

**PICKENS COUNTY,  
SOUTH CAROLINA**

*Comprehensive Annual Financial Report*

*For the Fiscal Year Ended June 30, 2008*

*Issued By  
Pickens County Finance Department*

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PICKENS COUNTY, SOUTH CAROLINA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**TABLE OF CONTENTS**

|   | <u>Exhibit</u>  | <u>Page</u> |
|---|-----------------|-------------|
| <b><u>PART I – INTRODUCTORY SECTION</u></b>   |                 |             |
| Letter of Transmittal   |                 | 1-5         |
| Government Finance Officers' Association Certificate of Achievement<br>For Excellence in Financial Reporting                                      |                 | 7           |
| Pickens County Organization Chart   |                 | 8           |
| Principal Officials   |                 | 9           |
| <b><u>PART II – FINANCAL SECTION</u></b>  |                 |             |
| <b>Independent Auditors' Report</b>   |                 | 13-14       |
| <b>Management's Discussion and Analysis<br/>(Required Supplementary Information)</b>  |                 | 15-23       |
| <b>Basic Financial Statements</b>   |                 |             |
| Government – wide Financial Statements:   |                 |             |
| Statement of Net Assets   | A               | 25          |
| Statement of Activities   | B               | 26          |
| Fund Financial Statements:  |                 |             |
| Balance Sheets – Governmental Funds   | C-1             | 27          |
| Reconciliation of Total Governmental Fund Balance to Net Assets<br>of Governmental Activities   | C-2             | 28          |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balances – Governmental Funds  | D-1             | 29          |
| Reconciliation of the Statement of Revenues, Expenditures<br>and Changes in Fund Balances of Governmental Funds<br>to the Statement of Activities | D-2             | 30          |
| Statement of Fund Net Assets – Proprietary Funds  | E               | 31          |
| Statement of Revenues, Expenses and Changes in Fund<br>Net Assets – Proprietary Funds   | F               | 32          |
| Statement of Cash Flows – Proprietary Funds   | G               | 33          |
| Statement of Fiduciary Assets and Liabilities   | H               | 34          |
| Notes to Financial Statements   |                 | 35-54       |
|   | <u>Schedule</u> | <u>Page</u> |
| <b>Required Supplementary Information</b>   |                 |             |
| Budgetary Comparison Schedule – General Fund  | 1               | 57-59       |

PICKENS COUNTY, SOUTH CAROLINA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**TABLE OF CONTENTS - Continued**

|  | <u>Schedule</u> | <u>Page</u> |
|--|-----------------|-------------|
| <b>Other Supplementary Information:</b>  |                 |             |
| Combining Balance Sheet – Nonmajor Governmental Funds  | 2               | 63          |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds           | 3               | 64          |
| Combining Balance Sheet – Nonmajor Special Revenue Funds   | 4               | 67-68       |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds        | 5               | 69-70       |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Tri-County Tech Fund         | 6               | 71          |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Library Fund                 | 7               | 72          |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Victim Rights Fund           | 8               | 73          |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Emergency Phone System Fund  | 9               | 74          |
| Combining Balance Sheet – Fire Districts   | 10              | 75-76       |
| Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) – Budget and Actual – Fire Districts    | 11-23           | 77-89       |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Accommodation Tax Fund       | 24              | 90          |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tourism Development Fee Fund | 25              | 91          |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund            | 26              | 84          |
| Combining Statement of Assets and Liabilities – Agency Funds   | 27              | 96          |
| Combining Schedule of Changes in Assets and Liabilities – Agency Funds   | 28              | 97-98       |
| Capital Assets Used in the Operation of Governmental Funds:  |                 |             |
| Schedule of Capital Assets by Function   | 29              | 101         |
| Schedule of Changes in Capital Assets by Function  | 30              | 102         |

PICKENS COUNTY, SOUTH CAROLINA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**TABLE OF CONTENTS - Continued**

|  | <u>Schedule</u> | <u>Page</u> |
|--|-----------------|-------------|
| <br><b><u>PART III – STATISTICAL SECTION</u></b><br>                 |                 |             |
| Statistical Section Index  |                 | 105         |
| Net Assets by Component (accrual basis)                              |                 | 107         |
| Changes in Net Assets (accrual basis)                                |                 | 108-109     |
| Fund Balances of Governmental Funds (modified accrual basis)         |                 | 110         |
| Changes in Fund Balance of Government Funds (modified accrual basis) |                 | 111         |
| Assessed Valuation and Tax Rates                                     |                 | 112         |
| Property Tax Rates – Direct and Overlapping Governments              |                 | 113         |
| Principal Property Taxpayers   |                 | 114         |
| Property Tax Levies and Collections                                  |                 | 115         |
| Ratios of Outstanding Debt by Type                                   |                 | 116         |
| Ratios of General Bonded Debt Outstanding                            |                 | 117         |
| Legal Debt Margin Information  |                 | 118         |
| Schedule of Pledged-Revenue Coverage                                 |                 | 119         |
| Demographic and Economic Statistics                                  |                 | 120         |
| Principal Employers  |                 | 121         |
| County Employees by Function   |                 | 122         |
| Operating Indicators by Function / Program                           |                 | 123         |
| Capital Asset Statistics by Function                                 |                 | 124         |

