,549	\$ 13,090,011	\$ 22,851,882	\$ 23,508,097	\$ 52,005,431	\$ 36,598,108
Restricted	12,205,788	14,398,760	414,481	351,373	12,620,269	14,750,133
Unrestricted	16,880,308	10,188,977	215,564	(26,653)	17,095,872	10,162,324
Total net assets	<u>\$ 58,239,645</u>	<u>\$ 37,677,748</u>	<u>\$ 23,481,927</u>	<u>\$ 23,832,817</u>	<u>\$ 81,721,572</u>	<u>\$ 61,510,565</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 \$81,721,572 as of June 30, 2006. The County's net assets increased by \$20,211,007 for the fiscal year ended June 30, 2006. 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, \$52,005,431 (63.6%), 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 the 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 \$12,620,269 (15.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$17,095,872 (21.0%) is unrestricted.

Several particular aspects of the County's financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes by maintaining a collection rate of approximately 95%.
- Increased charges for services revenue due to growth in the EMS fees and the County participation in the State of South Carolina set-off 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 2006, the County collected approximately \$ 59,000 for this program and for the three years Pickens County has participated in the program the County has collected \$370,000.
- Continued low cost of debt due to the County's high bond rating.

Pickens County's Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 10,105,090	\$ 8,516,011	\$ 1,502,386	\$ 1,266,232	\$ 11,607,476	\$ 9,782,243
Operating grants and contributions	5,751,643	4,833,323	110,896	1,983,498	5,862,539	6,816,821
Capital grants and contributions	585,721	906,154	10,672	-	596,393	906,154
General revenues:						
Property taxes	28,051,248	25,261,022	-	-	28,051,248	25,261,022
Grants and contributions not restricted to specific programs	5,495,186	5,271,087	-	-	5,495,186	5,271,087
Other	3,710,132	1,823,591	-	-	3,710,132	1,823,591
Total revenues	53,699,020	46,611,188	1,623,954	3,249,730	55,322,974	49,860,918
Expenses:						
General government	9,292,433	9,354,229	-	-	9,292,433	9,354,229
Public safety	17,028,781	14,377,237	-	-	17,028,781	14,377,237
Public works	10,061,181	9,324,127	-	-	10,061,181	9,324,127
Health and welfare	690,329	894,069	-	-	690,329	894,069
Culture and recreation	3,615,200	3,334,446	-	-	3,615,200	3,334,446
Economic development	562,665	968,303	-	-	562,665	968,303
Intergovernmental	1,573,120	1,664,330	-	-	1,573,120	1,664,330
Capital outlay	-	-	-	-	-	-
Unallocated interest expense and fees	452,558	551,100	-	-	452,558	551,100
Public service commission	-	-	2,086,584	2,216,662	2,086,584	2,216,662
Airport	-	-	588,187	489,946	588,187	489,946
Total expenses	43,276,267	40,467,841	2,674,771	2,706,608	45,951,038	43,174,449
Increase in net assets before transfers and special items	10,422,753	6,143,347	(1,050,817)	543,122	9,371,936	6,686,469
Transfers	(699,927)	(521,911)	699,927	521,911	-	-
Special Item-transfer of capital assets	-	-	-	-	-	-
Increase in net assets	9,722,826	5,621,436	(350,890)	1,065,033	9,371,936	6,686,469
Net assets, beginning	37,677,748	30,780,884	23,832,818	22,767,785	61,510,566	53,548,669
Prior period adjustment	10,839,071	1,275,428	-	-	10,839,071	1,275,428
Net assets, beginning (restated)	48,516,819	32,056,312	23,832,818	22,767,785	72,349,637	54,824,097
Net assets, ending	\$ 58,239,645	\$ 37,677,748	\$ 23,481,928	\$ 23,832,818	\$ 81,721,573	\$ 61,510,566

Governmental activities. Governmental activities increased the County's net assets by \$20,566,400. A key element of this increase was due to the addition of infrastructure acquired by the County between fiscal years 1981 through 2002.

Business-type activities: Business-type activities increased Pickens County's net assets by \$350,890 accounting for a portion of the total growth in the government's net assets

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, unreserved fund balance of the General Fund was \$16,862,916, while total fund balance reached \$18,647,633. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 54 percent of total General Fund expenditures, while total fund balance represents 60 percent of that same amount.

At June 30, 2006, the governmental funds of Pickens County reported a combined fund balance of \$33,152,336, an 8 percent increase over last year. The primary reason for this increase is due to an increase in revenue of EMS fees, Local Option Sales Tax and a payment from Duke Energy for prior three years that was billed incorrectly.

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 increase expenditures by \$1,235,252. The main increase to the General Fund budget was for the early retirement of the 1999 A and 1999 B Industrial Revenue Bonds.

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 \$233,157, and those for the Airport equaled (\$17,593). The total adjustment in net assets for both major funds was (\$184,821) and (\$66,059) 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, 2006, totals \$79,666,142 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, C.I.P. and vehicles.

Major capital asset transactions during the year include:

- Construction of a new EMS substation in the Six Mile Area
- Construction of signage and landscaping at the Commerce Park
- Purchased new equipment for the Sheriff's Office, Solid Waste, Roads & Bridges, and Emergency Medical Service's Department.
- Purchased two new Pumper trucks for the Shady Grove Fire Department
- Replaced the current Central Processing Equipment (CPE), also known as Central Link at the 911 Center

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

Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2006	2005	2006	2005	2006	2005
Land	\$ 2,575,945	\$ 1,993,124	\$ 964,987	\$ 964,987	\$ 3,540,932	\$ 2,958,111
Buildings	22,367,779	19,801,383	570,721	590,090	22,938,500	20,391,473
Improvements and infrastructure	16,996,735	4,561,899	26,541,436	26,434,117	43,538,171	30,996,016
Machinery and equipment	7,610,460	6,629,162	162,454	210,439	7,772,914	6,839,601
Construction in progress	1,682,811	3,222,661	192,814	1,033,938	1,875,625	4,256,599
Total	\$ 51,233,730	\$ 36,208,229	\$ 28,432,412	\$ 29,233,571	\$ 79,666,142	\$ 65,441,800

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, 2006, Pickens County had total bonded debt outstanding of \$12,506,000 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	
	2006	2005
General obligation bonds	\$ 12,506,000	\$ 13,405,000

Pickens County's total long-term debt decreased by \$2,311,640 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 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Pickens County is \$14,580,431. The County has \$15,393,073 in bonds and notes authorized at June 30, 2006, 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 beginning on page 33 of this audited financial report.

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 school—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 are an emerging automotive hub. With 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, 2007

Governmental Activities: Property taxes and revenues from charges for service are expected to lead the increase in revenue projections by 6.2 percent. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to rise approximately 6.1% to \$33,198,926. The largest increments are in employee compensation, including funding for a Cost of Living Adjustment and merit raise for Employees.

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, 2006

Exhibit A

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 32,148,331	\$ 575,568	\$ 32,723,899
Property taxes receivable	1,234,689	-	1,234,689
Accounts receivable - other	1,337,165	276,146	1,613,311
Due from other governments	2,810,969	-	2,810,969
Note receivable	55,746	-	55,746
Inventories	190,160	-	190,160
Prepaid items	92,055	883	92,938
	<u>37,869,115</u>	<u>852,597</u>	<u>38,721,712</u>
Noncurrent assets:			
Land held for resale	1,183,710	-	1,183,710
Deferred charges - issuance cost	159,187	-	159,187
Deferred charges - refunding	61,647	-	61,647
Net capital assets	51,233,730	28,432,412	79,666,142
	<u>52,638,274</u>	<u>28,432,412</u>	<u>81,070,686</u>
	<u>\$ 90,507,389</u>	<u>\$ 29,285,009</u>	<u>\$ 119,792,398</u>
Liabilities			
Current liabilities:			
Bank overdraft	\$ 12,286	\$ 125,713	\$ 137,999
Accounts payable	2,675,774	47,987	2,723,761
Accrued payroll	828,142	18,294	846,436
Internal balances	(193,085)	193,085	-
Accrued interest payable	201,137	-	201,137
Current portion of long-term debt	2,104,801	118,040	2,222,841
Unearned revenue	284,659	-	284,659
	<u>5,913,714</u>	<u>503,119</u>	<u>6,416,833</u>
Noncurrent liabilities:			
Landfill closure and postclosure	5,022,346	-	5,022,346
Capital leases	1,840,175	-	1,840,175
Notes payable	6,743,195	5,269,405	12,012,600
General obligation bonds	11,529,000	-	11,529,000
Bond premium	20,827	-	20,827
Accrued compensated absences	1,198,487	30,558	1,229,045
	<u>26,354,030</u>	<u>5,299,963</u>	<u>31,653,993</u>
	<u>32,267,744</u>	<u>5,803,082</u>	<u>38,070,826</u>

PICKENS COUNTY, SOUTH CAROLINA
 STATEMENT OF NET ASSETS
 JUNE 30, 2006

Exhibit A-Continued

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net Assets			
Investment in capital assets, net of related debt	29,153,549	22,851,882	52,005,431
Restricted for:			
Capital projects	1,223,116	-	1,223,116
Debt service	843,317	-	843,317
Public works	6,354,243	-	6,354,243
Public safety	2,446,987	-	2,446,987
Cultural and recreation	1,123,373	-	1,123,373
Intergovernmental	214,752	-	214,752
Other purposes	-	414,481	414,481
Unrestricted	<u>16,880,308</u>	<u>215,564</u>	<u>17,095,872</u>
	<u>58,239,645</u>	<u>23,481,927</u>	<u>81,721,572</u>
	<u>\$ 90,507,389</u>	<u>\$ 29,285,009</u>	<u>\$ 119,792,398</u>

The accompanying notes are an integral part of these financial statements.

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2006

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 9,292,433	\$ 1,810,994	\$ -	\$ -	\$ (7,481,439)	\$ -	\$ (7,481,439)
Public safety	17,028,781	6,666,736	1,055,308	128,551	(9,178,186)	-	(9,178,186)
Public works	10,061,181	1,236,061	3,497,614	293,474	(5,034,032)	-	(5,034,032)
Health and welfare	690,329	-	20,484	21,272	(648,573)	-	(648,573)
Culture and recreation	3,615,200	379,457	330,494	103,547	(2,801,702)	-	(2,801,702)
Economic development	562,665	11,842	630,740	38,877	118,794	-	118,794
Assistance to other agencies	1,573,120	-	217,003	-	(1,356,117)	-	(1,356,117)
Unallocated interest expense and fees	452,558	-	-	-	(452,558)	-	(452,558)
	<u>\$ 43,276,267</u>	<u>\$ 10,105,090</u>	<u>\$ 5,751,643</u>	<u>\$ 585,721</u>	<u>(26,833,813)</u>	<u>-</u>	<u>(26,833,813)</u>
Business-type activities:							
Public service commission	2,086,584	1,248,421	10,672	10,245	-	(817,246)	(817,246)
Airport	588,187	253,965	-	100,651	-	(233,571)	(233,571)
	<u>\$ 2,674,771</u>	<u>\$ 1,502,386</u>	<u>\$ 10,672</u>	<u>\$ 110,896</u>	<u>-</u>	<u>(1,050,817)</u>	<u>(1,050,817)</u>
General revenues:							
Taxes					28,051,248	-	28,051,248
Grants and contributions					5,495,186	-	5,495,186
Investment earnings					548,420	-	548,420
Fees, licenses and permits					143,335	-	143,335
Miscellaneous					3,018,377	-	3,018,377
Transfers					(699,927)	699,927	-
Total general revenues and transfers					<u>36,556,639</u>	<u>699,927</u>	<u>37,256,566</u>
Change in net assets					<u>9,722,826</u>	<u>(350,890)</u>	<u>9,371,936</u>
Net assets - beginning					<u>37,677,748</u>	<u>23,832,817</u>	<u>61,510,565</u>
Prior period adjustment					<u>10,839,071</u>	<u>-</u>	<u>10,839,071</u>
Net assets - beginning (restated)					<u>48,516,819</u>	<u>23,832,817</u>	<u>72,349,636</u>
Net assets - ending					<u>\$ 58,239,645</u>	<u>\$ 23,481,927</u>	<u>\$ 81,721,572</u>

The accompanying notes are an integral part of these financial statements.

PICKENS COUNTY, SOUTH CAROLINA
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2006

Exhibit C-1

	General Fund	State Road C-Fund	Other Governmental Funds	Totals
Assets				
Cash and investments	\$ 16,944,411	\$ 4,895,990	\$ 10,307,930	\$ 32,148,331
Property taxes receivable	639,691	-	594,998	1,234,689
Accounts receivable - EMS	1,120,129	-	-	1,120,129
Accounts receivable - other	157,247	-	59,789	217,036
Due from other governments	2,285,514	137,935	378,897	2,802,346
Notes receivable	55,746	-	-	55,746
Advances to other funds	241,784	-	-	241,784
Advances to other agencies	8,623	-	-	8,623
Inventories	190,160	-	-	190,160
Prepaid items	89,041	-	3,014	92,055
Land held for resale	1,183,710	-	-	1,183,710
	<u>\$ 22,916,056</u>	<u>\$ 5,033,925</u>	<u>\$ 11,344,628</u>	<u>\$ 39,294,609</u>
Liabilities				
Bank overdraft	\$ -	\$ -	\$ 12,286	\$ 12,286
Accounts payable	1,809,758	151,710	714,306	2,675,774
Accrued payroll	741,915	-	86,226	828,141
Advances from general fund	-	-	48,699	48,699
Unearned revenue	1,716,750	-	860,623	2,577,373
	<u>4,268,423</u>	<u>151,710</u>	<u>1,722,140</u>	<u>6,142,273</u>
Fund Balances				
Reserved for:				
Encumbrances	71,399	-	328,664	400,063
Advances to other funds	241,783	-	-	241,783
Advances to other agencies	8,623	-	-	8,623
Inventories	190,160	-	-	190,160
Prepaid items	89,042	-	-	89,042
Assets held for sale	1,183,710	-	-	1,183,710
Debt service funds	-	-	843,318	843,318
Unreserved, reported in:				
General fund				
Designated for future expenditures	15,000	-	1,071,846	1,086,846
Designated for recycling/solid waste	235,814	-	-	235,814
Designated for capital improvements	1,208,523	-	-	1,208,523
Undesignated	15,403,579	-	-	15,403,579
Special revenue funds	-	4,882,215	7,378,660	12,260,875
	<u>18,647,633</u>	<u>4,882,215</u>	<u>9,622,488</u>	<u>33,152,336</u>
	<u>\$ 22,916,056</u>	<u>\$ 5,033,925</u>	<u>\$ 11,344,628</u>	<u>\$ 39,294,609</u>

The accompanying notes are an integral part of these financial statements.

PICKENS COUNTY, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2006

Exhibit C-2

Total Governmental Fund Balances	\$ 33,152,336
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	51,233,730
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Deferred charges - issuance cost	159,187
Deferred charges - refunding	61,647
Deferred revenues reported in Governmental Funds Balance Sheet include balances of taxes receivable and other receivables. The balances were deferred because funds were not available to pay current-period expenditures.	2,292,713
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(201,137)
Long-term debt	<u>(28,458,831)</u>
Net Assets of Governmental Activities	<u><u>\$ 58,239,645</u></u>

The accompanying notes are an integral part of these financial statements.

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2006

Exhibit D-1

	General Fund	State Road C-Fund	Other Governmental Funds	Total
Revenues				
Taxes	\$ 21,947,470	\$ -	\$ 5,961,649	\$ 27,909,119
Intergovernmental	5,809,999	1,440,195	2,085,068	9,335,262
Fees, licenses and permits	639,190	-	4,255,623	4,894,813
Charges for services	5,699,306	-	23,238	5,722,544
Fines and forfeitures	703,326	-	235,043	938,369
Investment income	550,813	293,475	180,690	1,024,978
Rental income	12,825	-	-	12,825
Contributions	290	-	115,378	115,668
Miscellaneous	601,626	-	90,801	692,427
	<u>35,964,845</u>	<u>1,733,670</u>	<u>12,947,490</u>	<u>50,646,005</u>
Expenditures				
Current				
General government	8,825,650	-	106,665	8,932,315
Public safety	12,731,880	-	4,204,617	16,936,497
Public works	6,074,196	2,057,530	2,463,224	10,594,950
Health and welfare	661,020	-	-	661,020
Culture and recreation	443,170	-	3,040,217	3,483,387
Economic development and assistance	380,874	-	669,243	1,050,117
Other	127,681	-	-	127,681
Intergovernmental	412,579	-	1,009,985	1,422,564
Capital outlay	-	-	959,940	959,940
Debt service				
Principal retirement	1,323,910	-	1,486,399	2,810,309
Interest and fiscal charges	98,224	-	884,129	982,353
	<u>31,079,184</u>	<u>2,057,530</u>	<u>14,824,419</u>	<u>47,961,133</u>
Revenues Over (Under) Expenditures	<u>4,885,661</u>	<u>(323,860)</u>	<u>(1,876,929)</u>	<u>2,684,872</u>
Other Financing Sources (Uses)				
Proceeds from capital lease	-	-	572,725	572,725
Transfers in (out)	(1,283,267)	-	583,340	(699,927)
	<u>(1,283,267)</u>	<u>-</u>	<u>1,156,065</u>	<u>(127,202)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	3,602,394	(323,860)	(720,864)	2,557,670
Fund Balances, Beginning of Year	<u>15,045,239</u>	<u>5,206,075</u>	<u>10,343,352</u>	<u>30,594,666</u>
Fund Balances, End of Year	<u>\$ 18,647,633</u>	<u>\$ 4,882,215</u>	<u>\$ 9,622,488</u>	<u>\$ 33,152,336</u>

The accompanying notes are an integral part of the financial statements.