**PART IV – SINGLE AUDIT SECTION**

|  |    |         |
|--|----|---------|
| 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 <i>Government Auditing Standards</i> |    | 127     |
| 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  |    | 129-130 |
| Schedule of Expenditures of Federal Awards   | 31 | 133-134 |
| Schedule of Findings and Questioned Costs  | 32 | 135     |

**PART V – COMPLIANCE SECTION**

|   |    |     |
|---|----|-----|
| Supplementary Information Required by State of South Carolina<br>Schedule of Assessments for Victims Services | 33 | 139 |
|---|----|-----|

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# **INTRODUCTORY SECTION**

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# COUNTY OF PICKENS

## Office of Finance



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

### COUNCIL MEMBERS

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

December 15, 2008

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, 2008, 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, 2008. 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, 2008, 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. In addition to the various operational departments of the County, one blended component unit is included within the financial information presented for the primary government. The Economic Development Alliance of Pickens County was established in 2005 to aggressively promote and preserve job opportunities and increase per capita income through high quality, environmentally sound recruitment and expansion of existing business and industry of Pickens County. A 13 member Board of Directors, 6 of which are appointed to staggered terms by County Council, governs the Corporation.

### **Budgetary Controls**

Formal budgetary integration is employed as a management control device during the year for all fund types. Responsibility for the authorization and approval of funding rests with the County Council. The Budget Team comprised of the County Administrator, Purchasing Manager, and the 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

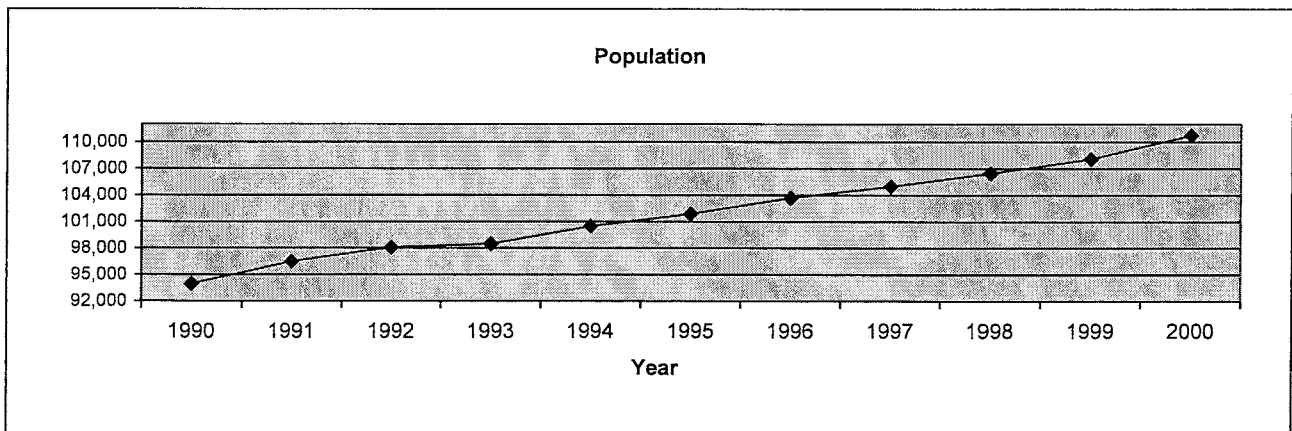
### Local Economy

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 also has a major presence within the area relating to education with Clemson University and the School district of Pickens County employing over 8,000 and 1,800 people, respectively.

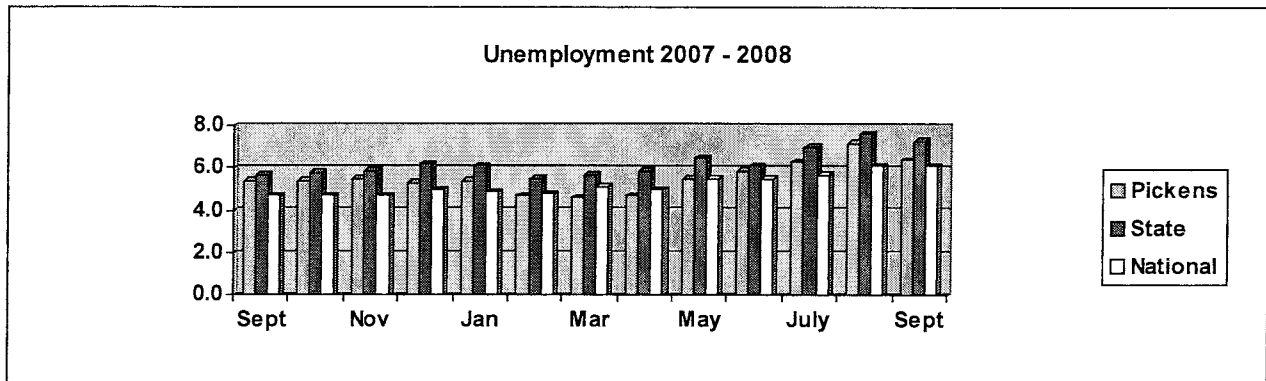
The County population grew 18% between the 1990 and 2000 censuses with average annual growth of 1.7% for the period. This has resulted in Pickens County outpacing growth in the South Carolina Upstate region, which experienced a 15.8% population growth between censuses. The State of South Carolina experienced 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 13<sup>th</sup> most populous county in the state and the 19<sup>th</sup> fastest growing county in the state among 45 other counties. Pickens County population is projected to increase by 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 5.4% to 6.4%. This is below the state unemployment rate of 7.3% in September 2008. Pickens County and South Carolina trail the national average unemployment rate of 6.1% for September 2008.



## **Long-Term Financial Planning**

The County entered FY 2008 with a strong financial position as noted with our credit rating with Moody's of A1, Fitch Rating of AA-, and Standard & Poor's of A+. Total fund balance and undesignated fund balance as of June 30, 2008, in the General Fund was \$26,337,995 and \$20,052,695, respectively. This represents 69% and 52% of revenues, respectively.

The County recently completed a detailed Capital Improvements Plan (C.I.P.) for the next five years. In the past the County's focus on a Capital Improvements Plan related to capital items which cost greater than \$75,000. Two years ago the County went a step further to include all capital items which include items costing \$5,000 or more. In the end the County will allocate over \$21 million over the next five years for capital items. This C.I.P. plan was accomplished with a small tax increase, 2 mills, on the citizens of the County.

The Council approved as part of the Fiscal Year 2009 budget several projects for the expansion of the Airport. The first is a \$1 million development of a new terminal building. The Airport is located approximately one mile north of Liberty SC on US 178. The Airport, constructed in 1969, encompasses an area of approximately 216 acres. The Airport provides essential air service to the communities of Pickens, Liberty and Easley and the County of Pickens. The estimated cost of the terminal building is \$1 million dollars with 97.5% of the project being funded from Federal and State grants. The proposed improvement is intended to improve overall safety, expand and maintain the existing facilities in order to provide the Airport, its users, and community it serves, with adequate, efficient and safe aviation facilities that will meet current and future needs of the area. The second improvement is the construction of 10 additional T-hangars for the Airport. The estimated cost of the T-hangars is approximately \$300,000 with a completion date in the first quarter of 2009. The T-hangars are expected to pay for itself within 10 years.

## **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.

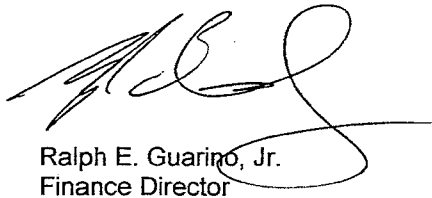
## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickens County for its comprehensive annual financial report for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report would not have been possible without the assistance of the Finance Department staff. The hard work and dedication of these individuals significantly contributed to the completion of this document. Moreover, the support and leadership of the County Council 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,

A handwritten signature in black ink, appearing to read 'R. Guarino, Jr.', with a large, stylized flourish extending from the end of the signature.

Ralph E. Guarino, Jr.  
Finance Director

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**PICKENS COUNTY, SOUTH CAROLINA**

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**PRINCIPAL OFFICIALS**

*For the Year Ended June 30, 2008*

**MEMBERS OF COUNTY COUNCIL**

G. Neil Smith, Chairman  
Ben L. Trotter, Vice Chairman  
Tom E. Ponder  
James B. London  
Randy Crenshaw  
Jennifer H. Willis

**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**

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

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**FINANCIAL SECTION**

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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, 2008, 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 opinions 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina, as of June 30, 2008, 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 December 9, 2008, 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, as listed in the table of contents, 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, the other supplementary information, statistical section and the compliance section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards 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 other supplementary information, the schedule of expenditures of federal awards and the compliance section as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McAbee, Talbert, Halliday & Co.*