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, 2006

Exhibit D-2

Net Change in Fund Balances - Total Governmental Funds	\$ 2,557,670
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
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 \$4,521,539 exceeded depreciation expense of \$2,728,213 in the current period.	1,793,326
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the difference between the proceeds received from sale of assets and the loss on sale.	(163,556)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	142,129
Donated capital assets	2,552,156
Unearned revenues	526,292
Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets.	(572,725)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,810,322
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	33,040
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 governmental funds:	
Landfill closure and postclosure costs	172,500
Compensated absences	(98,458)
Amortization expense	(29,870)
Change in Net Assets of Governmental Activities	<u>\$ 9,722,826</u>

The accompanying notes are an integral part of the financial statements.

PICKENS COUNTY, SOUTH CAROLINA
 STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2006

Exhibit E

	Business-type Activities - Enterprise Funds		
	Public Service		
	Commission	Airport	Total
Assets			
Current Assets			
Cash	\$ 575,568	\$ -	\$ 575,568
Accounts receivable - other	161,045	115,101	276,146
Prepaid expenses	300	583	883
	<u>736,913</u>	<u>115,684</u>	<u>852,597</u>
Capital assets			
Land	299,794	665,193	964,987
Construction in process	192,814	-	192,814
Capacity	5,938,636	-	5,938,636
Buildings	372,442	539,911	912,353
Improvements other than buildings	21,046,268	4,120,741	25,167,009
Machinery and equipment	375,879	89,729	465,608
Less accumulated depreciation	(3,746,294)	(1,462,701)	(5,208,995)
	<u>24,479,539</u>	<u>3,952,873</u>	<u>28,432,412</u>
	<u>\$ 25,216,452</u>	<u>\$ 4,068,557</u>	<u>\$ 29,285,009</u>
Liabilities			
Current Liabilities			
Bank overdraft	\$ -	\$ 125,713	\$ 125,713
Accounts payable	44,001	3,986	47,987
Accrued payroll	15,308	2,986	18,294
Advances from general fund	-	193,085	193,085
Current portion of long-term debt	118,040	-	118,040
	<u>177,349</u>	<u>325,770</u>	<u>503,119</u>
Long-term Liabilities			
Notes payable	5,269,405	-	5,269,405
Accrued compensated absences	29,966	592	30,558
	<u>5,299,371</u>	<u>592</u>	<u>5,299,963</u>
	<u>5,476,720</u>	<u>326,362</u>	<u>5,803,082</u>
Net Assets			
Invested in capital assets, net of related debt	19,092,094	3,759,788	22,851,882
Restricted for USDA	414,481	-	414,481
Unrestricted	233,157	(17,593)	215,564
	<u>19,739,732</u>	<u>3,742,195</u>	<u>23,481,927</u>
	<u>\$ 25,216,452</u>	<u>\$ 4,068,557</u>	<u>\$ 29,285,009</u>

The accompanying notes are an integral part of these financial statements.

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2006

Exhibit F

	Business-type Activities - Enterprise Funds		
	Public Service Commission	Airport	Total
Operating Revenues			
Charges for services	\$ 1,248,421	\$ 253,965	\$ 1,502,386
Intergovernmental - federal	10,672	-	10,672
	<u>1,259,093</u>	<u>253,965</u>	<u>1,513,058</u>
Operating Expenses			
Salaries and benefits	429,607	90,533	520,140
Depreciation	774,078	193,000	967,078
Other expenses	631,140	304,654	935,794
	<u>1,834,825</u>	<u>588,187</u>	<u>2,423,012</u>
Operating income (loss)	(575,732)	(334,222)	(909,954)
Nonoperating Revenues (Expenses)			
Interest and fiscal charges	(251,759)	-	(251,759)
Income (loss) before contributions and transfers	(827,491)	(334,222)	(1,161,713)
Capital Contributions	10,245	100,651	110,896
Transfers In	532,425	167,502	699,927
Change in net assets	(284,821)	(66,069)	(350,890)
Total Net Assets - Beginning of Year	<u>20,024,553</u>	<u>3,808,264</u>	<u>23,832,817</u>
Total Net Assets - End of Year	<u>\$ 19,739,732</u>	<u>\$ 3,742,195</u>	<u>\$ 23,481,927</u>

The accompanying notes are an integral part of these financial statements.

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2006

Exhibit G

	Business-type Activities - Enterprise Funds		
	Public Service Commission	Airport	Total
Cash Flows Provided (Used) by Operating Activities:			
Receipts from customers and users	\$ 1,200,731	\$ 262,190	\$ 1,462,921
Operating grant	10,672	-	10,672
Payments to suppliers	(648,477)	(310,060)	(958,537)
Payments to employees	(426,972)	(94,957)	(521,929)
Net cash provided (used) by operations	<u>135,954</u>	<u>(142,827)</u>	<u>(6,873)</u>
Cash Flows From Noncapital Financing Activities:			
Transfers from other funds	<u>532,425</u>	<u>167,502</u>	<u>699,927</u>
Net cash provided (used) by noncapital financing activities	<u>532,425</u>	<u>167,502</u>	<u>699,927</u>
Cash flows From Capital and Related Financing Activities:			
Capital contributions	-	883,849	883,849
Advance from general fund	-	125,713	125,713
Acquisition and construction of capital assets	(34,090)	(362,152)	(396,242)
Principal paid on capital debt	(113,745)	(32,400)	(146,145)
Interest paid on capital debt	(251,759)	-	(251,759)
Net cash provided (used) by capital and related financing activities	<u>(399,594)</u>	<u>615,010</u>	<u>215,416</u>
Net Increase (Decrease) in Cash and Cash Equivalents	268,785	639,685	908,470
Cash and Cash Equivalents - Beginning of Year	<u>306,783</u>	<u>(639,685)</u>	<u>(332,902)</u>
Cash and Cash Equivalents - End of Year	<u>\$ 575,568</u>	<u>\$ -</u>	<u>\$ 575,568</u>
Reconciliation of Operating Income to Net Cash Provided (used) by operating activities:			
Operating loss	\$ (575,732)	\$ (334,222)	\$ (909,954)
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation	774,078	193,000	967,078
Changes in current assets and liabilities			
(Increase) decrease in accounts receivable	(47,955)	2,269	(45,686)
(Increase) decrease in prepaid expenses	4,930	-	4,930
Increase (decrease) in accounts payable and accrued expenses	(19,367)	(3,874)	(23,241)
Net Cash Provided (Used) by Operations	<u>\$ 135,954</u>	<u>\$ (142,827)</u>	<u>\$ (6,873)</u>
Noncash Investing, Capital and Financing Activities:			
Property, plant and equipment additions funded by: General Fund	<u>\$ 10,245</u>		

The accompanying notes are an integral part of these financial statements.

PICKENS COUNTY, SOUTH CAROLINA
 STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2006

Exhibit H

	Total Agency Funds
Assets	
Cash	\$ 26,500,818
Property taxes receivable	2,024,151
	\$ 28,524,969
 Liabilities	
Accounts payable	\$ 85,820
Due to other governments or agencies	26,213,096
Due to state	123,302
Due to individuals	233,105
Unearned revenue	1,869,646
	\$ 28,524,969

The accompanying notes are an integral part of these financial statements.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pickens 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.

A. Reporting Entity

Using the criteria of GASB Statement No. 14, *The Financial 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.

Financial accountability is defined as appointment of a voting majority of the separate organization's board and either a) the ability to impose will by the primary government, or b) the possibility that the separate organization will provide a financial benefit or impose a financial burden on the primary government.

The reporting entity has been defined to include all offices of elected officials of Pickens County, South Carolina, including Clerk of Court, Probate Court, Coroner, Auditor, Treasurer, Solicitor, and Sheriff, as well as various administrative offices of the County.

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.

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation - Continued

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

The County segregates transactions related to certain County functions or activities in separate funds in order to aid financial 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 fund 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:

General Fund – This is the primary operating fund of the County and always is 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.

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

Proprietary funds 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation - Continued

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 – 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.

C. 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 and the fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Unearned revenue arises when a 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 recognition 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus and Basis of Accounting - Continued

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.

As permitted under GAAP, the County has elected not to 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.

D. 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 purposes of the statement of cash flows, 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. At June 30, 2006, 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 interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity – Continued

Receivables and Payables – continued

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

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

Due from Other Governments

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

Note Receivable

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

Inventories and Prepaid Items

Inventories are valued at average cost and consist of 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.

In the governmental fund statements, inventories and prepaid items are equally offset by a fund balance reserve, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Equity – Continued

Capital Assets and Depreciation - continued

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

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

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net 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 issuances 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. The County believes that the current portion of compensated absence is negligible and is therefore not reported. 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 thirty years after closure. The \$5,147,346 liability reported as landfill closure and postclosure represents estimated total costs as of June 30, 2006 based on 100 percent use of the landfill capacity. There are no current costs remaining to be recognized. The landfill capacity used to date equals 100%. 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity – Continued

Net Assets and Fund Balances

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a) Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of net assets are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

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

F. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

G. Reclassifications

Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year’s presentation.

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2006

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, 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.

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 effect 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. At June 30, 2006, the governmental funds have reserve for encumbrances totaling \$ 578,787.

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 a third party as escrow agent or custodian, of a market value not less than the certificates of deposit and repurchase agreements so secured, including interest; and (5) deposit accounts with banking institutions insured and secured in the same manner.

Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk.

As of June 30, 2006, the County's deposits were as follows:

	Bank Balance	Carrying Amount
Bank Balance of Deposits:		
Checking accounts	\$ 54,554,422	\$ 54,178,717
Certificates of deposit	2,339,193	2,339,193
Petty cash	N/A	3,850
Total Deposits	\$ 56,893,615	\$ 56,521,761

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2006

NOTE 3 - DEPOSITS AND INVESTMENTS – Continued

Deposits - continued

Of the County's bank balance, \$1,499,693 was covered by FDIC insurance and \$55,393,922 was collateralized by securities held by the pledging bank's trust department or agent in the County's name.

Investments

As of June 30, 2006, the County had the following investments:

Investment Type	Fair Value	Maturity	Rating
Repurchase Agreement	\$ 1,006,000	Overnight	N/A
Federal Home Loan Note	201,556	7/28/2006	AAA
Federal Home Loan Note	503,035	12/29/2006	AAA
Federal Home Loan Note	390,000	11/14/2006	AAA
Freddie Mac Medium Note	464,366	11/24/2006	AAA
	<u>\$ 2,564,957</u>		

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

Unrestricted cash, including time deposits	\$ 32,723,899
Bank overdraft	(137,999)
Agency fund cash (not included in government-wide statement)	26,500,818
	<u>\$ 59,086,718</u>

Interest rate risk – 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 – The County has no formal policy on managing credit risk. The County's investments in US Government Agencies (Federal Home Loan Bank and Federal National Mortgage Association) are rated AAA by Standard & Poor's and AAA by Moody's Investors Service.

Custodial 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 has no policy on custodial credit risk.

NOTE 4 - PROPERTY TAXES

The County's property taxes are levied each September (except automobiles which are annually assessed on the first day of the month the automobiles 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, 2006 was \$374,668,799. The estimated market value was \$6,623,699,956 making the assessed value approximately 5 percent of the estimated market value. The assessed value as of June 30, 2006 does not include merchant's inventory, which is no longer taxed.

The County is permitted under the Home Rule Act to levy taxes without limit. The combined tax rate to finance general government services and principal and interest on long-term debt for the year ended June 30, 2006 was \$7.00 per \$100 of assessed value.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 4 - PROPERTY TAXES - Continued

Taxes are due in one payment 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, 2006 are summarized as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Agency Funds</u>
Gross taxes receivable	\$ 761,537	\$ 613,399	\$ 93,840	\$ 2,409,703
Allowance for doubtful accounts	<u>(121,846)</u>	<u>(97,362)</u>	<u>(14,879)</u>	<u>(385,552)</u>
	<u>\$ 639,691</u>	<u>\$ 516,037</u>	<u>\$ 78,961</u>	<u>\$ 2,024,151</u>

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2006 are summarized as follows:

	<u>General</u>	<u>Special Funds</u>	<u>Enterprise</u>
EMS fees	\$ 3,200,369	\$ -	\$ -
Interest	100,726	10,841	-
Landfill	26,915	-	-
Sewer fees	-	-	161,045
Other	<u>29,606</u>	<u>48,948</u>	<u>115,101</u>
	3,357,616	59,789	276,146
Allowance for doubtful accounts	<u>(2,080,240)</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,277,376</u>	<u>\$ 59,789</u>	<u>\$ 276,146</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006, was as follows:

	Balance July 1, 2005 (restated)	Additions	Deletions	Balance June 30, 2006
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,486,229	\$ 89,716	\$ -	\$ 2,575,945
Construction in progress	3,222,661	1,865,970	(3,405,820)	1,682,811
Total capital assets not being depreciated.	<u>5,708,890</u>	<u>1,955,686</u>	<u>(3,405,820)</u>	<u>4,258,756</u>
Capital assets being depreciated:				
Buildings	26,020,459	3,241,154	-	29,261,613
Improvements and infrastructure	20,222,076	2,823,444	-	23,045,520
Machinery and equipment	16,756,026	2,644,442	(333,707)	19,066,761
Total capital assets being depreciated	<u>62,998,561</u>	<u>8,709,040</u>	<u>(333,707)</u>	<u>71,373,894</u>
Less accumulated depreciation:				
Buildings	(6,219,076)	(674,758)	-	(6,893,834)
Improvements and infrastructure	(5,494,919)	(553,866)	-	(6,048,785)
Machinery and equipment	(10,126,864)	(1,499,590)	170,153	(11,456,301)
Total accumulated depreciation	<u>(21,840,859)</u>	<u>(2,728,214)</u>	<u>170,153</u>	<u>(24,398,920)</u>
Total capital assets being depreciated, net	<u>41,157,702</u>	<u>5,980,826</u>	<u>(163,554)</u>	<u>46,974,974</u>
Governmental activities capital assets, net	<u>\$ 46,866,592</u>	<u>\$ 7,936,512</u>	<u>\$ (3,569,374)</u>	<u>\$ 51,233,730</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 964,987	\$ -	\$ -	\$ 964,987
Construction in progress	1,033,938	62,685	(903,809)	192,814
Total capital assets not being depreciated.	<u>1,998,925</u>	<u>62,685</u>	<u>(903,809)</u>	<u>1,157,801</u>
Capital assets being depreciated:				
Capacity	5,938,636	-	-	5,938,636
Buildings	912,353	-	-	912,353
Improvements and infrastructure	24,159,967	1,007,042	-	25,167,009
Machinery and equipment	465,608	-	-	465,608
Total capital assets being depreciated	<u>31,476,564</u>	<u>1,007,042</u>	<u>-</u>	<u>32,483,606</u>
Less accumulated depreciation:				
Buildings	(322,263)	(19,369)	-	(341,632)
Capacity	(37,119)	(148,466)	-	(185,585)
Improvements and infrastructure	(3,627,366)	(751,258)	-	(4,378,624)
Machinery and equipment	(255,169)	(47,985)	-	(303,154)
Total accumulated depreciation	<u>(4,241,917)</u>	<u>(967,078)</u>	<u>-</u>	<u>(5,208,995)</u>
Total capital assets being depreciated, net	<u>27,234,647</u>	<u>39,964</u>	<u>-</u>	<u>27,274,611</u>
Business-type capital assets, net	<u>\$ 29,233,572</u>	<u>\$ 102,649</u>	<u>\$ (903,809)</u>	<u>\$ 28,432,412</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 6 - CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental activities as follows:

General government	\$	377,489
Public safety		981,449
Public works		1,046,143
Health and welfare		67,553
Cultural and recreation		255,460
Economic development		120
Total		<u>\$ 2,728,214</u>

Construction in progress in the Governmental activities as of June 30, 2006, represents costs incurred to date on the Crosswell Fire Station, the Holly Springs fire truck, the Old Central Road bridge and landscaping and sewer extensions at Pickens County Commerce Park. The construction in progress in the Business-type activities as of June 30, 2006, represent costs of construction for the Cramer pump station, the Roper wastewater treatment facilities upgrade and the Cateechee Village wastewater treatment project.