Spartanburg, South Carolina  
December 9, 2008

## 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, 2008. 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

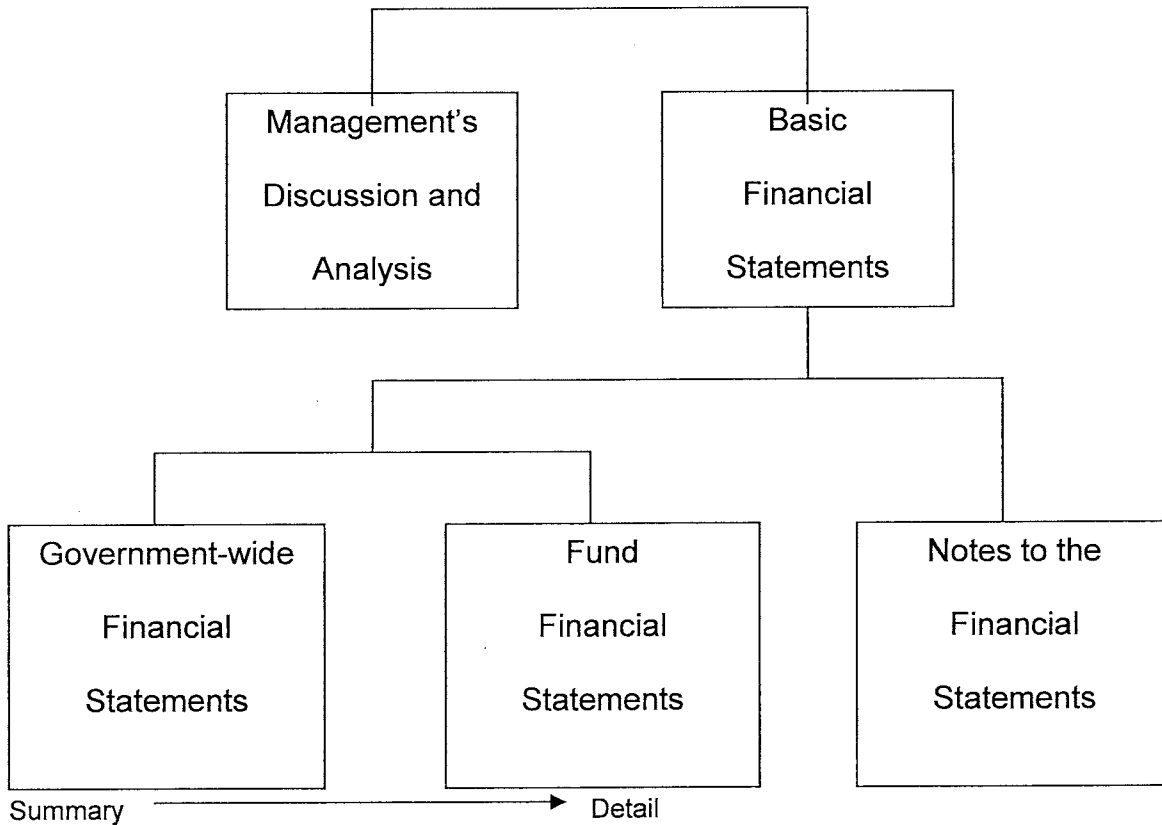
- The assets of Pickens County exceeded its liabilities at the close of the fiscal year by \$98,744,460. Of this amount \$16,079,162 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$8,377,083, several elements of this increase was due to the conservative approach Council makes toward estimating revenues for the budget, increased rate of return on investments, attrition of County employees and deferral of acquisitions of capital items.
- The County's unreserved, undesignated General Fund balance increased by \$816,549 during the 2008 fiscal year due to an increase in revenue of EMS fees, Local Option and attrition of employees.
- The County had \$47,671,330 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$18,345,413 of these expenses. General revenues (primarily taxes and unrestricted grants) and net assets of \$29,325,917 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 \$41,560,642, an increase of \$3,670,553 in comparison with the prior year. Approximately 77.6% of this total amount, or \$32,260,100, 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 \$23,882,694 or 73% 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 \$20,052,695 or 61.3% of total general fund expenditures for the fiscal year.
- Pickens County's total debt increased by \$1,996,360 during the current fiscal year.
- During the 2008 fiscal year, the County's governmental fund type revenues were approximately \$54.8 million compared to \$53.3 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 proprietary fund statements, and 3) the fiduciary fund statements.

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

## Government-wide Financial Statements

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

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

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

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

## Fund Financial Statements

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

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

## Government-Wide Financial Analysis

### Pickens County's Net Assets

Figure 2

|   | Governmental<br>Activities |               | Business-type<br>Activities |               | Total          |                |
|---|----------------------------|---------------|-----------------------------|---------------|----------------|----------------|
|   | 2008                       | 2007          | 2008                        | 2007          | 2008           | 2007           |
| Current and other assets                        | \$ 49,264,960              | \$ 44,335,684 | \$ 1,723,526                | \$ 836,192    | \$ 50,988,486  | \$ 45,171,876  |
| Capital assets                                  | 53,667,742                 | 51,886,919    | 32,639,777                  | 28,802,594    | 86,307,519     | 80,689,513     |
| Total assets                                    | \$ 102,932,702             | \$ 96,222,603 | \$ 34,363,303               | \$ 29,638,786 | \$ 137,296,005 | \$ 125,861,389 |
| Long-term liabilities outstanding               | \$ 25,679,998              | \$ 23,861,344 | \$ 5,083,278                | \$ 5,171,599  | \$ 30,763,276  | \$ 29,032,943  |
| Other liabilities                               | 6,958,002                  | 5,971,049     | 830,267                     | 778,164       | 7,788,269      | 6,749,213      |
| Total liabilities                               | \$ 32,638,000              | \$ 29,832,393 | \$ 5,913,545                | \$ 5,949,763  | \$ 38,551,545  | \$ 35,782,156  |
| Net assets:                                     |                            |               |                             |               |                |                |
| Invested in capital assets, net of related debt | \$ 41,537,095              | \$ 38,341,795 | \$ 27,584,776               | \$ 23,533,188 | \$ 69,121,871  | \$ 61,874,983  |
| Restricted                                      | 13,002,730                 | 13,038,304    | 540,697                     | 477,589       | 13,543,427     | 13,515,893     |
| Unrestricted                                    | 15,754,877                 | 15,010,111    | 324,285                     | (321,754)     | 16,079,162     | 14,688,357     |
| Total net assets                                | \$ 70,294,702              | \$ 66,390,210 | \$ 28,449,758               | \$ 23,689,023 | \$ 98,744,460  | \$ 90,079,233  |

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 \$98,744,460 as of June 30, 2008. The County's net assets increased by \$8,377,083 for the fiscal year ended June 30, 2008. 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, \$69,121,871 (70.0%), 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 \$13,543,427 (13.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$16,079,162 (16.3%) 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 2008, the County collected approximately \$213,000 for this program and for the three years Pickens County has participated in the program the County has collected \$761,000.

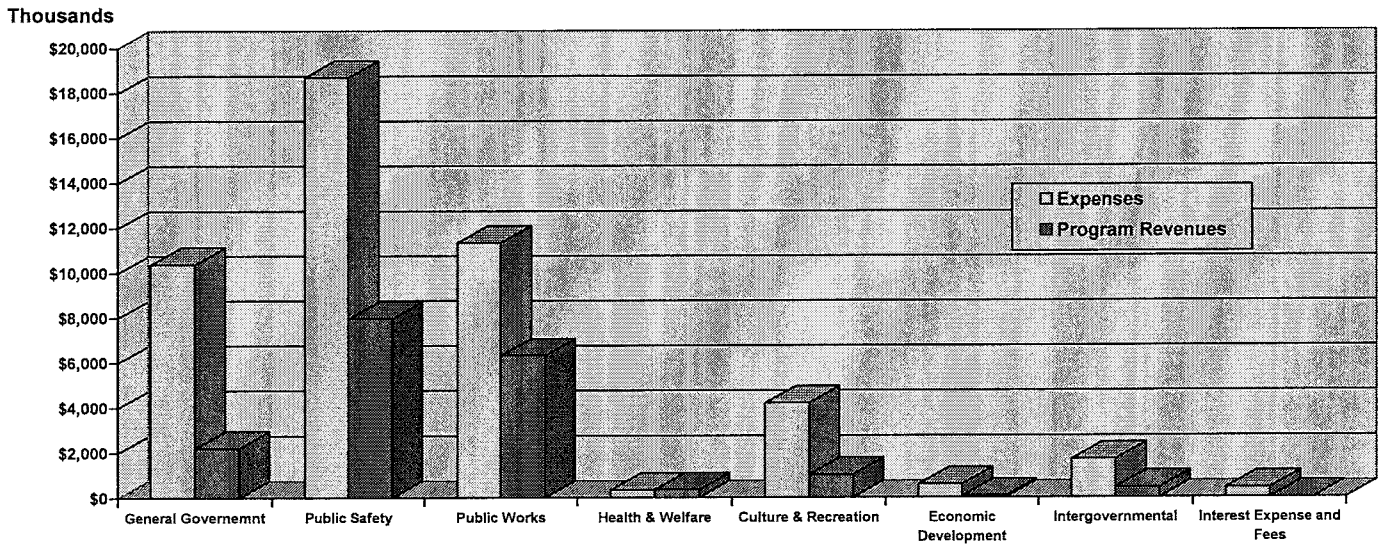
- Issuance of two General Obligation Bonds for the closure of the Cramer Wastewater Treatment Plant and the upgrade of the Roper Wastewater Treatment Plant in Liberty.