NOTE 7 - LONG-TERM DEBT

A. Governmental Activities Debt

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

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds	\$ 13,405,000	\$ -	\$ 899,000	\$ 12,506,000	\$ 977,000
Special source revenue bonds	1,228,463	-	1,228,463	-	-
Capital leases	2,119,865	572,725	378,350	2,314,240	474,063
Notes payable	7,364,442	-	304,509	7,059,933	316,738
Compensated absences	1,312,028	309,844	211,387	1,410,485	212,000
Landfill closure and postclosure	5,319,846	-	172,500	5,147,346	125,000
Total	<u>\$ 30,749,644</u>	<u>\$ 882,569</u>	<u>\$ 3,194,209</u>	<u>\$ 28,438,004</u>	<u>\$ 2,104,801</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 7 - LONG-TERM DEBT - Continued

A. Governmental Activities Debt - Continued

General obligation (general purpose) bonds payable at June 30, 2006 are comprised of the following individual issues:

\$4,100,000 1995 general obligation bonds due in annual installments of \$125,000 to \$475,000 through March 1, 2011; interest at 4.25% to 6.25%	\$ 2,125,000
\$3,690,000 2002 general obligation refunding bond due in annual installments of \$320,000 to \$390,000 through March 1, 2013; interest at 2.30% to 4.30%.	2,380,000
\$6,665,000 2003 general obligation bonds due in annual installments of \$125,000 to \$1,300,000 through March 1, 2016; interest at 3.00% to 3.25%.	6,260,000
\$1,100,000 2004 general obligation bonds due in annual installments of \$40,000 to \$102,000 through March 1, 2019; interest at 4.134%.	1,006,000
\$800,000 2005 general obligation bonds due in annual installments of \$65,000 to \$95,000 through March 1, 2015; interest at 3.130%.	<u>735,000</u>
	12,506,000
Less current portion	<u>977,000</u>
Long-term portion outstanding	<u>\$ 11,529,000</u>

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2006 are as follows:

Year Ending June 30	Principal	Interest	Totals
2007	\$ 977,000	\$ 486,667	\$ 1,463,667
2008	1,032,000	442,520	1,474,520
2009	1,072,000	395,896	1,467,896
2010	1,135,000	347,435	1,482,435
2011	1,185,000	301,508	1,486,508
2012 to 2016	6,812,000	784,553	7,596,553
2017 to 2021	293,000	24,597	317,597
	<u>\$ 12,506,000</u>	<u>2,783,176</u>	<u>\$ 15,289,176</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 7 - LONG-TERM DEBT – Continued

A. Governmental Activities Debt – Continued

Capital leases payable at June 30, 2006 are comprised of the following individual leases:

\$284,300 capital lease to BB&T payable in annual installments of principal and interest of \$34,374 through June 2015 at 3.610%; collateralized by equipment.	\$ 260,189
\$466,839 capital lease to an equipment vendor payable in semiannual installments of principal and interest of \$50,779 through February 2007 at 3.580%; collateralized by equipment.	98,896
\$154,287 capital lease to an equipment vendor payable in annual installments of principal and interest of \$18,824 through June 2013 at 3.79%; collateralized by equipment	113,864
\$819,636 capital lease to BB&T payable in annual installments of principal and interest of \$100,000 through May 2013 at 3.79%; collateralized by the real property.	604,892
\$775,256 capital lease payable to Bank of America payable in annual installments of principal and interest of \$167,545 through October 2008 at 2.640%; collateralized by equipment.	477,217
\$224,891 capital lease payable to Bank of America payable in annual installments of principal and interest of \$27,534 through October 2013 at 3.86%; collateralized by equipment.	186,457
\$222,725 capital lease payable to Bank of America payable in annual installments of principal and interest of \$27,459 through March 2016 at 4.00%; collateralized by equipment.	222,725
\$350,000 capital lease payable to Bank of America payable in annual installments of principal and interest of \$78,366 through March 2011 at 3.86%; collateralized by equipment.	<u>350,000</u>
	2,314,240
Less current portion	<u>474,065</u>
Long-term portion outstanding	<u>\$ 1,840,175</u>

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2006

NOTE 7 - LONG-TERM DEBT – Continued

A. Governmental Activities Debt – Continued

Annual requirements to amortize all capital leases outstanding as of June 30, 2006 are as follows:

Year Ending June 30	Principal	Interest	Totals
2007	\$ 474,065	\$ 81,598	\$ 555,663
2008	387,672	66,428	454,100
2009	400,610	53,491	454,101
2010	246,447	40,110	286,557
2011	255,866	30,691	286,557
2012 to 2016	549,580	45,463	595,043
	<u>\$ 2,314,240</u>	<u>\$ 317,781</u>	<u>\$ 2,632,021</u>

As of June 30, 2006, the County had assets under capital lease with a total cost of \$3,713,128.

Notes payable recorded in the Governmental Funds at June 30, 2006 are comprised of the following individual notes:

\$3,256,865 note to the SC Water Pollution Control Revolving Fund payable in quarterly installments of principal and interest of \$59,336 through October 2019 at 4.0%	\$ 2,431,860
\$3,112,288 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority payable in monthly installments of principal and interest of \$19,067 through October 2023 at 4.0%.	2,928,024
\$1,988,315 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority payable in monthly installments of principal and interest of \$11,855 through September 2024 at 3.75%.	<u>1,700,049</u>
	7,059,933
Less current portion	<u>316,738</u>
Long-term portion outstanding	<u>\$ 6,743,195</u>

Annual requirements to amortize all notes payable outstanding as of June 30, 2006 are as follows:

Year Ending June 30	Principal	Interest	Totals
2007	\$ 316,738	\$ 272,926	\$ 589,664
2008	329,457	260,207	589,664
2009	342,690	246,974	589,664
2010	356,454	233,210	589,664
2011	370,771	218,893	589,664
2012 to 2016	2,089,576	858,744	2,948,320
2017 to 2021	2,116,351	416,615	2,532,966
2022 to 2026	1,137,896	80,641	1,218,537
	<u>\$ 7,059,933</u>	<u>\$ 2,588,210</u>	<u>\$ 9,648,143</u>

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2006

NOTE 7 - LONG-TERM DEBT – Continued

B. Business-type Activities Debt

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

	Balance July 1, 2005	Additions	Retirements	Balance June 30, 2006	Due Within One Year
Notes payable	\$ 5,499,990	\$ -	\$ 113,745	\$ 5,386,245	\$ 116,840
Compensated absences	34,715	747	3,704	31,758	1,200
Total	\$ 5,534,705	\$ 747	\$ 117,449	\$ 5,418,003	\$ 118,040

Notes payable recorded in the Public Service Commission Enterprise Fund at June 30, 2006 are comprised of the following individual notes:

\$1,988,200 USDA Rural Development note payable in monthly installments of principal and interest of \$9,345 through October 2039 at 4.75%	\$ 1,871,431
\$3,605,700 USDA Rural Development note payable in monthly installments of principal and interest of \$16,947 through October 2039 at 4.75%	3,393,981
\$400,000 non-interest bearing note to the Blue Ridge Electric Cooperative payable in monthly installments of \$4,167 through November 2008.	<u>120,833</u>
	5,386,245
Less current portion	<u>116,840</u>
Net long-term	<u>\$ 5,269,405</u>

Annual requirements to amortize all notes payable outstanding as of June 30, 2006 are as follows:

Year Ending June 30	Principal	Interest	Totals
2007	\$ 116,840	\$ 248,664	\$ 365,504
2008	120,083	245,421	365,504
2009	94,320	242,016	336,336
2010	77,055	238,449	315,504
2011	80,796	234,708	315,504
2012 to 2016	466,764	1,110,756	1,577,520
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	933,824	74,529	1,008,353
	<u>\$ 5,386,245</u>	<u>\$ 5,208,060</u>	<u>\$ 10,594,305</u>

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2006

NOTE 7 - LONG-TERM DEBT – Continued

B. Business-type Activities Debt - Continued

Under the note payable agreements with the USDA Rural Development, the Public Service Commission is required to maintain certain reservations of retained earnings. The reserves at June 30, 2006 were:

Reserved for debt service	\$ 207,241
Reserved for depreciation funding	103,620
Reserved for contingency fund	<u>103,620</u>
 Total	 <u>\$ 414,481</u>

NOTE 8 - CAPITAL CONTRIBUTIONS

Capital contributions for the year ended June 30, 2006 has been recognized in the government-wide financial statements and proprietary funds as non-operating revenue. For the proprietary (enterprise) funds, contributed capital during the year ended June 30, 2006 was as follows:

	Public Service Commission	Airport	Totals
Grants and other cash contributions	\$ 10,245	\$ 100,651	\$ 110,896

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

	Advance Receivable	Advance Payable
Major Governmental Fund		
General Fund	\$ 241,784	\$ -
Nonmajor Governmental Funds	-	48,699
Major Enterprise Fund		
Airport Fund	-	<u>193,085</u>
	<u>\$ 241,784</u>	<u>\$ 241,784</u>

Long-term advances from the General Fund to other funds are commonly made without specific repayment terms to finance capital expenditures. A reservation of fund balance is maintained in the General Fund for these advances as shown on the balance sheet-governmental funds.

B. Transfers

	Transfer In	Transfer Out
Major Governmental Funds:		
General Fund	\$ 158,491	\$ 1,441,758
Nonmajor Governmental Funds	741,831	158,491
Major Enterprise Funds		
Public Service Commission Fund	532,425	-
Airport Fund	<u>167,502</u>	<u>-</u>
	<u>\$ 1,600,249</u>	<u>\$ 1,600,249</u>

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS – Continued
 JUNE 30, 2006

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

B. Transfers - Continued

Interfund 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 10 - EMPLOYEE PENSION PLANS

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

SCRS plan members are required to contribute 6.25% of their annual covered salary while PORS plan members are required to contribute as follows: Class II – 6.5% 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 7.55% and 10.3% of annual covered payroll, respectively. In addition to the preceding rates, participating employers contribute .15% and .2% of covered payroll to a group life insurance benefit for their SCRS and PORB participants, respectively.

Additionally, participating employers contribute .2% 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 585) are summarized as follows:

Year Ended	Employer		Employee	
	SCRS	PORS	SCRS	PORS
June 30, 2006	\$ 1,009,682	\$ 501,056	\$ 815,017	\$ 302,519
June 30, 2005	\$ 833,831	\$ 442,945	\$ 693,413	\$ 213,623
June 30, 2004	\$ 767,140	\$ 393,665	\$ 660,815	\$ 195,942

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2006

NOTE 11 - POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In accordance with the provisions of the County personnel manual, retired employees are eligible for the same health care benefits as full-time employees at substantially no cost to the individual until age 65. As with employees, there are additional charges for dependent coverage. Benefits provided include health, dental, and life insurance coverage.

As of year end, there were 30 employees retired and under the age of 65 that were receiving full premium-coverage benefits. For the year ended June 30, 2006, the County incurred net expenditures for the plan of approximately \$65,484 financed on a pay-as-you go basis.

NOTE 12 - CONTINGENCIES

In the normal course of operations, 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 insure compliance with conditions precedent to the granting of funds. Such audits could result in potential liability for reimbursement or refund of grant monies to the grantor agencies. The County's management believes that any liability for reimbursement would be immaterial.

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

NOTE 13 - PRIOR PERIOD ADJUSTMENT

Improvements and infrastructure and the related accumulated depreciation were restated for the addition of infrastructure acquired by the county between fiscal years 1981 through 2002. Beginning net capital assets and investment in capital assets, net of related debt for governmental activities has been increased by \$10,839,071.

REQUIRED SUPPLEMENTARY INFORMATION

PICKENS COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2006

Schedule 1

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 20,864,030	\$ 20,864,030	\$ 21,947,470	\$ 1,083,440
Fees, licenses and permits	604,300	604,300	639,190	34,890
Intergovernmental	5,453,982	5,453,982	5,809,999	356,017
Charges for services	4,659,988	4,659,988	5,699,306	1,039,318
Fines and forfeitures	675,000	675,000	703,326	28,326
Investment income	253,200	253,200	550,813	297,613
Rental income	20,000	20,000	12,825	(7,175)
Contributions	1,300	6,193	290	(5,903)
Miscellaneous	54,100	54,100	601,626	547,526
	<u>32,585,900</u>	<u>32,590,793</u>	<u>35,964,845</u>	<u>3,374,052</u>
Expenditures				
Current				
General government				
County council	182,231	189,992	185,743	4,249
County attorney	94,089	94,751	54,787	39,964
State solicitor	680,194	680,974	666,450	14,524
Public defender	39,394	39,484	37,230	2,254
Probate judge	248,515	253,691	242,670	11,021
Register of deeds	361,318	364,056	357,558	6,498
Clerk of court	597,563	606,171	573,584	32,587
Administrator	456,277	377,118	341,535	35,583
Purchasing	184,797	185,225	183,998	1,227
Finance	356,551	369,658	367,014	2,644
Building maintenance	1,316,424	1,327,523	1,324,039	3,484
Human resources	157,343	160,698	154,132	6,566
Delinquent tax	250,082	250,654	221,387	29,267
Circuit judge	5,300	5,300	3,734	1,566
Treasurer	390,476	392,225	384,127	8,098
Auditor	347,815	351,329	320,800	30,529
Tax assessor	857,080	866,748	859,737	7,011
Board of appeals	10,000	10,000	1,208	8,792
GIS mapping	294,171	296,556	251,112	45,444
Registration and elections	162,548	164,486	195,930	(31,444)
Planning commission	174,864	175,556	135,712	39,844
Information services	903,016	912,467	890,538	21,929
County magistrates	601,188	615,428	614,322	1,106
Vehicle maintenance	478,549	479,092	458,303	20,789
	<u>9,149,785</u>	<u>9,169,182</u>	<u>8,825,650</u>	<u>343,532</u>
Public safety				
Sheriff's department	6,799,463	6,961,323	6,916,919	44,404
Emergency management	247,070	249,884	234,919	14,965
County coroner	147,900	149,484	146,048	3,436
Prison camp	1,038,180	1,038,460	1,010,752	27,708
Emergency medical services	3,980,688	3,990,209	3,847,445	142,764
Building codes	452,316	470,910	448,605	22,305

PICKENS COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2006

Schedule 1 - Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
County radio system	22,000	22,000	22,826	(826)
E-911	105,780	105,637	104,366	1,271
	<u>12,793,397</u>	<u>12,987,907</u>	<u>12,731,880</u>	<u>256,027</u>
Public works				
Roads and bridges	2,191,304	2,286,138	2,202,562	83,576
Solid waste department	3,570,793	3,758,421	3,649,342	109,079
Engineering	136,318	135,964	134,002	1,962
Environmental services	86,953	88,383	88,290	93
	<u>5,985,368</u>	<u>6,268,906</u>	<u>6,074,196</u>	<u>194,710</u>
Health and welfare				
Health department	53,791	55,488	58,732	(3,244)
Animal control	300,659	288,624	279,305	9,319
Humane society	100,000	100,000	100,000	-
Veterans affairs	127,726	130,578	125,382	5,196
Storm water management	86,372	87,586	72,601	14,985
Pickens county health partners	25,000	25,000	25,000	-
	<u>693,548</u>	<u>687,276</u>	<u>661,020</u>	<u>26,256</u>
Culture and recreation				
Cultural commission	188,692	245,724	229,115	16,609
Parks department	213,846	213,568	214,055	(487)
Pickens heritage corridor	18,000	18,000	-	18,000
	<u>420,538</u>	<u>477,292</u>	<u>443,170</u>	<u>34,122</u>
Economic development and assistance				
Economic development	324,202	380,874	380,874	-
Intergovernmental				
Legislative delegation	28,205	28,278	23,170	5,108
Seniors unlimited	20,000	20,000	20,000	-
Department of social services	43,078	42,736	41,890	846
Mental health center	20,000	20,000	20,000	-
Medically indigent fund	209,118	209,118	209,118	-
SC Appalachian Council of Governments	45,594	45,594	45,594	-
Clemson extension	19,725	19,725	20,267	(542)
Soil and water conservation	35,547	35,547	32,540	3,007
	<u>421,267</u>	<u>420,998</u>	<u>412,579</u>	<u>8,419</u>
Other				
Unemployment Insurance	15,000	10,982	-	10,982
Reclassifications	25,000	8,669	-	8,669
Contingency	344,937	124,287	108,656	15,631
Non-departmental	19,025	19,025	19,025	-
	<u>403,962</u>	<u>162,963</u>	<u>127,681</u>	<u>35,282</u>
Capital outlay	648,441	551,808	-	551,808

PICKENS COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2006

Schedule 1 - Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service				
Principal retirement	370,624	1,323,910	1,323,910	-
Interest and fiscal charges	82,956	98,224	98,224	-
	<u>453,580</u>	<u>1,422,134</u>	<u>1,422,134</u>	<u>-</u>
 Total Expenditures	 <u>31,294,088</u>	 <u>32,529,340</u>	 <u>31,079,184</u>	 <u>1,450,156</u>
 Revenues Over (Under) Expenditures	 <u>1,291,812</u>	 <u>61,453</u>	 <u>4,885,661</u>	 <u>4,824,208</u>
 Other Financing Sources (Uses)				
Transfers in (out)	(1,340,448)	(1,323,679)	(1,283,267)	40,412
	<u>(1,340,448)</u>	<u>(1,323,679)</u>	<u>(1,283,267)</u>	<u>40,412</u>
 Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 <u>\$ (48,636)</u>	 <u>\$ (1,262,226)</u>	 3,602,394	 <u>\$ 4,864,620</u>
 Fund Balances, Beginning of Year			<u>15,045,239</u>	
 Fund Balances, End of Year			<u>\$ 18,647,633</u>	

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

**COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES**

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2006

Schedule 2

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 8,241,212	\$ 895,391	\$ 1,171,327	\$ 10,307,930
Property taxes receivable	516,037	78,961	-	594,998
Accounts receivable - other	59,789	-	-	59,789
Due from other governments	320,668	-	58,229	378,897
Prepaid expenses	3,014	-	-	3,014
	<u>\$ 9,140,720</u>	<u>\$ 974,352</u>	<u>\$ 1,229,556</u>	<u>\$ 11,344,628</u>
Liabilities and Fund Balances				
Liabilities				
Bank overdraft	\$ 12,286	\$ -	\$ -	\$ 12,286
Accounts payable	648,342	59,524	6,440	714,306
Accrued payroll	86,226	-	-	86,226
Advances from general fund	48,699	-	-	48,699
Unearned revenue	789,113	71,510	-	860,623
	<u>1,584,666</u>	<u>131,034</u>	<u>6,440</u>	<u>1,722,140</u>
Fund balances				
Reserved for:				
Encumbrances	319,762	-	8,902	328,664
Debt service	-	843,318	-	843,318
Unreserved:				
Designated for future expenditures	1,071,846	-	-	1,071,846
Undesignated	6,164,446	-	1,214,214	7,378,660
	<u>7,556,054</u>	<u>843,318</u>	<u>1,223,116</u>	<u>9,622,488</u>
	<u>\$ 9,140,720</u>	<u>\$ 974,352</u>	<u>\$ 1,229,556</u>	<u>\$ 11,344,628</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2006