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

|   | Governmental<br>Activities |                      | Business-type<br>Activities |                      | Total                | Total                |
|---|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|   | 2008                       | 2007                 | 2008                        | 2007                 | 2008                 | 2007                 |
| <b>Revenues:</b>  |                            |                      |                             |                      |                      |                      |
| Program revenues:   |                            |                      |                             |                      |                      |                      |
| Charges for services  | \$ 12,877,919              | \$ 12,394,349        | \$ 1,608,183                | \$ 1,398,186         | \$ 14,486,102        | \$ 13,792,535        |
| Operating grants and contributions                              | 3,543,585                  | 5,090,312            | 69,971                      | -                    | 3,613,556            | 5,090,312            |
| Capital grants and contributions                                | 1,923,909                  | 609,054              | 1,170,716                   | 710,863              | 3,094,625            | 1,319,917            |
| General revenues:   |                            |                      |                             |                      |                      |                      |
| Property taxes  | 23,024,523                 | 21,613,774           | -                           | -                    | 23,024,523           | 21,613,774           |
| Other taxes   | 6,936,142                  | 6,530,472            | -                           | -                    | 6,936,142            | 6,530,472            |
| Grants and contributions not restricted<br>to specific programs | 6,774,688                  | 6,139,217            | -                           | -                    | 6,774,688            | 6,139,217            |
| Other   | 1,005,332                  | 1,357,279            | -                           | -                    | 1,005,332            | 1,357,279            |
| <b>Total revenues</b>   | <b>56,086,098</b>          | <b>53,734,457</b>    | <b>2,848,870</b>            | <b>2,109,049</b>     | <b>58,934,968</b>    | <b>55,843,506</b>    |
| <b>Expenses:</b>  |                            |                      |                             |                      |                      |                      |
| General government  | 10,383,406                 | 9,531,581            | -                           | -                    | 10,383,406           | 9,531,581            |
| Public safety   | 18,701,286                 | 17,381,994           | -                           | -                    | 18,701,286           | 17,381,994           |
| Public works  | 11,342,672                 | 10,182,540           | -                           | -                    | 11,342,672           | 10,182,540           |
| Health and welfare  | 329,074                    | 734,956              | -                           | -                    | 329,074              | 734,956              |
| Culture and recreation  | 4,197,104                  | 4,168,650            | -                           | -                    | 4,197,104            | 4,168,650            |
| Economic development  | 589,302                    | 568,792              | -                           | -                    | 589,302              | 568,792              |
| Intergovernmental   | 1,696,013                  | 1,769,773            | -                           | -                    | 1,696,013            | 1,769,773            |
| Unallocated interest expense and fees                           | 432,473                    | 423,517              | -                           | -                    | 432,473              | 423,517              |
| Public service commission                                       | -                          | -                    | 2,025,662                   | 2,041,793            | 2,025,662            | 2,041,793            |
| Airport   | -                          | -                    | 860,893                     | 713,212              | 860,893              | 713,212              |
| <b>Total expenses</b>   | <b>47,671,330</b>          | <b>44,761,803</b>    | <b>2,886,555</b>            | <b>2,755,005</b>     | <b>50,557,885</b>    | <b>47,516,808</b>    |
| Increase in net assets before transfers                         | 8,414,768                  | 8,972,654            | (37,685)                    | (645,956)            | 8,377,083            | 8,326,698            |
| Transfers   | (4,798,421)                | (872,089)            | 4,798,421                   | 872,089              | -                    | -                    |
| <b>Increase in net assets</b>                                   | <b>3,616,347</b>           | <b>8,100,565</b>     | <b>4,760,736</b>            | <b>226,133</b>       | <b>8,377,083</b>     | <b>8,326,698</b>     |
| Net assets, beginning   | 66,390,210                 | 58,239,645           | 23,689,022                  | 23,481,859           | 90,079,232           | 81,721,504           |
| Prior period adjustment   | 288,145                    | 50,000               | -                           | (18,970)             | 288,145              | 31,030               |
| Net assets, beginning (restated)                                | 66,678,355                 | 58,289,645           | 23,689,022                  | 23,462,889           | 90,367,377           | 81,752,534           |
| <b>Net assets, ending</b>                                       | <b>\$ 70,294,702</b>       | <b>\$ 66,390,210</b> | <b>\$ 28,449,758</b>        | <b>\$ 23,689,022</b> | <b>\$ 98,744,460</b> | <b>\$ 90,079,232</b> |

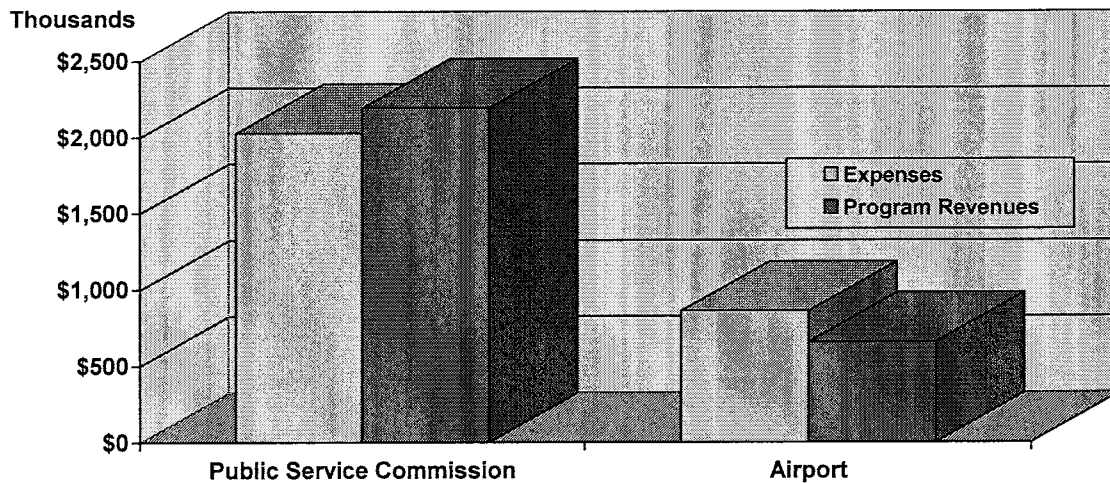
**Governmental activities.** Governmental activities increased the County's net assets by \$3,616,347. Key elements of this increase are as follows: Grants and contributions not restricted to specific programs increase by \$632,451. Property taxes increased by \$1,410,749 during the year. Most of this increase is due to an increase of assessed value several housing developments along the scenic highway 11 area. The County saved approximately \$540,000 in personnel services. This was mainly due a lower than expected cost for health insurance premiums and attrition of employees

**Expenses and Program Revenues - Governmental Activities**



**Business-type activities:** Business-type activities increased Pickens County's net assets by \$4,760,736 accounting for a portion of the total growth in the government's net assets. A key element for this increase in net assets was the issue of two General Obligation Bonds in the amount of \$3,874,344 for the closure of the Cramer Wastewater Treatment Plant and the upgrade of the Roper Wastewater Treatment Plant in Liberty. Another key element was for a federal and state grant for \$794,612 to upgrade the Wastewater Treatment Facility and pump station at Catechee Mill Village.