Schedule 3

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 4,160,714	\$ 1,800,935	\$ -	\$ 5,961,649
Fees, licenses and permits	4,255,623	-	-	4,255,623
Intergovernmental	1,334,718	87,272	663,078	2,085,068
Charges for services	23,238	-	-	23,238
Fines and forfeitures	235,043	-	-	235,043
Investment income	139,406	2,407	38,877	180,690
Contributions	115,378	-	-	115,378
Miscellaneous	90,801	-	-	90,801
	<u>10,354,921</u>	<u>1,890,614</u>	<u>701,955</u>	<u>12,947,490</u>
Expenditures				
General government	106,665	-	-	106,665
Public safety	4,153,999	-	50,618	4,204,617
Public works	2,463,224	-	-	2,463,224
Culture and recreation	2,985,458	-	54,759	3,040,217
Economic development and assistance	-	-	669,243	669,243
Intergovernmental	993,113	-	16,872	1,009,985
Capital outlay	744,965	-	214,975	959,940
Debt service				
Principal retirement	136,347	1,350,052	-	1,486,399
Interest and fiscal charges	51,681	832,448	-	884,129
	<u>11,635,452</u>	<u>2,182,500</u>	<u>1,006,467</u>	<u>14,824,419</u>
Revenues Over (Under) Expenditures	<u>(1,280,531)</u>	<u>(291,886)</u>	<u>(304,512)</u>	<u>(1,876,929)</u>
Other Financing Sources (Uses)				
Proceeds from capital lease	572,725	-	-	572,725
Transfers in (out)	583,340	-	-	583,340
	<u>1,156,065</u>	<u>-</u>	<u>-</u>	<u>1,156,065</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(124,466)</u>	<u>(291,886)</u>	<u>(304,512)</u>	<u>(720,864)</u>
Fund Balances, Beginning of Year	<u>7,680,520</u>	<u>1,135,204</u>	<u>1,527,628</u>	<u>10,343,352</u>
Fund Balances, End of Year	<u>\$ 7,556,054</u>	<u>\$ 843,318</u>	<u>\$ 1,223,116</u>	<u>\$ 9,622,488</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.

Fire Districts – These funds account for the operations of twelve fire districts providing fire protection services to residents in the unincorporated areas of Pickens County.

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 two percent 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 five percent of the remainder of the accommodations tax remitted by the State.

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

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

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

Recreation Capital – This fund accounts for the annual allocation from the County for the expansion and improvement of recreational facilities for citizens.

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 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2006

Schedule 4

	Tri-County Tech	Fixed Nuclear Fund	Sheriff Special Fund	Library Fund	Victim Rights	Grants Fund	Emergency Phone System	Fire Districts
Assets								
Cash and investments	\$ 209,082	\$ 26,616	\$ 484,341	\$ 833,971	\$ 71,185	\$ 23,822	\$ 602,352	\$ 2,251,608
Property taxes receivable	43,475	-	-	86,990	-	-	-	385,572
Accounts receivable - other	-	-	1,505	-	-	-	28,025	9,337
Due from other governments	1,441	-	-	-	-	208,227	-	65,811
Prepaid expenses	-	-	-	-	-	-	-	3,014
	<u>\$ 253,998</u>	<u>\$ 26,616</u>	<u>\$ 485,846</u>	<u>\$ 920,961</u>	<u>\$ 71,185</u>	<u>\$ 232,049</u>	<u>\$ 630,377</u>	<u>\$ 2,715,342</u>
Liabilities and Fund Balances								
Liabilities								
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	183	-	21,875	140	21,802	439,443	28,582
Accrued payroll	-	995	-	62,248	5,768	7,072	1,595	8,548
Advances from general fund	-	-	-	-	-	-	-	48,699
Unearned revenue	39,246	-	-	127,485	2,000	203,175	-	369,429
	<u>39,246</u>	<u>1,178</u>	<u>-</u>	<u>211,608</u>	<u>7,908</u>	<u>232,049</u>	<u>441,038</u>	<u>455,258</u>
Fund Balances								
Reserved for:								
Encumbrances	-	-	-	19,694	-	251,735	99	48,234
Unreserved:								
Designated for future expenditures	-	-	-	73,652	-	-	145,161	719,676
Undesignated	214,752	25,438	485,846	616,007	63,277	(251,735)	44,079	1,492,174
	<u>214,752</u>	<u>25,438</u>	<u>485,846</u>	<u>709,353</u>	<u>63,277</u>	<u>-</u>	<u>189,339</u>	<u>2,260,084</u>
	<u>\$ 253,998</u>	<u>\$ 26,616</u>	<u>\$ 485,846</u>	<u>\$ 920,961</u>	<u>\$ 71,185</u>	<u>\$ 232,049</u>	<u>\$ 630,377</u>	<u>\$ 2,715,342</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2006

Schedule 4 - Continued

	Law Enforcement Block Grants	Accommodations Tax Fund	Museum Restricted Resources	Road Fee	Tourism Development Fee	Recreation Capital	Public Safety Capital Replacement	Totals
Assets								
Cash and investments	\$ 47,778	\$ -	\$ 271,819	\$ 1,588,134	\$ 83,523	\$ 283,553	\$ 1,463,428	\$ 8,241,212
Property taxes receivable	-	-	-	-	-	-	-	516,037
Accounts receivable - other	-	-	-	-	20,922	-	-	59,789
Due from other governments	-	45,189	-	-	-	-	-	320,668
Prepaid expenses	-	-	-	-	-	-	-	3,014
	<u>\$ 47,778</u>	<u>\$ 45,189</u>	<u>\$ 271,819</u>	<u>\$ 1,588,134</u>	<u>\$ 104,445</u>	<u>\$ 283,553</u>	<u>\$ 1,463,428</u>	<u>\$ 9,140,720</u>
Liabilities and Fund Balances								
Liabilities								
Bank overdraft	\$ -	\$ 12,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,286
Accounts payable	-	19,673	45	116,106	-	493	-	648,342
Accrued payroll	-	-	-	-	-	-	-	86,226
Advances from general fund	-	-	-	-	-	-	-	48,699
Unearned revenue	47,778	-	-	-	-	-	-	789,113
	<u>47,778</u>	<u>31,959</u>	<u>45</u>	<u>116,106</u>	<u>-</u>	<u>493</u>	<u>-</u>	<u>1,584,666</u>
Fund Balances								
Reserved for:								
Encumbrances	-	-	-	-	-	-	-	319,762
Unreserved:								
Designated for future expenditures	-	-	-	-	-	-	133,357	1,071,846
Undesignated	-	13,230	271,774	1,472,028	104,445	283,060	1,330,071	6,164,446
	<u>-</u>	<u>13,230</u>	<u>271,774</u>	<u>1,472,028</u>	<u>104,445</u>	<u>283,060</u>	<u>1,463,428</u>	<u>7,556,054</u>
	<u>\$ 47,778</u>	<u>\$ 45,189</u>	<u>\$ 271,819</u>	<u>\$ 1,588,134</u>	<u>\$ 104,445</u>	<u>\$ 283,553</u>	<u>\$ 1,463,428</u>	<u>\$ 9,140,720</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2006

Schedule 5

	Tri-County Tech	Fixed Nuclear Fund	Sheriff Special Fund	Library Fund	Victim Rights	Grants Fund	Emergency Phone System	Fire Districts
Revenues								
Taxes	\$ 1,068,665	\$ -	\$ -	\$ 2,456,174	\$ -	\$ -	\$ -	\$ 635,875
Intergovernmental	-	40,675	-	221,514	-	691,389	62,033	216,768
Fees, licenses and permits	-	-	-	-	-	-	376,638	1,791,408
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	59,116	-	175,927	-	-	-
Investment income	-	-	11,564	-	-	-	8,521	70,433
Contributions	-	-	3,942	7,889	-	-	-	-
Miscellaneous	-	469	-	87,280	-	-	-	3,052
	<u>1,068,665</u>	<u>41,144</u>	<u>74,622</u>	<u>2,772,857</u>	<u>175,927</u>	<u>691,389</u>	<u>447,192</u>	<u>2,717,536</u>
Expenditures								
General government	-	-	-	-	-	106,665	-	-
Public safety	-	57,297	91,330	-	183,069	377,334	245,785	2,803,442
Public works	-	-	-	-	-	129,826	-	-
Culture and recreation	-	-	-	2,585,503	-	-	-	-
Intergovernmental	993,113	-	-	-	-	-	-	-
Capital outlay	-	-	116,202	-	-	37,081	591,682	-
Debt service								
Principal retirement	-	-	-	-	-	-	-	62,088
Interest and fiscal charges	-	-	-	-	-	-	-	25,941
	<u>993,113</u>	<u>57,297</u>	<u>207,532</u>	<u>2,585,503</u>	<u>183,069</u>	<u>650,906</u>	<u>837,467</u>	<u>2,891,471</u>
Revenues Over (Under) Expenditures	<u>75,552</u>	<u>(16,153)</u>	<u>(132,910)</u>	<u>187,354</u>	<u>(7,142)</u>	<u>40,483</u>	<u>(390,275)</u>	<u>(173,935)</u>
Other Financing Sources (Uses)								
Proceeds from capital lease	-	-	-	-	-	-	350,000	222,725
Transfers in (out)	-	(4,500)	-	-	34,354	(39,483)	-	-
	<u>-</u>	<u>(4,500)</u>	<u>-</u>	<u>-</u>	<u>34,354</u>	<u>(39,483)</u>	<u>350,000</u>	<u>222,725</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>75,552</u>	<u>(20,653)</u>	<u>(132,910)</u>	<u>187,354</u>	<u>27,212</u>	<u>1,000</u>	<u>(40,275)</u>	<u>48,790</u>
Fund Balances, Beginning of Year	<u>139,200</u>	<u>46,091</u>	<u>618,756</u>	<u>521,999</u>	<u>36,065</u>	<u>(1,000)</u>	<u>229,614</u>	<u>2,211,294</u>
Fund Balances, End of Year	<u>\$ 214,752</u>	<u>\$ 25,438</u>	<u>\$ 485,846</u>	<u>\$ 709,353</u>	<u>\$ 63,277</u>	<u>\$ -</u>	<u>\$ 189,339</u>	<u>\$ 2,260,084</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2006

Schedule 5 - Continued

	Law Enforcement Block Grants	Accommodations Tax Fund	Museum Restricted Resources	Road Fee	Tourism Development Fee	Recreation Capital	Public Safety Capital Replacement	Totals
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,160,714
Intergovernmental	518	90,576	11,245	-	-	-	-	1,334,718
Fees, licenses and permits	-	-	-	1,896,821	190,756	-	-	4,255,623
Charges for services	-	-	23,238	-	-	-	-	23,238
Fines and forfeitures	-	-	-	-	-	-	-	235,043
Investment income	-	-	-	46,214	2,674	-	-	139,406
Contributions	-	-	103,547	-	-	-	-	115,378
Miscellaneous	-	-	-	-	-	-	-	90,801
	<u>518</u>	<u>90,576</u>	<u>138,030</u>	<u>1,943,035</u>	<u>193,430</u>	<u>-</u>	<u>-</u>	<u>10,354,921</u>
Expenditures								
General government	-	-	-	-	-	-	-	106,665
Public safety	518	-	-	-	-	-	395,224	4,153,999
Public works	-	-	-	2,333,398	-	-	-	2,463,224
Culture and recreation	-	55,265	138,672	-	-	206,018	-	2,985,458
Intergovernmental	-	-	-	-	-	-	-	993,113
Capital outlay	-	-	-	-	-	-	-	744,965
Debt service								
Principal retirement	-	-	-	-	74,259	-	-	136,347
Interest and fiscal charges	-	-	-	-	25,740	-	-	51,681
	<u>518</u>	<u>55,265</u>	<u>138,672</u>	<u>2,333,398</u>	<u>99,999</u>	<u>206,018</u>	<u>395,224</u>	<u>11,635,452</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>35,311</u>	<u>(642)</u>	<u>(390,363)</u>	<u>93,431</u>	<u>(206,018)</u>	<u>(395,224)</u>	<u>(1,280,531)</u>
Other Financing Sources (Uses)								
Proceeds from capital lease	-	-	-	-	-	-	-	572,725
Transfers in (out)	-	(28,279)	-	(73,960)	-	312,534	382,674	583,340
	<u>-</u>	<u>(28,279)</u>	<u>-</u>	<u>(73,960)</u>	<u>-</u>	<u>312,534</u>	<u>382,674</u>	<u>1,156,065</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>7,032</u>	<u>(642)</u>	<u>(464,323)</u>	<u>93,431</u>	<u>106,516</u>	<u>(12,550)</u>	<u>(124,466)</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>6,198</u>	<u>272,416</u>	<u>1,936,351</u>	<u>11,014</u>	<u>176,544</u>	<u>1,475,978</u>	<u>7,680,520</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 13,230</u>	<u>\$ 271,774</u>	<u>\$ 1,472,028</u>	<u>\$ 104,445</u>	<u>\$ 283,060</u>	<u>\$ 1,463,428</u>	<u>\$ 7,556,054</u>

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 TRI-COUNTY TECH FUND
 YEAR ENDED JUNE 30, 2006

Schedule 6

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes	\$ 1,068,665	\$ 1,068,665	\$ -
	<u>1,068,665</u>	<u>1,068,665</u>	<u>-</u>
Expenditures			
Current			
Intergovernmental	993,113	993,113	-
	<u>993,113</u>	<u>993,113</u>	<u>-</u>
Revenues Over (Under) Expenditures	75,552	75,552	-
Other Financing Sources (Uses)			
Fund balance appropriated	<u>(75,552)</u>	<u>-</u>	<u>75,552</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	75,552	<u>\$ 75,552</u>
Fund Balance, Beginning of Year		<u>139,200</u>	
Fund Balance, End of Year		<u>\$ 214,752</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED JUNE 30, 2006

Schedule 7

	Original Budget	Final Budget	Operations	State Aid	Totals	Variance with Final Budget Positive (Negative)
Revenues						
Taxes	\$ 2,364,078	\$ 2,364,078	\$ 2,456,174	\$ -	\$ 2,456,174	\$ 92,096
Intergovernmental	200,000	221,514	-	221,514	221,514	-
Contributions	-	-	7,889	-	7,889	7,889
Miscellaneous	60,000	60,000	87,280	-	87,280	27,280
	<u>2,624,078</u>	<u>2,645,592</u>	<u>2,551,343</u>	<u>221,514</u>	<u>2,772,857</u>	<u>127,265</u>
Expenditures						
Current						
Salaries	1,817,429	1,817,429	1,789,258	-	1,789,258	28,171
Office supplies	35,000	36,500	35,707	-	35,707	793
Postage	5,500	5,500	5,448	-	5,448	52
Dues and subscriptions	1,800	1,800	1,537	-	1,537	263
Travel expense	3,500	3,500	3,044	-	3,044	456
Fuel and oil	1,000	1,000	1,222	-	1,222	(222)
Electricity and heating fuel	120,000	120,000	122,340	-	122,340	(2,340)
Telephone	27,550	27,550	19,139	-	19,139	8,411
Water and sewer	5,000	5,000	7,172	-	7,172	(2,172)
Maintenance and service contracts	72,925	72,925	53,255	-	53,255	19,670
Repairs to equipment	2,000	2,400	2,392	-	2,392	8
Repairs to buildings and grounds	650	1,350	898	-	898	452
Repairs to vehicles	1,000	1,000	276	-	276	724
Food	1,000	1,000	531	-	531	469
Cleaning and sanitation	7,000	7,000	5,674	-	5,674	1,326
Insurance, bonds, license	31,764	31,764	34,019	-	34,019	(2,255)
Rent - building, equipment	40,100	40,100	37,146	-	37,146	2,954
Training	2,800	2,800	2,107	-	2,107	693
Consulting and contractual	2,000	8,000	6,759	-	6,759	1,241
Books	150,000	150,000	137,920	-	137,920	12,080
Foundation	-	3,022	3,022	-	3,022	-
Friends	-	-	5,172	-	5,172	(5,172)
Library miscellaneous donations	-	-	2,717	-	2,717	(2,717)
Office furniture and equipment	111,325	83,338	47,421	-	47,421	35,917
Equipment	33,635	53,022	33,553	-	33,553	19,469
Books	200,000	127,000	-	128,462	128,462	(1,462)
A/V materials	-	21,000	-	24,860	24,860	(3,860)
Binding	-	750	-	972	972	(222)
Software - state aid	-	25,000	-	22,977	22,977	2,023
Software	6,625	17,389	6,260	10,918	17,178	211
Large type	-	12,000	-	11,289	11,289	711
Continuations	-	25,000	-	22,036	22,036	2,964
	<u>2,679,603</u>	<u>2,704,139</u>	<u>2,363,989</u>	<u>221,514</u>	<u>2,585,503</u>	<u>118,636</u>
Revenues Over (Under) Expenditures	(55,525)	(58,547)	187,354	-	187,354	245,901
Other Financing Sources (Uses)						
Fund balance appropriated	55,525	58,547	-	-	-	(58,547)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	187,354	-	187,354	<u>\$ 187,354</u>
Fund Balance, Beginning of Year			521,999	-	521,999	
Fund Balance, End of Year			<u>\$ 709,353</u>	<u>\$ -</u>	<u>\$ 709,353</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VICTIM RIGHTS FUND
YEAR ENDED JUNE 30, 2006

Schedule 8

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Fines and forfeitures	\$ 142,000	\$ 142,000	\$ 175,927	\$ 33,927
Expenditures				
Current				
Salaries	164,789	164,789	165,454	(665)
Office supplies	4,500	4,330	3,132	1,198
Dues and subscriptions	285	285	110	175
Postage	1,800	1,800	1,793	7
Software	-	170	166	4
Travel expense	250	250	55	195
Fuel and oil	1,400	1,400	2,333	(933)
Telephone	2,800	2,800	2,260	540
Maintenance and service contracts	1,887	1,887	1,422	465
Repairs to vehicles	400	400	436	(36)
Uniforms and clothing	2,000	2,000	2,000	-
Insurance, bonds and licenses	3,216	3,216	2,884	332
Local grant match	15,849	15,849	-	15,849
Direct assistance	-	2,000	-	2,000
Training	1,200	1,200	1,024	176
	<u>200,376</u>	<u>202,376</u>	<u>183,069</u>	<u>19,307</u>
Revenues Over (Under) Expenditures	(58,376)	(60,376)	(7,142)	53,234
Other Financing Sources (Uses)				
Fund balance appropriated	24,022	26,022		(26,022)
Transfers in (out)	34,354	34,354	34,354	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	27,212	<u>\$ 27,212</u>
Fund Balance, Beginning of Year			<u>36,065</u>	
Fund Balance, End of Year			<u>\$ 63,277</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMERGENCY PHONE SYSTEM FUND
YEAR ENDED JUNE 30, 2006

Schedule 9

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 377,400	\$ 377,400	\$ 376,638	\$ (762)
Investment income	1,200	1,200	8,521	7,321
Intergovernmental	28,000	28,000	62,033	34,033
	406,600	406,600	447,192	40,592
Expenditures				
Current				
Salaries	45,409	45,409	44,823	586
Office supplies	400	400	405	(5)
Software	18,500	18,500	-	18,500
Dues and subscriptions	200	200	178	22
Travel	1,200	1,200	31	1,169
Telephone	180,550	180,550	157,160	23,390
Maintenance and service contracts	39,000	39,000	35,934	3,066
Repairs to equipment	1,000	1,000	-	1,000
Repairs to vehicles	600	600	-	600
Uniforms & clothing	100	100	92	8
Insurance, bonds, licenses	2,733	2,733	723	2,010
Training	9,200	9,200	5,283	3,917
Special departmental supplies	2,000	2,000	1,156	844
Office furniture and equipment	1,000	1,000	-	1,000
Machinery and equipment	600,000	600,000	591,682	8,318
	901,892	901,892	837,467	64,425
Revenues Over (Under) Expenditures	(495,292)	(495,292)	(390,275)	105,017
Other Financing Sources (Uses)				
Fund balance appropriated	145,292	145,292	-	(145,292)
Proceeds from capital lease	350,000	350,000	350,000	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	(40,275)	\$ (40,275)
Fund Balance, Beginning of Year			229,614	
Fund Balance, End of Year			\$ 189,339	

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 FIRE DISTRICTS
 JUNE 30, 2006

Schedule 10

	Easley	Liberty	Pumpkintown	Crosswell	Six Mile	Pickens	Dacusville
Assets							
Cash	\$ 95,704	\$ 78,525	\$ 65,964	\$ 661,506	\$ 309,464	\$ 107,567	\$ 139,344
Property taxes receivable, net	78,099	50,502	14,404	94,305	37,197	37,137	42,993
Accounts receivable, other	324	375	275	3,387	706	1,388	683
Due from other governments	-	-	-	-	-	-	65,811
Prepaid items	-	-	-	-	-	-	-
	<u>\$ 174,127</u>	<u>\$ 129,402</u>	<u>\$ 80,643</u>	<u>\$ 759,198</u>	<u>\$ 347,367</u>	<u>\$ 146,092</u>	<u>\$ 248,831</u>
Liabilities and Fund Balances (Deficits)							
Liabilities							
Accounts payable	\$ 3,396	\$ -	\$ 1,734	\$ -	\$ 1,705	\$ 5,278	\$ 899
Accrued payroll	-	-	-	-	-	-	-
Advances from general fund	-	-	48,699	-	-	-	-
Unearned revenue	75,670	48,853	15,535	88,957	35,907	35,468	42,051
	<u>79,066</u>	<u>48,853</u>	<u>65,968</u>	<u>88,957</u>	<u>37,612</u>	<u>40,746</u>	<u>42,950</u>
Fund Balances							
Reserved for encumbrances	-	45,220	-	-	-	-	-
Designated for future expenditures	-	-	-	238,000	234,800	-	-
Unreserved	95,061	35,329	14,675	432,241	74,955	105,346	205,881
	<u>95,061</u>	<u>80,549</u>	<u>14,675</u>	<u>670,241</u>	<u>309,755</u>	<u>105,346</u>	<u>205,881</u>
	<u>\$ 174,127</u>	<u>\$ 129,402</u>	<u>\$ 80,643</u>	<u>\$ 759,198</u>	<u>\$ 347,367</u>	<u>\$ 146,092</u>	<u>\$ 248,831</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 FIRE DISTRICTS
 JUNE 30, 2006

Schedule 10 - Continued

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Total
Assets						
Cash	\$ 253,492	\$ 189,547	\$ 244,779	\$ 17,294	\$ 88,422	\$2,251,608
Property taxes receivable, net	6,646	17,650	1,754	46	4,839	385,572
Accounts receivable, other	167	646	805	31	550	9,337
Due from other governments	-	-	-	-	-	65,811
Prepaid items	-	-	-	-	3,014	3,014
	<u>\$ 260,305</u>	<u>\$ 207,843</u>	<u>\$ 247,338</u>	<u>\$ 17,371</u>	<u>\$ 96,825</u>	<u>\$2,715,342</u>
Liabilities and Fund Balances (Deficits)						
Liabilities						
Accounts payable	\$ 1,148	\$ 9,553	\$ 2,650	\$ -	\$ 2,219	\$ 28,582
Accrued payroll	-	-	-	-	8,548	8,548
Advances from general fund	-	-	-	-	-	48,699
Unearned revenue	6,416	17,114	663	47	2,748	369,429
	<u>7,564</u>	<u>26,667</u>	<u>3,313</u>	<u>47</u>	<u>13,515</u>	<u>455,258</u>
Fund Balances						
Reserved for encumbrances	-	-	-	-	3,014	48,234
Designated for future expenditures	4,876	-	167,000	-	75,000	719,676
Unreserved	247,865	181,176	77,025	17,324	5,296	1,492,174
	<u>252,741</u>	<u>181,176</u>	<u>244,025</u>	<u>17,324</u>	<u>83,310</u>	<u>2,260,084</u>
	<u>\$ 260,305</u>	<u>\$ 207,843</u>	<u>\$ 247,338</u>	<u>\$ 17,371</u>	<u>\$ 96,825</u>	<u>\$2,715,342</u>

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EASLEY FIRE DISTRICT FUND
YEAR ENDED JUNE 30, 2006

Schedule 11

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 385,000	\$ 385,000	\$ 389,928	\$ 4,928
Investment income	1,200	1,200	3,791	2,591
	<u>386,200</u>	<u>386,200</u>	<u>393,719</u>	<u>7,519</u>
Expenditures				
Current				
Contract services	385,000	385,000	391,399	(6,399)
Office	-	-	7	(7)
Contingency expense	1,200	1,200	-	1,200
	<u>386,200</u>	<u>386,200</u>	<u>391,406</u>	<u>(5,206)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	2,313	2,313
				-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	2,313	<u>\$ 2,313</u>
Fund Balance, Beginning of Year			<u>92,748</u>	
Fund Balance, End of Year			<u>\$ 95,061</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIBERTY FIRE DISTRICT FUND
YEAR ENDED JUNE 30, 2006

Schedule 12

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 210,000	\$ 210,000	\$ 225,198	\$ 15,198
Investment income	2,000	2,000	2,426	426
	<u>212,000</u>	<u>212,000</u>	<u>227,624</u>	<u>15,624</u>
Expenditures				
Current				
Land, buildings, rights of way	2,500	2,500	-	2,500
Contract services	142,720	142,720	144,000	(1,280)
Repairs to vehicles	5,500	5,500	1,658	3,842
Insurance, bonds, and licenses	6,000	6,000	12,285	(6,285)
Routine maintenance	4,000	4,000	930	3,070
Repairs to equipment	5,000	5,000	215	4,785
Fire prevention education	6,500	6,500	4,810	1,690
Fire calls/professional services	25,000	25,000	25,000	-
Machinery and equipment	30,000	30,000	7,269	22,731
Travel	1,000	1,000	-	1,000
Medical services and supplies	4,000	4,000	3,000	1,000
Contingency expense	25,000	25,000	-	25,000
	<u>257,220</u>	<u>257,220</u>	<u>199,167</u>	<u>58,053</u>
Revenues Over (Under) Expenditures	<u>(45,220)</u>	<u>(45,220)</u>	<u>28,457</u>	<u>73,677</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>45,220</u>	<u>45,220</u>	-	<u>(45,220)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>28,457</u>	<u>\$ 28,457</u>
Fund Balance, Beginning of Year			<u>52,092</u>	
Fund Balance, End of Year			<u>\$ 80,549</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUMPKINTOWN FIRE DISTRICT FUND
YEAR ENDED JUNE 30, 2006

Schedule 13

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ -	\$ -	\$ 23,221	\$ 23,221
Fee, licenses and permits	88,326	88,326	81,771	(6,555)
Investment income	250	250	1,792	1,542
Intergovernmental	-	14,702	9,814	(4,888)
Miscellaneous	-	-	258	258
	<u>88,576</u>	<u>103,278</u>	<u>116,856</u>	<u>13,578</u>
Expenditures				
Current				
Operations	750	750	827	(77)
Operating	5,000	5,000	5,718	(718)
Office	1,500	1,500	1,758	(258)
Electricity and heating fuel	3,200	3,200	4,584	(1,384)
Telephone	2,850	2,850	2,816	34
Insurance, bonds, and licenses	21,000	21,000	16,257	4,743
Routine maintenance	1,000	1,000	1,035	(35)
Repairs to equipment	8,950	8,950	14,980	(6,030)
Fire prevention education	3,500	3,500	3,105	395
Machinery and equipment	5,150	19,852	13,746	6,106
Medical services and supplies	750	750	349	401
Contingency expense	3,000	3,000	2,790	210
Debt service				
Principal retirement	25,281	25,281	13,979	11,302
Interest and fiscal charges	6,645	6,645	6,645	-
	<u>88,576</u>	<u>103,278</u>	<u>88,589</u>	<u>14,689</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	28,267	<u>\$ 28,267</u>
Fund Balance (Deficit), Beginning of Year			<u>(13,592)</u>	
Fund Balance (Deficit), End of Year			<u>\$ 14,675</u>	

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CROSSWELL FIRE DISTRICT FUND
 YEAR ENDED JUNE 30, 2006

Schedule 14

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 375,500	\$ 375,500	\$ 383,042	\$ 7,542
Investment income	3,000	3,000	19,641	16,641
	378,500	378,500	402,683	24,183
Expenditures				
Current				
Contract services	250,000	250,000	258,783	(8,783)
Office	1,000	1,000	108	892
Capital outlay	350,000	350,000	10,051	339,949
Contingency expense	20,000	20,000	-	20,000
	621,000	621,000	268,942	352,058
Revenues Over (Under) Expenditures	(242,500)	(242,500)	133,741	376,241
Other Financing Sources (Uses)				
Fund balance appropriated	242,500	242,500	-	(242,500)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	133,741	\$ 133,741
Fund Balance, Beginning of Year			536,500	
Fund Balance, End of Year			\$ 670,241	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SIX MILE FIRE DISTRICT FUND
YEAR ENDED JUNE 30, 2006

Schedule 15

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 132,000	\$ 132,000	\$ 134,613	\$ 2,613
Investment income	1,000	1,000	9,609	8,609
	<u>133,000</u>	<u>133,000</u>	<u>144,222</u>	<u>11,222</u>
Expenditures				
Current				
Contract services	102,000	102,000	82,000	20,000
Office	800	800	1,707	(907)
Insurance, bonds, and licenses	5,000	5,000	3,950	1,050
Machinery and equipment	260,000	260,000	-	260,000
Contingency expense	-	-	5,469	(5,469)
	<u>367,800</u>	<u>367,800</u>	<u>93,126</u>	<u>274,674</u>
Revenues Over (Under) Expenditures	<u>(234,800)</u>	<u>(234,800)</u>	<u>51,096</u>	<u>285,896</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>234,800</u>	<u>234,800</u>	-	<u>(234,800)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	51,096	<u>\$ 51,096</u>
Fund Balance, Beginning of Year			<u>258,659</u>	
Fund Balance, End of Year			<u>\$ 309,755</u>	

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 PICKENS FIRE DISTRICT FUND
 YEAR ENDED JUNE 30, 2006

Schedule 16

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 210,000	\$ 210,000	\$ 223,302	\$ 13,302
Investment income	2,000	2,000	4,070	2,070
	212,000	212,000	227,372	15,372
Expenditures				
Current				
Contract services	199,500	199,500	213,287	(13,787)
Operating	-	-	13	(13)
Contingency expense	12,500	12,500	-	12,500
	212,000	212,000	213,300	(1,300)
Revenues Over (Under) Expenditures	\$ -	\$ -	14,072	\$ 14,072
Fund Balance, Beginning of Year			91,274	
Fund Balance, End of Year			\$ 105,346	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DACUSVILLE FIRE DISTRICT FUND
YEAR ENDED JUNE 30, 2006

Schedule 17

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 161,437	\$ 161,437	\$ 166,000	\$ 4,563
Investment income	1,050	1,050	5,955	4,905
Intergovernmental	-	133,853	135,830	1,977
	<u>162,487</u>	<u>296,340</u>	<u>307,785</u>	<u>11,445</u>
Expenditures				
Current				
Operations	-	-	60	(60)
Contract services	27,664	28,164	4,530	23,634
Operating	2,500	2,500	8,449	(5,949)
Office	18,000	18,000	10,098	7,902
Electricity and heating fuel	8,000	8,000	8,497	(497)
Telephone	1,300	1,300	1,349	(49)
Insurance, bonds, and licenses	33,000	33,000	19,307	13,693
Repairs to equipment	11,000	11,000	10,509	491
Fire prevention education	4,000	4,000	13,250	(9,250)
Uniforms	12,500	12,500	5,770	6,730
Machinery and equipment	6,000	139,353	142,048	(2,695)
Medical services and supplies	3,000	3,000	2,811	189
Debt service				
Principal retirement	21,600	21,600	24,111	(2,511)
Interest and fiscal charges	12,000	12,000	10,263	1,737
	<u>160,564</u>	<u>294,417</u>	<u>261,052</u>	<u>33,365</u>
Revenues Over (Under) Expenditures	<u>1,923</u>	<u>1,923</u>	<u>46,733</u>	<u>44,810</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>(1,923)</u>	<u>(1,923)</u>	-	<u>1,923</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	46,733	<u>\$ 46,733</u>
Fund Balance, Beginning of Year			<u>159,148</u>	
Fund Balance, End of Year			<u>\$ 205,881</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOLLY SPRINGS FIRE DISTRICT FUND
YEAR ENDED JUNE 30, 2006

Schedule 18

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 32,500	\$ 32,500	\$ 35,948	\$ 3,448
Investment income	300	300	1,043	743
Intergovernmental	-	71,438	71,124	(314)
Miscellaneous	2,750	2,750	2,274	(476)
	<u>35,550</u>	<u>106,988</u>	<u>110,389</u>	<u>3,401</u>
Expenditures				
Current				
Contract services	-	500	-	500
Operating	1,150	1,150	2,379	(1,229)
Office	150	150	5,607	(5,457)
Electricity and heating fuel	1,750	1,750	2,178	(428)
Telephone	1,000	1,000	1,935	(935)
Insurance, bonds, and licenses	4,800	4,800	4,214	586
Routine maintenance	1,200	1,200	703	497
Repairs to equipment	9,250	9,250	10,727	(1,477)
Machinery and equipment	-	334,698	74,867	259,831
Debt service				-
Principal retirement	10,464	10,464	-	10,464
Interest and fiscal charges	5,786	5,786	-	5,786
	<u>35,550</u>	<u>370,748</u>	<u>102,610</u>	<u>268,138</u>
Revenues Over (Under) Expenditures	-	(263,760)	7,779	271,539
Other Financing Sources (Uses)				
Fund balance appropriated	-	3,760	-	(3,760)
Proceeds from capital lease	-	260,000	222,725	(37,275)
	<u>-</u>	<u>263,760</u>	<u>222,725</u>	<u>(41,035)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>230,504</u>	<u>\$ 230,504</u>
Fund Balance, Beginning of Year			<u>22,237</u>	
Fund Balance, End of Year			<u>\$ 252,741</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CENTRAL FIRE DISTRICT FUND
YEAR ENDED JUNE 30, 2006