**Expenses and Program Revenues - Business Activities**



## Financial Analysis of the County's Funds

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

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

The general fund is the chief operating fund of Pickens County. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$20,052,695, while total fund balance reached \$26,337,995. This is an increase of 4.2% and 13.9%, respectively. Several items contributed to this increase in fund balance, most notably charges for services, investment income and sale of recyclables. Approximately five years ago Pickens County embarked on a project of collecting E.M.S. patient information from a paper process to an in the field automated process. This has saved County time in processing information to Medicare, Medicaid, patients and insurance companies. Revenues for E.M.S. have increased 80.7% over the past three years. Interest income is another item which has increased the fund balance of the General Fund. The County has been very conservative in estimating the amount of projected income from investments. The other major item which contributed to the large increase in the General Fund unreserved, undesignated fund balance was the attrition of employees. The County's turnover ratio for FY 2008 was 13%. This contributed to the County having an excess of funds from personnel services in the amount of \$540,000. 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 73% of total General Fund expenditures, while total fund balance represents 80% of that same amount.

At June 30, 2008, the governmental funds of Pickens County reported a combined fund balance of \$41,560,642, a 9.7% 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 investment income.

**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 budgeted expenditures by \$411,832.

**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 \$225,120, and those for the Airport equaled \$99,165. The total adjustment in net assets for both major funds was \$4,482,786 and \$277,950 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, 2008, totaled \$86,307,519 (net of accumulated depreciation). This is an increase of \$5,618,005 or 6.9%. 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:

- Purchased various type of new equipment for Sheriff's Office, Solid Waste, Roads & Bridges and Emergency Medical Service Department
- Purchased new Pumper trucks for Vineyards and Crosswell Fire Department
- Purchased a PSAP system for the 911 department, specifically for Clemson University
- Closed the Cramer WWTP and upgraded the Roper WWTP in Liberty SC

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

**Figure 3**

|                                    | Governmental<br>Activities |                      | Business-type<br>Activities |                      | Total                | Total                |
|------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|                                    | 2008                       | 2007                 | 2008                        | 2007                 | 2008                 | 2007                 |
| Land                               | \$ 3,562,980               | \$ 2,915,864         | \$ 1,001,358                | \$ 964,987           | \$ 4,564,338         | \$ 3,880,851         |
| Buildings                          | 21,031,028                 | 21,648,511           | 531,981                     | 551,350              | 21,563,009           | 22,199,861           |
| Improvements and<br>infrastructure | 20,315,761                 | 17,420,705           | 26,296,676                  | 26,165,207           | 46,612,437           | 43,585,912           |
| Machinery and<br>equipment         | 8,558,923                  | 7,636,199            | 170,145                     | 185,906              | 8,729,068            | 7,822,105            |
| Construction in<br>progress        | 199,050                    | 2,265,640            | 4,639,617                   | 935,145              | 4,838,667            | 3,200,785            |
| <b>Total</b>                       | <b>\$ 53,667,742</b>       | <b>\$ 51,886,919</b> | <b>\$ 32,639,777</b>        | <b>\$ 28,802,595</b> | <b>\$ 86,307,519</b> | <b>\$ 80,689,514</b> |

Additional information on the County's capital assets can be found in note 6 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2008, Pickens County had total bonded debt outstanding of \$18,625,492 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<br>Activities |               |
|--------------------------|----------------------------|---------------|
|                          | 2008                       | 2007          |
| General obligation bonds | \$ 18,625,492              | \$ 15,982,521 |

Pickens County's total long-term debt increased by \$1,996,360 during the past fiscal year. The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Pickens County is \$18,972,223. The County has \$13,287,022 in bonds and notes authorized at June 30, 2008, which is pledged against the full faith, credit and taxing power of Pickens County.

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

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

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

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

Known as *Time Magazine's* 2000 "Public School of the Year," and *U.S. News & World Report's* Top 20 Engineering 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, 2009**

The budget will see a modest increase in revenues and expenses for FY 2009. The total expenditures will be \$56,185,795 compared to \$54,690,901 for FY 2008. Property taxes and revenues from licenses, permits and fees are expected to lead the increase in revenue projections by 2.9%. This increase in revenues is in line with inflation rate for this area of the Country. The County will use these increases in revenues to finance programs currently in place. The largest increments are in employee compensation, including funding for a cost of living adjustment and health insurance for employees. Major capital purchases will be a new fire station and related equipment for the new Springs Fire Department located along Highway 11. The building of a bio-diesel facility to convert used cooking oil from local businesses which will be used to fuel the County's existing fleet of heavy equipment