Schedule 19

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 149,542	\$ 149,542	148,430	(1,112)
Investment income	1,500	1,500	5,276	3,776
	<u>151,042</u>	<u>151,042</u>	<u>153,706</u>	<u>2,664</u>
Expenditures				
Current				
Salaries and benefits	5,832	5,832	2,672	3,160
Contract services	62,152	62,152	66,714	(4,562)
Operating	500	500	472	28
Office	2,855	2,855	1,452	1,403
Electricity and heating fuel	3,200	3,200	2,483	717
Telephone	1,144	1,144	1,162	(18)
Insurance, bonds, and licenses	4,000	4,000	4,537	(537)
Routine maintenance	3,000	3,000	678	2,322
Repairs to equipment	5,000	5,000	1,917	3,083
Fire prevention education	1,700	1,700	667	1,033
Uniforms	4,000	5,961	979	4,982
Machinery and equipment	23,000	23,000	18,711	4,289
Medical services and supplies	3,500	3,500	4,695	(1,195)
Contingency expense	3,355	3,355	-	3,355
Debt service				
Principal retirement	19,851	19,851	19,581	270
Interest and fiscal charges	7,953	7,953	7,953	-
	<u>151,042</u>	<u>153,003</u>	<u>134,673</u>	<u>18,330</u>
Revenues Over (Under) Expenditures	-	(1,961)	19,033	20,994
Other Financing Sources (Uses)				
Fund balance appropriated	-	1,961	-	(1,961)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	19,033	<u>\$ 19,033</u>
Fund Balance, Beginning of Year			<u>162,143</u>	
Fund Balance, End of Year			<u>\$ 181,176</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHADY GROVE FIRE DISTRICT FUND
YEAR ENDED JUNE 30, 2006

Schedule 20

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 204,500	\$ 204,500	\$ 231,447	\$ 26,947
Investment income	-	-	12,876	12,876
Miscellaneous	-	-	445	445
	<u>204,500</u>	<u>204,500</u>	<u>244,768</u>	<u>40,268</u>
Expenditures				
Current				
Contract services	175,000	175,000	175,000	-
Office	29,500	2,500	2,772	(272)
Capital outlay	-	595,064	594,503	561
	<u>204,500</u>	<u>772,564</u>	<u>772,275</u>	<u>289</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(568,064)</u>	<u>(527,507)</u>	<u>40,557</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	568,064	-	(568,064)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(527,507)</u>	<u>\$ (527,507)</u>
Fund Balance, Beginning of Year			<u>771,532</u>	
Fund Balance, End of Year			<u>\$ 244,025</u>	

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 ROCKY BOTTOM FUND
 YEAR ENDED JUNE 30, 2006

Schedule 21

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 3,803	\$ 3,803	\$ 3,176	\$ (627)
Investment income	-	-	246	246
	<u>3,803</u>	<u>3,803</u>	<u>3,422</u>	<u>(381)</u>
Expenditures				
Current				
Contract services	<u>3,803</u>	<u>3,803</u>	<u>2,274</u>	<u>1,529</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	1,148	<u>\$ 1,148</u>
Fund Balance, Beginning of Year			<u>16,176</u>	
Fund Balance, End of Year			<u>\$ 17,324</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VINEYARDS FIRE DISTRICT FUND
YEAR ENDED JUNE 30, 2006

Schedule 22

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 368,141	\$ 368,141	\$ 381,207	\$ 13,066
Investment income	-	-	3,708	3,708
Miscellaneous	-	-	75	75
	<u>368,141</u>	<u>368,141</u>	<u>384,990</u>	<u>16,849</u>
Expenditures				
Current				
Salaries and benefits	259,287	259,287	263,256	(3,969)
Operating	11,500	11,500	10,250	1,250
Office	2,250	2,250	3,479	(1,229)
Electricity and heating fuel	10,000	10,000	6,921	3,079
Telephone	6,700	6,700	6,669	31
Insurance, bonds, and licenses	6,652	6,652	10,930	(4,278)
Routine maintenance	6,000	6,000	7,420	(1,420)
Repairs to equipment	7,100	7,100	4,783	2,317
Fire prevention education	11,000	8,500	8,134	366
Machinery and equipment	25,000	27,500	9,347	18,153
Uniforms	6,000	8,621	8,807	(186)
Travel	750	750	1,330	(580)
Medical services and supplies	10,000	10,000	4,793	5,207
Contingency expense	1,000	26,000	12,441	13,559
Debt service				
Principal retirement	4,417	4,417	4,417	-
Interest and fiscal charges	485	485	1,080	(595)
	<u>368,141</u>	<u>395,762</u>	<u>364,057</u>	<u>31,705</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(27,621)</u>	<u>20,933</u>	<u>48,554</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>27,621</u>	<u>-</u>	<u>(27,621)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>20,933</u>	<u>\$ 20,933</u>
Fund Balance, Beginning of Year			<u>62,377</u>	
Fund Balance, End of Year			<u>\$ 83,310</u>	

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 ACCOMMODATION TAX FUND
 YEAR ENDED JUNE 30, 2006

Schedule 23

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 72,000	\$ 72,000	\$ 90,576	\$ 18,576
	<u>72,000</u>	<u>72,000</u>	<u>90,576</u>	<u>18,576</u>
Expenditures				
Current				
Culture and recreation	44,650	44,650	55,265	(10,615)
	<u>44,650</u>	<u>44,650</u>	<u>55,265</u>	<u>(10,615)</u>
Revenues Over (Under) Expenditures	27,350	27,350	35,311	7,961
Other Financing Sources (Uses):				
Transfers in (out)	(27,350)	(27,350)	(28,279)	(929)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>7,032</u>	<u>\$ 7,032</u>
Fund Balance, Beginning of Year			<u>6,198</u>	
Fund Balance, End of Year			<u>\$ 13,230</u>	

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 MUSEUM RESTRICTED RESOURCES FUND
 YEAR ENDED JUNE 30, 2006

Schedule 24

	Actual
Revenues	
Intergovernmental	\$ 11,245
Charges for services	23,238
Contributions	103,547
	138,030
Expenditures	
Current	
Office supplies	489
Other	85,844
Consulting and contractual	8,438
Furniture and equipment	13,063
Culture and recreation	30,838
	138,672
Revenues Over (Under) Expenditures	(642)
Other Financing Sources (Uses):	
Transfers in (out)	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	(642)
Fund Balance, Beginning of Year	272,416
Fund Balance, End of Year	\$ 271,774

Note: The Museum Restricted Resources Fund operated with no formal budget.

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 TOURISM DEVELOPMENT FEE FUND
 YEAR ENDED JUNE 30, 2006

Schedule 25

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 120,000	\$ 120,000	\$ 190,756	\$ 70,756
Investment income	1,531	1,531	2,674	1,143
	<u>121,531</u>	<u>121,531</u>	<u>193,430</u>	<u>71,899</u>
Expenditures				
Current				
Direct assistance	21,531	21,531	-	21,531
Debt service:				
Principal	74,260	74,260	74,259	1
Interest	25,740	25,740	25,740	-
	<u>121,531</u>	<u>121,531</u>	<u>99,999</u>	<u>21,532</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>93,431</u>	<u>93,431</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>93,431</u>	<u>\$ 93,431</u>
Fund Balance, Beginning of Year			<u>11,014</u>	
Fund Balance, End of Year			<u>\$ 104,445</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 BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2006

Schedule 26

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,746,343	\$ 1,746,343	\$ 1,800,935	\$ 54,592
Intergovernmental	88,000	88,000	87,272	(728)
Investment income	-	-	2,407	2,407
	1,834,343	1,834,343	1,890,614	56,271
Expenditures				
Debt Service:				
Principal retirement	1,363,154	1,363,154	1,350,052	13,102
Interest and fiscal charges	838,179	838,179	832,448	5,731
	2,201,333	2,201,333	2,182,500	18,833
Revenues Over (Under) Expenditures	(366,990)	(366,990)	(291,886)	75,104
Other Financing Sources (Uses):				
Transfers in (out)	366,990	366,990	-	(366,990)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	(291,886)	\$ (291,886)
Fund Balance, Beginning of Year			1,135,204	
Fund Balance, End of Year			\$ 843,318	

**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 ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2006

Schedule 27

	School District Fund	Municipal Fund	Magistrates Fund	Family Court Fund	Clerk of Court Fund	Museum	Library Foundation	Total
Assets								
Cash	\$ 25,459,334	\$ 85,819	\$ 224,634	\$ 31,103	\$ 601,378	\$ 10,680	\$ 87,870	\$ 26,500,818
Property taxes receivable	1,778,274	245,877	-	-	-	-	-	2,024,151
	<u>\$ 27,237,608</u>	<u>\$ 331,696</u>	<u>\$ 224,634</u>	<u>\$ 31,103</u>	<u>\$ 601,378</u>	<u>\$ 10,680</u>	<u>\$ 87,870</u>	<u>\$ 28,524,969</u>
Liabilities								
Accounts payable	\$ -	\$ 85,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,820
Due to other governments or agencies	25,590,992	22,846	88,191	3,236	419,961	-	87,870	26,213,096
Due to state	-	-	105,719	17,533	50	-	-	123,302
Due to individuals	-	-	30,724	10,334	181,367	10,680	-	233,105
Deferred revenue	1,646,616	223,030	-	-	-	-	-	1,869,646
	<u>\$ 27,237,608</u>	<u>\$ 331,696</u>	<u>\$ 224,634</u>	<u>\$ 31,103</u>	<u>\$ 601,378</u>	<u>\$ 10,680</u>	<u>\$ 87,870</u>	<u>\$ 28,524,969</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF CHANGES IN
 ASSETS AND LIABILITIES - AGENCY FUNDS
 YEAR ENDED JUNE 30, 2006

SCHEDULE 28

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
School District Fund				
Assets				
Cash and cash equivalents	\$ 18,959,538	\$ 133,681,048	\$ 127,181,252	\$ 25,459,334
Accounts receivable - other	17,357	-	17,357	-
Property taxes receivable	1,550,727	270,889	43,342	1,778,274
	<u>\$ 20,527,622</u>	<u>\$ 133,951,937</u>	<u>\$ 127,241,951</u>	<u>\$ 27,237,608</u>
Liabilities				
Deferred revenue	\$ 1,458,280	\$ 188,336	\$ -	\$ 1,646,616
Due to others	19,069,342	6,521,650	-	25,590,992
	<u>\$ 20,527,622</u>	<u>\$ 6,709,986</u>	<u>\$ -</u>	<u>\$ 27,237,608</u>
Municipal Fund				
Assets				
Cash	\$ 90,292	\$ 7,184,782	\$ 7,189,255	\$ 85,819
Property taxes receivable	215,676	35,954	5,753	245,877
	<u>\$ 305,968</u>	<u>\$ 7,220,736</u>	<u>\$ 7,195,008</u>	<u>\$ 331,696</u>
Liabilities				
Accrued payable	\$ -	\$ 10,000	\$ -	\$ 10,000
Deferred revenue	196,522	26,508	-	223,030
Accounts payable	90,292	7,076,026	7,090,498	75,820
Due to others	19,154	3,692	-	22,846
	<u>\$ 305,968</u>	<u>\$ 7,116,226</u>	<u>\$ 7,090,498</u>	<u>\$ 331,696</u>
Magistrates Fund				
Assets				
Cash	\$ 146,860	\$ 628,556	\$ 550,782	\$ 224,634
Liabilities				
Due to others	\$ 146,860	\$ 628,556	\$ 550,782	\$ 224,634
Family Court Fund				
Assets				
Cash	\$ 5,846	\$ 7,025,045	\$ 6,999,788	\$ 31,103
Liabilities				
Due to others	\$ 5,846	\$ 7,025,045	\$ 6,999,788	\$ 31,103
Clerk of Court				
Assets				
Cash	\$ 548,733	\$ 1,488,165	\$ 1,435,520	\$ 601,378
Liabilities				
Due to others	\$ 548,734	\$ 1,488,165	\$ 1,435,521	\$ 601,378
Museum Fund				
Assets				
Cash	\$ 13,387	\$ 10,907	\$ 13,614	\$ 10,680
Liabilities				
Due to others	\$ 13,387	\$ 10,907	\$ 13,614	\$ 10,680

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF CHANGES IN
 ASSETS AND LIABILITIES - AGENCY FUNDS
 YEAR ENDED JUNE 30, 2006

SCHEDULE 28 - Continued

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
Cateechee Village Fund				
Assets				
Cash	\$ 7,641	\$ 3,933	\$ 11,574	\$ -
Liabilities				
Due to others	\$ 7,641	\$ 3,933	\$ 11,574	\$ -
Library Foundation Fund				
Assets				
Cash	\$ 71,618	\$ 16,843	\$ 591	\$ 87,870
Liabilities				
Due to others	\$ 71,618	\$ 16,843	\$ 591	\$ 87,870

ASSETS

Cash and cash equivalents	\$ 19,843,915	\$ 150,039,279	\$ 143,382,376	\$ 26,500,818
Accounts receivable - other	17,357	-	17,357	-
Property tax receivable	1,766,403	306,843	49,095	2,024,151
Total assets	<u>\$ 21,627,675</u>	<u>\$ 150,346,122</u>	<u>\$ 143,448,828</u>	<u>\$ 28,524,969</u>

LIABILITIES

Deferred Revenue	\$ 1,654,802	\$ 214,844	\$ -	\$ 1,869,646
Accrued Payable	-	10,000	-	10,000
Accounts Payable	90,292	7,076,026	7,090,498	75,820
Due to other taxing units	19,882,581	15,698,792	9,011,870	26,569,503
Total liabilities	<u>\$ 21,627,675</u>	<u>\$ 22,999,662</u>	<u>\$ 16,102,368</u>	<u>\$ 28,524,969</u>

**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

PICKENS COUNTY, SOUTH CAROLINA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
 JUNE 30, 2006

SCHEDULE 29

Function and Activity	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Infrastructure	Total
General Government Administration						
County council	\$ 1,288,137	\$ -	\$ 5,563,001	\$ -	\$ -	\$ 6,851,138
State solicitor	-	-	-	50,553	-	50,553
Probate judge	-	-	-	30,202	-	30,202
Register of deeds	-	-	-	41,788	-	41,788
Clerk of court	-	-	4,340,362	53,134	-	4,393,496
Administrator	-	-	-	63,882	-	63,882
Purchasing	-	-	-	35,624	-	35,624
Building maintenance	-	-	258,976	375,413	-	634,389
Tax assessor	-	-	-	124,062	-	124,062
GIS mapping	-	-	-	283,192	-	283,192
Voter registration and elections	-	-	-	6,840	-	6,840
Planning commission	-	-	-	20,289	-	20,289
Information systems	-	-	-	433,074	-	433,074
Vehicle maintenance	-	-	730,206	225,742	-	955,948
	<u>1,288,137</u>	<u>-</u>	<u>10,892,545</u>	<u>1,743,795</u>	<u>-</u>	<u>13,924,477</u>
Public Safety						
Victim services	-	-	-	79,208	-	79,208
Building codes	-	-	-	138,993	-	138,993
E-911 communications	-	-	-	1,013,164	-	1,013,164
Sheriff	25,101	-	1,626,636	2,554,904	-	4,206,641
Emergency management	-	-	21,200	358,445	15,024	394,669
County coroner	-	-	-	56,810	-	56,810
Prison camp	-	-	648,615	92,127	25,227	765,969
Emergency medical services	9,500	-	1,578,978	1,546,741	-	3,135,219
Fire districts	118,450	13,570	1,334,183	2,159,191	-	3,625,394
	<u>153,051</u>	<u>13,570</u>	<u>5,209,612</u>	<u>7,999,583</u>	<u>40,251</u>	<u>13,416,067</u>
Public Works						
Roads and bridges	653,100	453,068	405,000	3,484,605	21,584,424	26,580,197
Engineering	-	-	-	28,455	-	28,455
Solid waste	50,000	-	827,756	4,934,463	1,420,845	7,233,064
Environmental services	-	-	6,610	-	-	6,610
	<u>703,100</u>	<u>453,068</u>	<u>1,239,366</u>	<u>8,447,523</u>	<u>23,005,269</u>	<u>33,848,326</u>
Public Health and Welfare						
Stormwater management	26,902	-	-	25,652	-	52,554
Health department	-	-	875,000	-	-	875,000
Animal control	-	-	43,334	158,709	-	202,043
Veterans affairs	-	-	79,966	5,268	-	85,234
	<u>26,902</u>	<u>-</u>	<u>998,300</u>	<u>189,629</u>	<u>-</u>	<u>1,214,831</u>
Culture and Recreation						
Cultural commission	-	-	2,004,344	8,637	-	2,012,981
Library	404,754	-	7,712,447	609,341	-	8,726,542
Parks department	-	-	290,000	61,050	-	351,050
	<u>404,754</u>	<u>-</u>	<u>10,006,791</u>	<u>679,028</u>	<u>-</u>	<u>11,090,573</u>
Economic Development						
	<u>-</u>	<u>1,216,173</u>	<u>-</u>	<u>7,203</u>	<u>-</u>	<u>1,223,376</u>
Intergovernmental						
Department of Social Services	<u>-</u>	<u>-</u>	<u>915,000</u>	<u>-</u>	<u>-</u>	<u>915,000</u>
Total Governmental Funds Capital Assets	<u>\$ 2,575,944</u>	<u>\$ 1,682,811</u>	<u>\$ 29,261,614</u>	<u>\$ 19,066,761</u>	<u>\$ 23,045,520</u>	<u>\$ 75,632,650</u>

PICKENS COUNTY, SOUTH CAROLINA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
 YEAR ENDED JUNE 30, 2006

SCHEDULE 30

Function and Activity	Beginning of Year	Additions	Deletions	End of Year
General Government Administration				
County council	\$ 6,851,138	\$ -	\$ -	\$ 6,851,138
State solicitor	50,553	-	-	50,553
Probate judge	30,202	-	-	30,202
Register of deeds	41,788	-	-	41,788
Clerk of court	4,384,063	9,433	-	4,393,496
Administrator	44,588	19,294	-	63,882
Purchasing	35,624	-	-	35,624
Building maintenance	585,856	87,283	38,750	634,389
Tax assessor	124,062	-	-	124,062
GIS mapping	283,192	-	-	283,192
Voter registration and elections	6,840	-	-	6,840
Planning commission	20,289	-	-	20,289
Information systems	399,072	44,602	10,600	433,074
Vehicle maintenance	920,325	35,623	-	955,948
	<u>13,777,592</u>	<u>196,235</u>	<u>49,350</u>	<u>13,924,477</u>
Public Safety				
Victim services	79,208	-	-	79,208
Building codes	99,709	39,284	-	138,993
E-911 communications	421,482	591,682	-	1,013,164
Sheriff	3,787,032	534,691	115,082	4,206,641
Emergency management	334,767	59,902	-	394,669
County coroner	56,810	-	-	56,810
Prison camp	765,969	-	-	765,969
Emergency medical services	2,811,649	420,211	96,641	3,135,219
Fire districts	2,983,296	642,098	-	3,625,394
	<u>11,339,922</u>	<u>2,287,868</u>	<u>211,723</u>	<u>13,416,067</u>
Public Works				
Roads and bridges	23,465,669	3,340,196	225,668	26,580,197
Engineering	28,455	-	-	28,455
Solid waste	6,933,891	299,173	-	7,233,064
Environmental services	6,610	-	-	6,610
	<u>30,434,625</u>	<u>3,639,369</u>	<u>225,668</u>	<u>33,848,326</u>
Public Health and Welfare				
Stormwater management	52,554	-	-	52,554
Health department	875,000	-	-	875,000
Animal control	197,296	18,956	14,209	202,043
Veterans affairs	85,234	-	-	85,234
	<u>1,210,084</u>	<u>18,956</u>	<u>14,209</u>	<u>1,214,831</u>
Culture and Recreation				
Cultural commission	1,861,386	151,595	-	2,012,981
Library	8,726,542	-	-	8,726,542
Parks department	336,841	14,209	-	351,050
	<u>10,924,769</u>	<u>165,804</u>	<u>-</u>	<u>11,090,573</u>
Economic Development				
	<u>105,460</u>	<u>1,117,916</u>	<u>-</u>	<u>1,223,376</u>
Intergovernmental				
Department of Social Services	<u>915,000</u>	<u>-</u>	<u>-</u>	<u>915,000</u>
Total Governmental Funds Capital Assets	<u><u>\$68,707,452</u></u>	<u><u>\$ 7,426,148</u></u>	<u><u>\$ 500,950</u></u>	<u><u>\$75,632,650</u></u>

STATISTICAL SECTION

Statistical Section

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	84-89
Revenue Capacity These schedules contain trend information to help the reader assess the government's most significant local revenue sources.	90-93
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the County's ability to issue additional debt in the future.	94-96
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	97-98
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	99-101

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The government implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Pickens County, South Carolina
 Net Assets by Component
 Last Four Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Governmental Activities				
Invested in capital assets, net of related debt	\$ 5,340,081	\$ 5,432,002	\$ 13,090,011	\$ 29,153,549
Restricted	14,577,050	17,772,051	14,398,760	12,205,788
Unrestricted	14,079,175	7,576,829	10,188,977	16,880,308
Total governmental activities net assets	33,996,306	30,780,882	37,677,748	58,239,645
Business-type Activities				
Invested in capital assets, net of related debt	18,311,254	21,954,538	23,508,097	22,853,082
Restricted	225,157	288,265	351,373	414,481
Unrestricted (Deficit)	353,553	524,982	(26,653)	214,364
Total business-type activities net assets	18,889,964	22,767,785	23,832,817	23,481,927
Primary Government				
Invested in capital assets, net of related debt	23,651,335	27,386,540	36,598,108	52,006,631
Restricted	14,802,207	18,060,316	14,750,133	12,620,269
Unrestricted	14,432,728	8,101,811	10,162,324	17,094,672
Total primary government net assets	\$ 52,886,270	\$ 53,548,667	\$ 61,510,565	\$ 81,721,572

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 Four Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
<u>Governmental activities:</u>				
General government	\$ 8,037,057	\$ 8,125,875	\$ 9,354,229	\$ 9,292,433
Public safety	12,100,263	13,822,142	14,377,237	17,028,781
Public works	8,364,990	10,379,251	9,324,127	10,061,181
Health and welfare	432,738	505,494	894,069	690,329
Cultural and recreation	2,188,427	2,445,278	3,334,446	3,615,200
Economic development	371,377	3,988,379	968,303	562,665
Intergovernmental	1,470,549	1,751,671	1,664,330	1,573,120
Other	523,343	-	-	-
Capital outlay	69,230	1,395,421	-	-
Interest on long-term debt	471,710	352,715	551,100	452,558
Total governmental activities expenses	34,029,684	42,766,226	40,467,841	43,276,267
<u>Business-type activities:</u>				
Public Service Commission	1,774,051	1,715,756	2,216,662	2,086,584
Airport	632,377	701,255	489,946	588,187
Total business-type activities expense	2,406,428	2,417,011	2,706,608	2,674,771
Total Primary Government Expenses	36,436,112	45,183,237	43,174,449	45,951,038
Program Revenues				
<u>Governmental activities:</u>				
Charges for services				
General government	1,308,050	1,348,957	1,471,204	1,810,994
Public safety	4,604,670	5,110,166	5,375,064	6,666,736
Public works	1,036,287	1,144,015	1,360,549	1,236,061
Health and welfare	592	590	115	-
Cultural and recreation	293,322	316,517	292,931	379,457
Economic development	5,383	12,033	16,148	11,842
Operating grants and contributions	4,496,981	4,685,103	4,833,323	5,751,643
Capital grants and contributions	782,548	1,390,071	906,154	585,721
Total governmental activities program revenues	12,527,833	14,007,452	14,255,488	16,442,454
<u>Business-type activities:</u>				
Charges for services				
Public Service Commission	753,771	981,678	1,118,346	1,248,421
Airport	282,362	346,733	147,886	253,965
Operating grants and contributions		900		10,672
Capital grants and contributions	2,241,645	2,029,225	1,983,498	110,896
Total business-type activities program revenues	3,277,778	3,358,536	3,249,730	1,623,954
Total Primary Government Program Revenues	15,805,611	17,365,988	17,505,218	18,066,408

Pickens County, South Carolina
Changes in Net Assets - Continued
Last Four Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Net (Expense) Revenue				
Governmental activities	(21,501,851)	(28,758,774)	(26,212,353)	(26,833,813)
Business-type activities	871,350	941,525	543,122	(1,050,817)
Total Primary Government	(20,630,501)	(27,817,249)	(25,669,231)	(27,884,630)
General Revenues and Other Changes in Net Assets				
<u>Governmental activities:</u>				
Taxes	\$ 20,781,733	\$ 22,431,734	\$ 25,261,022	\$ 28,051,248
Grants and contributions	5,156,251	5,217,805	5,271,087	5,495,186
Investment earnings	170,189	130,491	380,469	548,420
Fees, licenses, and permits	187,896	172,772	132,091	143,335
Miscellaneous	703,406	139,129	1,311,031	3,018,377
Transfer of Capital Asset	1,717,778			
Transfers	(563,029)	(2,936,293)	(521,911)	(699,927)
Total governmental activities	28,154,224	25,155,638	31,833,789	36,556,639
<u>Business-type activities:</u>				
Miscellaneous			-	
Transfers	563,029	2,936,293	521,911	699,927
Total business-type activities	563,029	2,936,293	521,911	699,927
Total Primary Government	28,717,253	28,091,931	32,355,700	37,256,566
Change in Net Assets				
Governmental activities	6,652,373	(3,603,136)	5,621,436	9,722,826
Business-type activities	1,434,379	3,877,818	1,065,033	(350,890)
Total Primary Government	\$ 8,086,752	\$ 274,682	\$ 6,686,469	\$ 9,371,936

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)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 192,078	\$ 142,078	\$ 142,078	\$ 144,566	\$ 231,758	\$ 1,382,532	\$ 2,839,838	\$ 2,201,434	\$ 1,914,549	\$ 1,784,717
Unreserved	5,736,081	7,829,475	7,738,875	11,571,671	13,110,297	13,849,205	12,897,458	11,192,229	13,130,692	16,862,916
Total General Fund	5,928,159	7,971,553	7,880,953	11,716,237	13,342,055	15,231,737	15,737,296	13,393,663	15,045,241	18,647,633
All Other Governmental Funds										
Reserved										
Debt service	334,479	140,399	298,203	569,767	623,280	579,651	-	912,526	1,135,204	843,318
Other reserves	-	-	-	124	-	-	228,371	3,887,756	1,057,463	328,664
Unreserved, reported in:										
Special revenue funds	1,198,889	1,639,464	260,287	2,440,173	3,119,214	377,484	6,228,918	11,880,410	11,829,130	13,332,721
Debt service funds	-	-	-	-	-	4,827	607,878	-	-	-
Capital project funds	1,681,288	2,374,163	3,910,934	6,558,401	7,349,071	11,438,802	8,463,898	2,186,523	1,527,628	-
Total All Other Governmental Funds	3,214,656	4,154,026	4,469,424	9,568,465	11,091,565	12,400,764	15,529,065	18,867,215	15,549,425	14,504,703
Total Governmental Fund Balance	\$ 9,142,815	\$ 12,125,579	\$ 12,350,377	\$ 21,284,702	\$ 24,433,620	\$ 27,632,501	\$ 31,266,361	\$ 32,260,878	\$ 30,594,666	\$ 33,152,336

Source: Annual Financial Statements

Pickens County, South Carolina
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Taxes	\$ 14,068,421	\$ 15,229,536	\$ 16,440,538	\$ 17,388,779	\$ 19,057,929	\$ 21,259,787	\$ 20,633,138	\$ 22,507,766	\$ 25,315,693	\$ 27,909,119
Fees, licenses and permits	271,471	251,998	376,725	343,322	658,944	694,433	4,245,388	4,609,257	4,560,429	4,894,813
Intergovernmental	6,300,713	6,066,915	13,566,450	14,137,544	8,723,748	8,309,830	8,350,505	9,251,235	8,699,593	9,335,262
Charges for services	2,234,287	2,540,655	2,114,086	3,119,011	4,524,806	5,094,039	3,888,066	4,335,537	4,790,488	5,722,544
Fines and forfeitures	2,228,827	2,360,302	3,201,057	2,169,324	1,046,146	2,647,179	929,332	927,665	808,594	938,369
Investment income	453,168	521,519	490,269	694,471	877,659	492,804	331,430	251,702	593,511	1,024,978
Contributions	-	-	-	-	23,336	3,148	16,231	12,257	255,299	115,668
Miscellaneous	1,016,982	898,604	872,315	2,434,128	321,500	405,950	170,442	137,773	651,182	705,252
Total Revenues	26,573,869	27,869,529	37,061,440	40,286,579	35,234,068	38,907,170	38,564,532	42,033,192	45,674,789	50,646,005
Expenditures										
General government	4,044,378	4,140,267	7,253,753	5,919,910	5,589,296	7,258,565	7,661,096	8,081,076	8,616,734	8,932,315
Public safety	4,230,251	4,144,325	4,990,811	5,029,882	8,415,448	10,928,234	11,686,937	14,389,530	14,971,515	17,207,330
Public works	5,134,324	6,684,392	9,318,214	8,170,244	4,911,711	5,420,038	7,807,873	9,569,400	8,858,010	10,324,117
Health and welfare	1,886,149	1,956,843	2,551,898	2,706,918	238,344	308,899	395,499	440,974	644,549	661,020
Culture and recreation	1,117,157	1,253,017	1,709,880	1,704,083	1,713,287	1,973,758	2,117,156	2,336,952	3,145,300	3,483,387
Economic development	-	-	-	-	101,815	154,143	245,912	3,876,989	904,739	1,050,117
Other	3,531,508	3,393,385	4,250,894	3,684,572	3,992,266	578,616	523,343	1,589,548	133,632	127,681
Intergovernmental	-	-	-	-	1,236,830	1,898,313	1,447,674	162,123	1,530,698	1,422,564
Capital outlay	6,628,846	2,868,033	8,002,721	12,635,491	4,284,051	4,476,810	2,992,437	6,389,198	6,218,964	959,940
Debt service										
Principal	626,425	482,708	865,035	5,961,757	1,159,062	1,221,322	1,570,285	1,489,332	2,007,512	2,810,309
Interest	642,930	595,789	565,158	791,117	700,847	772,145	611,136	679,553	928,310	982,353
Total Expenditures	27,841,968	25,518,759	39,508,364	46,603,974	32,342,957	34,990,843	37,059,348	49,004,675	47,959,963	47,961,133
Excess of Revenues Over (Under) Expenditures	(1,268,099)	2,350,770	(2,446,924)	(6,317,395)	2,891,111	3,916,327	1,505,184	(6,971,483)	(2,285,174)	2,684,872

Pickens County, South Carolina
Changes in Fund Balances - Governmental Funds - Continued
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other Financing Sources (Uses)										
Proceeds from capital lease	-	503,588	-	549,192	-	466,839	973,923	2,965,781	284,300	572,725
Proceeds from notes payable	-	-	2,606,237	9,812,473	-	-	-	1,988,315	-	-
Proceeds from bond issuance	-	-	-	2,600,000	-	3,690,000	-	7,801,372	800,000	-
Payment to escrow agent	-	-	-	-	-	(3,651,706)	-	-	-	-
Proceeds from bond anticipation	-	-	150,000	-	-	-	-	-	-	-
Reimbursement of prior year expend	-	45,000	(102)	-	-	-	-	-	-	-
Transfer of capital asset	-	-	-	-	-	-	1,717,778	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	135,138	56,566	-
Transfers in (out)	-	-	-	-	(511,217)	(1,476,488)	(563,029)	(2,936,293)	(521,911)	(699,927)
Total Other Financing Sources (Uses)	-	548,588	2,756,135	12,961,665	(511,217)	(971,355)	2,128,672	9,954,313	618,955	(127,202)
Net Change in Fund Balance	\$ (1,268,099)	\$ 2,899,358	\$ 309,211	\$ 6,644,270	\$ 2,379,894	\$ 2,944,972	\$ 3,633,856	\$ 2,982,830	\$ (1,666,219)	\$ 2,557,670
Debt Service as a percentage of noncapital expenditures	5.98%	4.76%	4.54%	19.88%	6.63%	6.53%	6.40%	5.09%	7.03%	8.07%

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.

Source: Annual Financial Statements

Pickens County, South Carolina
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Year	Real Property	Personal Property	Less: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1997	1996	\$ 107,583,048	\$ 92,507,995		\$ 200,091,043	\$66.20	\$ 3,469,412,529	5.77%
1998	1997	111,330,692	103,273,349		214,604,041	70.20	3,573,494,905	6.01%
1999	1998	116,934,501	106,200,626		223,135,127	74.20	4,288,651,968	5.20%
2000	1999	153,918,910	119,974,787		273,893,697	61.00	4,842,665,470	5.66%
2001	2000	164,630,292	128,236,734		292,867,026	66.20	5,571,360,080	5.26%
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%

(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)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
County Wide Tax Rates										
General County	59.1	62.6	67.1	55.7	60.9	64.8	59.3	60.3	65.9	60.9
Tri-County Technical	2.9	3.4	2.9	2.3	2.3	3.1	3.0	3.0	3.0	2.7
Library	4.2	4.2	4.2	3.0	3.0	4.5	4.4	4.4	5.9	6.4
Total Direct Rate	66.2	70.2	74.2	61.0	66.2	72.4	66.7	67.7	74.8	70.0
City Rates										
Easley	51.0	59.0	59.0	56.0	56.0	61.7	61.7	61.7	61.7	59.0
Liberty	82.0	82.0	82.0	79.0	79.0	79.0	77.0	77.0	87.0	77.5
Norris	51.0	51.0	51.0	45.0	68.0	75.0	75.0	75.0	75.0	77.2
Central	73.0	73.0	73.0	63.0	63.0	63.0	63.0	63.0	63.0	59.0
Clemson	82.0	82.0	82.0	79.1	79.1	81.6	81.6	81.6	81.6	76.9
Six Mile	47.0	47.0	47.0	37.0	37.0	37.0	37.0	37.0	37.0	36.0
Pickens	58.0	58.0	58.0	48.0	48.0	48.0	48.0	48.0	48.0	46.7
School District Rate	118.8	125.7	130.5	130.0	123.9	128.9	135.5	132.7	138.2	130.9
Special District Rates										
Keowee Vineyards	-	-	-	-	-	-	-	18.8	57.6	34.0
Pumpkintown	-	-	-	-	-	-	-	-	14.2	-
Shady Grove	-	-	-	-	-	-	-	-	26.8	19.0
County Sewer	-	-	-	-	-	-	2.7	2.7	1.6	0.5
Georges Creek	1.5	1.5	1.5	1.1	1.1	0.7	0.7	0.7	0.7	0.7
Sedgewood	18.0	11.0	11.0	8.7	8.7	8.7	8.7	8.4	8.4	7.3
Saluda Lake	20.0	20.0	20.0	15.0	15.0	15.0	15.0	15.0	15.0	10.6

Note: Property was reassessed as of 1999-2000

Source: Pickens County Auditor's Office

Pickens County, South Carolina
 Principal Property Taxpayers
 Current Fiscal Year and Nine Fiscal Years Ago

Taxpayer	2006		Taxpayer	1997	
	Taxable Assessed Value	Percent of Total Taxable Assessed Value		Taxable Assessed Value	Percent of Total Taxable Assessed Value
DUKE ENERGY	\$ 19,260,220	4.99%	DUKE POWER	\$ 15,537,941	7.77%
BLUE RIDGE ELECTRIC	4,835,510	1.25%	BASF	9,768,580	4.88%
BELLSOUTH	4,327,160	1.12%	ALICE MANUFACTURING	7,475,904	3.74%
CLIFFS AT KEOWEE SPRINGS	3,095,048	0.80%	BELLSOUTH	4,508,560	2.25%
ALICE MANUFACTURING	2,952,610	0.76%	RYOBI	3,577,080	1.79%
KEOWEE RIVER CLUB	2,226,830	0.58%	BLUE RIDGE ELECTRIC	2,672,600	1.34%
HONEYWELL NYLON	2,164,513	0.56%	MAYFAIR MILLS	2,613,795	1.31%
KEOWEE INVESTMENT	1,929,500	0.50%	DANFOSS	2,271,970	1.14%
MILLIKEN	1,638,681	0.42%	MCKECHNIE PLASTICS	1,660,130	0.83%
SAUER DANFOSS	1,354,691	0.35%	AMERICAN HOUSE	1,380,622	0.69%
Total	\$ 43,784,763	11.33%		\$ 51,467,182	25.74%

Source: Pickens County Auditor's Office

Pickens County, South Carolina
 County Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Total Adjusted Levy (1)	Collected within the Fiscal Year of the Levy (2)			Estimated Tax Collections to Date (3)		
		Amount	Percentage of Adjusted Levy	Receivable June 30, 2006	Estimated Amount	Percentage of Adjusted Levy	
1997	\$ 8,034,736	\$ 7,142,880	88.90%	\$ 4,814	\$ 8,029,922	99.94%	
1998	9,329,832	8,614,854	92.34%	7,411	9,322,421	99.92%	
1999	10,440,034	9,251,693	88.62%	12,269	10,427,765	99.88%	
2000	10,717,681	9,807,870	91.51%	15,199	10,702,482	99.86%	
2001	13,093,314	11,201,107	85.55%	26,188	13,067,126	99.80%	
2002	14,999,432	12,512,738	83.42%	47,997	14,951,435	99.68%	
2003	14,209,581	12,485,752	87.87%	68,102	14,141,479	99.52%	
2004	14,916,445	13,446,296	90.14%	90,779	14,825,666	99.39%	
2005	16,375,917	14,769,963	90.19%	139,419	16,236,498	99.15%	
2006	17,824,985	16,133,203	90.51%	439,526	17,385,459	97.53%	

Notes:

- (1) Includes the adjusted County operating, bond and sewer 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, 2006, were used to estimate the total collections to date.

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

Pickens County, South Carolina
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Source Revenue Bonds	Capital Leases	Notes Payable	Notes Payable				
1997	\$ 10,725,000	\$ -	\$ 372,184	\$ -	\$ -	\$ -	\$ 11,097,184	0.58%	\$ 106
1998	10,150,000	-	747,250	-	-	-	10,897,250	0.54%	103
1999	9,525,000	-	519,691	-	2,606,237		12,650,928	0.60%	116
2000	8,850,000	2,372,420	1,240,405	3,175,756	5,993,900		21,632,481	0.99%	197
2001	8,105,000	2,170,686	1,027,496	3,063,775	5,955,958		20,322,915	0.87%	183
2002	7,280,000	1,956,193	1,302,599	6,447,248	5,824,057		22,810,097	0.92%	205
2003	6,395,000	1,728,196	1,941,310	6,325,989	5,718,762		22,109,257	0.86%	198
2004	13,415,000	1,486,124	2,552,405	7,800,409	5,610,783		30,864,721	1.17%	276
2005	13,405,000	1,228,463	2,119,865	7,364,442	5,499,990		29,617,760	1.09%	263
2006	12,506,000	-	2,314,240	7,059,933	5,386,245		27,266,418	0.97%	240

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

Source: Annual Financial Statements

**Pickens County, South Carolina
 Computation of Legal Debt Margin
 Last Four Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed valuation	\$ 374,668,799
Less: Exemptions	
Net Assessed value	<u>\$ 374,668,799</u>
Debt Limit - 8 percent of total assessed value	29,973,504
Amount of debt applicable to debt limit	<u>15,393,073</u>
Legal debt margin	<u>\$ 14,580,431</u>

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 22,347,557	\$ 23,423,892	\$ 24,380,890	\$ 29,973,504
Total net debt applicable to limit	<u>9,895,000</u>	<u>17,415,613</u>	<u>17,140,942</u>	<u>15,393,073</u>
Legal debt margin	<u>\$ 12,452,557</u>	<u>\$ 6,008,279</u>	<u>\$ 7,239,948</u>	<u>\$ 14,580,431</u>
Total net debt applicable to the limit as a percentage of debt limit	44.28%	74.35%	70.30%	51.36%

Notes:

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

Source: Annual Financial Statements

**Pickens County, South Carolina
Pledged Revenue Coverage
Last Six Fiscal Years**

Series 1999A and 1999B Revenue Bonds

Funding Source: Fee in Lieu of Taxes

Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2000	\$ 352,022	\$ 227,580	\$ 124,442	1.000
2001	352,022	201,735	150,287	1.000
2002	352,022	214,493	137,529	1.000
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

Notes: 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.

Source: Annual Financial Statements

**Pickens County, South Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1997 (1)	104,485	1,929,837,950	\$ 18,470	4.9%
1998(1)	106,242	2,015,941,950	18,975	3.1%
1999	108,663	2,091,290,000	19,246	2.6%
2000	109,851	2,190,499,000	19,941	3.1%
2001	110,985	2,338,305,000	21,069	2.4%
2002	111,511	2,481,369,000	22,252	4.3%
2003	111,447	2,562,606,000	22,994	5.3%
2004	111,897	2,639,980,000	23,593	6.1%
2005	112,475	2,722,469,000	24,135	5.1%
2006 (2)	113,575	2,812,038,230	24,837	6.7%

Notes:

- (1) Personal Income for 1997 and 1998 was calculated as population multiplied by per capita income.
- (2) Personal Income and Per Capita Personal Income for 2006 were estimated based on the average yearly change over the last five years.

Sources: Population, personal income and per capita personal income - South Carolina Budget and Control Board, Office of Research and Statistics, Unemployment Rate - South Carolina Employment Security Commission

**Pickens County, South Carolina
Principal Employers
Current Year and Nine Years Ago**

Company or Organization	June 30, 2006	
	Number of Employees	Percent of Total County Employment
Clemson University	7,997	14.55%
State of South Carolina	3,534	6.43%
School District of Pickens County	2,000	3.64%
Palmetto Baptist Medical Center	750	1.36%
Confluence Watersports	650	1.18%
Reliable Automatic Sprinkler Co.	700	1.27%
Pickens County	585	1.06%
Alice Manufacturing Company	554	1.01%
Mark IV Automotive - Dayco Products, Inc.	539	0.98%
Bi-Lo	453	0.82%
	17,762	32.30%

Company or Organization	June 30, 1997	
	Number of Employees	Percent of Total County Employment
Clemson University	7,156	13.13%
State of South Carolina	3,414	6.26%
School District of Pickens County	1,700	3.12%
Ryobi Motor Products Corporation	1,380	2.53%
Alice Manufacturing Company	1,241	2.28%
Mayfair Mills	764	1.40%
Baptist Medical Center	550	1.01%
BASF Corp. - Fiber Division	450	0.83%
Bi-Lo	426	0.78%
Pickens County	424	0.78%
	17,505	32.12%

Note: Percentage of total county employment calculated by dividing the number of employees by the number of employed residents of Pickens County.

Sources: Company names and employment - Alliance Pickens and Appalachian Council of Governments, 1997/1998 SC Industrial Directory, South Carolina Department of Commerce; Greater Easley Chamber of Commerce. County labor force and unemployment - South Carolina Employment Security Commission

Pickens County, South Carolina
Authorized County Employee Positions by Function
Last Ten Fiscal Years

Function	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government	141	142	147	134	138	140	144	147	150	147
Public safety	169	176	191	192	207	221	228	232	251	262
Public works	83	84	88	95	98	100	102	103	102	105
Health and welfare	6	6	6	6	6	7	8	8	9	9
Culture and recreation	42	50	51	50	50	50	50	51	68	70
Transportation	-	-	-	-	5	5	6	5	3	4
Economic Development	-	2	2	2	3	2	2	3	3	3
Intergovernmental	1	1	1	1	1	1	1	1	1	1
Total authorized positions	442	461	486	480	508	526	541	550	587	601

Source: County's Adopted Budget

Pickens County, South Carolina
 Operating Indicators by Function/Program
 Fiscal Years 2004-2006 (1)

Function/Program	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
General government			
Probate Court estate cases	661	694	739
Marriage license applications	793	801	769
Register of Deeds documents filed	30,369	26,845	29,363
Clerk of Court civil cases filed	1,907	1,905	*
Clerk of Court warrants received	3,344	4,041	*
Vehicle bills and renewals processed	195,147	192,371	115,319
Auditor's Office walk-ins	21,715	20,867	27,285
Magistrate case filings	14,328	16,780	19,040
Magistrate case dispositions	14,808	15,138	16,040
Public Safety			
Sheriff 911 Calls received	34,166	36,726	*
Felony Criminal Offenses reported	1,441	2,165	*
Coroner's Office investigations	190	204	*
Prison inmates received	592	560	597
Prison inmates released or transferred	599	522	578
EMS ambulance calls	11,591	12,110	14,204
Wheelchair van calls	961	1,173	*
Victim Rights services and assistance	5,303	7,103	*
Public Works			
Solid Waste transfer station tonnage	44,019	44,407	41,464
Recyclables tonnage	10,209	9,290	9,030
Roads & Bridges work orders	6,622	6,403	4,969
Roads paved	30	35	36
Signs installed/repaired	462	428	457
Health and Welfare			
Stormwater complaints	92	140	173
Animal Control calls received	9,304	11,455	9,985
Animals picked up	3,983	4,750	4,990
Veteran's Affairs claims/actions	27,553	23,359	23,073
Culture and Recreation			
County Park			
Park camping and day use passes	7,530	5,882	6,713
Museum & Mill visitors (2)	24,860	21,456	19,277
Library visitors	336,564	355,840	426,075
Library circulation of material	451,050	461,598	559,350
Public Service Commission			
Wastewater Treated /Gallons	342,555,281	306,732,858	280,842,244

* Information not available.

Notes:

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

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

Source: County's Adopted Budget and County departments

Pickens County, South Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public Safety										
Sheriff Patrol units	72	73	75	80	82	88	92	93	94	101
EMS Stations	4	4	5	6	6	6	6	6	6	7
Public Works										
Solid Waste convience centers	5	6	7	8	8	8	8	8	8	8
Roads (miles)	155.1	158.3	160.2	162.1	164.7	168.3	171.5	172.3	174.1	181.2
Bridges	50	51	52	52	53	54	58	59	66	68
Public Service Commission										
Sanitary sewers (miles)	3.83	5.4	5.66	14.49	15.41	15.91	17.06	23.51	26.5	26.75
Culture and Recreation										
Number of county parks	1	1	1	1	1	1	1	1	2	2

Source: County's Adopted Budget and County departments

SINGLE AUDIT SECTION

Pickens County Council
Pickens, South Carolina

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

We have audited the financial statements of Pickens County, South Carolina as of and for the year ended June 30, 2006, and have issued our report thereon dated October 12, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 audit, we considered Pickens County, South Carolina's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pickens County, South Carolina'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*.

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


Spartanburg, South Carolina
October 12, 2006

Pickens County Council
Pickens County, South Carolina

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of Pickens County, South Carolina with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Pickens County, South Carolina'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 Pickens County, South Carolina's management. Our responsibility is to express an opinion on Pickens County, South Carolina's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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 Pickens County, South Carolina'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 Pickens County, South Carolina's compliance with those requirements.

In our opinion, Pickens County, South Carolina complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Pickens County, South Carolina 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 Pickens County, South Carolina's internal control over compliance with 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 the internal control over compliance in accordance with OMB Circular A-133.

Internal Control Over Compliance - Continued

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

McAbee, Talbert, Halliday & Co

Spartanburg, South Carolina
October 12, 2006

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor / Program Title	Federal CFDA Number	Grant / Award Number	Award Amount	Federal Expenditures	Loan Amount Outstanding
<u>US Department of Transportation</u>					
Federal Aviation Administration	20.106	3-45-0047-13		98,070	
Runway & Apron Pavement Rehabilitation					
Passed through SC Department of Public Safety	20.600	2T05004		25,533	
State and Community Highway Safety	20.600	2H06010		55,595	
State and Community Highway Safety					
Passed through SC Office of Adjutant General, Emergency Preparedness Division	20.703			406	
Hazardous Materials Emergency Planning 2005	20.703	HMESC5042130		2,644	
Hazardous Materials Emergency Planning 2006				<u>182,248</u>	
<u>US Department of Agriculture</u>					
Rural Development Loans	10.760	-	\$ 3,605,700		\$ 3,393,982
18 Mile Creek Upper Project	10.760	-	1,988,200		1,871,430
18 Mile Creek Middle Project					
Passed through SC Forestry Commission	10.664	VFA NFP 2003		777	
VFA National Fire Plan Dacusville Fire	10.664	VFA NFP 2005		1,200	
VFA National Fire Plan Dacusville Fire				<u>5,593,900</u>	<u>5,265,412</u>
<u>US Department of Justice</u>					
Local Law Enforcement Block Grant 2003	16.592	2003-LB-BX-1155		466	
Passed through SC Department of Public Safety	16.523	1JS02030		12,781	
JAIBG Youth Court	16.523	1JS05001		6,651	
JAIBG Youth Court	16.588	1K04014		14,567	
VAWA Domestic Investigator/Advocate	16.588	1K05011		47,147	
VAWA Domestic Investigator/Advocate					
Passed through SC Department of Corrections	16.586	1V0105		32,338	
Violent Offender Incarceration and Truth in Sentencing				<u>113,950</u>	
<u>US Department of Health and Human Services</u>					
Passed through SC Department of Social Services					

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
 FOR THE YEAR ENDED JUNE 30, 2006

Federal Grantor / Program Title	Federal CFDA Number	Grant / Award Number	Award Amount	Federal Expenditures	Loan Amount Outstanding
Child Support Enforcement Title IV-D-Transaction Reimbursement	93.563			79,090	
Child Support Enforcement Title IV-D-Incentive Payments	93.563			29,841	
Child Support Enforcement Title IV-D-Service of Process Payments	93.563			14,784	
Child Support Enforcement Title IV-D-Filing Fees	93.563			27,150	
County Administrative Expense	93.XXX	-		66,137	
				<u>217,002</u>	
 <u>US Department of Homeland Security</u>					
Assistance to Firefighters Pumpkintown Fire District	97.044	EMW-2005-FG-10794		8,472	
Assistance to Firefighters Dacusville Fire District	97.044	EMW-2005-FG-04008		133,853	
Assistance to Firefighters Holly Springs Fire District	97.044	EMW-2005-FG-04008		71,124	
 Passed through SC Office of Adjutant General, Emergency Preparedness Division					
Emergency Management Performance Grant-2006	97.042	6EMPG01		28,446	
FEMA Public Assistance Grant-Ice Storm	97.036	FEMA-1625-DR-SC		125,299	
Citizen's Corps-2004	97.004	4CC01		11,771	
 Passed through SC Law Enforcement Division					
2004 State Homeland Security	97.004	4SHSP72		49,497	
2004 Law Enforcement Terrorism Prevention	97.004	4LETP44		18,627	
2005 State Homeland Security	97.067	5SHSP39		24,081	
2005 Law Enforcement Terrorism Prevention	97.067	5LETP39		56,068	
				<u>527,238</u>	
 <u>US Department of Housing and Urban Development</u>					
Passed through SC Department of Commerce					
St. Jude Sewer/Community Development Block Grant	14.228	4-G-05-001		324,431	
Arial Mill Sewer/Community Development Block Grant	14.228	4-CI-05-010		21,991	
				<u>346,422</u>	

BASIS OF PREPARATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the modified 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.

\$ 5,593,900	\$ 1,388,837	\$ 5,265,412
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PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2006

Summary of Auditors' Results:

1. The audit report issued on the financial statements was unqualified.
2. The audit did not disclose any noncompliance which is material to the financial statements.
3. The compliance report for major programs was unqualified.
4. The audit did not disclose any audit findings, which are required to be reported.
5. The major programs tested were:
 - Appalachian Regional Development CFDA #23.001
 - Assistance to Firefighters Grant CFDA #97.044
6. The threshold amount to distinguish between Type A and Type B Programs was \$300,000.
7. Pickens County did qualify as a low-risk auditee.

Generally Accepted Governmental Auditing Standards Findings and Questioned Cost:

1. None

Federal Awards Findings and Questioned Costs:

1. None