## **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>.

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PICKENS COUNTY, SOUTH CAROLINA  
STATEMENT OF NET ASSETS  
JUNE 30, 2008

|   | Governmental<br>Activities | Business-type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>Assets</b>                                     |                            |                             |                       |
| <b>Current assets:</b>                            |                            |                             |                       |
| Cash and investments                              | \$ 40,553,327              | \$ 1,276,896                | \$ 41,830,223         |
| Property taxes receivable                         | 1,573,403                  | -                           | 1,573,403             |
| Accounts receivable - other                       | 1,839,553                  | 133,745                     | 1,973,298             |
| Due from other governments                        | 3,097,278                  | 263,561                     | 3,360,839             |
| Note receivable                                   | 46,206                     | -                           | 46,206                |
| Inventories                                       | 236,705                    | 48,410                      | 285,115               |
| Prepaid items                                     | 302,059                    | 914                         | 302,973               |
|   | <u>47,648,531</u>          | <u>1,723,526</u>            | <u>49,372,057</u>     |
| <b>Noncurrent assets:</b>                         |                            |                             |                       |
| Land held for resale                              | 1,449,523                  | -                           | 1,449,523             |
| Deferred charges - issuance cost                  | 122,463                    | -                           | 122,463               |
| Deferred charges - refunding                      | 44,443                     | -                           | 44,443                |
| Capital assets, not being depreciated             | 3,762,030                  | 5,640,975                   | 9,403,005             |
| Capital assets, net of accumulated depreciation   | 49,905,712                 | 26,998,802                  | 76,904,514            |
|   | <u>55,284,171</u>          | <u>32,639,777</u>           | <u>87,923,948</u>     |
|   | <u>\$ 102,932,702</u>      | <u>\$ 34,363,303</u>        | <u>\$ 137,296,005</u> |
| <b>Liabilities</b>                                |                            |                             |                       |
| <b>Current liabilities:</b>                       |                            |                             |                       |
| Bank overdraft                                    | \$ 201,965                 | \$ -                        | \$ 201,965            |
| Accounts payable                                  | 3,143,014                  | 549,829                     | 3,692,843             |
| Accrued payroll                                   | 870,417                    | 16,033                      | 886,450               |
| Internal balances                                 | (128,285)                  | 128,285                     | -                     |
| Accrued interest payable                          | 162,175                    | -                           | 162,175               |
| Current portion of long-term debt                 | 2,338,015                  | 95,320                      | 2,433,335             |
| Unearned revenue                                  | 370,701                    | 40,800                      | 411,501               |
|   | <u>6,958,002</u>           | <u>830,267</u>              | <u>7,788,269</u>      |
| <b>Noncurrent liabilities:</b>                    |                            |                             |                       |
| Landfill closure and postclosure                  | 3,729,746                  | -                           | 3,729,746             |
| Capital leases                                    | 1,381,164                  | -                           | 1,381,164             |
| Notes payable                                     | 6,071,047                  | -                           | 6,071,047             |
| General obligation bonds                          | 13,144,484                 | -                           | 13,144,484            |
| Revenue bonds                                     | -                          | 5,055,001                   | 5,055,001             |
| Bond premium                                      | 15,014                     | -                           | 15,014                |
| Accrued compensated absences                      | 1,338,543                  | 28,277                      | 1,366,820             |
|   | <u>25,679,998</u>          | <u>5,083,278</u>            | <u>30,763,276</u>     |
|   | <u>32,638,000</u>          | <u>5,913,545</u>            | <u>38,551,545</u>     |
| <b>Net Assets</b>                                 |                            |                             |                       |
| Investment in capital assets, net of related debt | 41,537,095                 | 27,584,776                  | 69,121,871            |
| <b>Restricted for:</b>                            |                            |                             |                       |
| Capital projects                                  | 924,342                    | -                           | 924,342               |
| Debt service                                      | 541,633                    | -                           | 541,633               |
| Public works                                      | 6,133,814                  | -                           | 6,133,814             |
| Public safety                                     | 3,486,316                  | -                           | 3,486,316             |
| Cultural and recreation                           | 1,865,657                  | -                           | 1,865,657             |
| Intergovernmental                                 | 50,968                     | -                           | 50,968                |
| Other purposes                                    | -                          | 540,697                     | 540,697               |
| Unrestricted                                      | 15,754,877                 | 324,285                     | 16,079,162            |
|   | <u>70,294,702</u>          | <u>28,449,758</u>           | <u>98,744,460</u>     |
|   | <u>\$ 102,932,702</u>      | <u>\$ 34,363,303</u>        | <u>\$ 137,296,005</u> |

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

PICKENS COUNTY, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008

| Functions/Programs   | Program Revenues     |                      |                                    | Net (Expense) Revenue and Changes in Net Assets |                         |                          |
|--|----------------------|----------------------|------------------------------------|---|-------------------------|--------------------------|
|  | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions                | Primary Government      |                          |
|  |                      |                      |                                    |   | Governmental Activities | Business-type Activities |
| <b>Primary Government</b>                                    |                      |                      |                                    |   |                         |                          |
| <b>Governmental activities:</b>                              |                      |                      |                                    |   |                         |                          |
| General government   | \$ 10,383,406        | \$ 2,141,308         | \$ -                               | \$ 60,576                                       | \$ (8,181,522)          | \$ (8,181,522)           |
| Public safety  | 18,701,286           | 6,738,601            | 495,968                            | 720,447   | (10,746,270)            | (10,746,270)             |
| Public works   | 11,342,672           | 3,355,920            | 2,115,551                          | 842,765   | (5,028,436)             | (5,028,436)              |
| Health and welfare   | 329,074              | 22,741               | 23,952                             | 300,121   | 17,740                  | 17,740                   |
| Culture and recreation                                       | 4,197,104            | 592,737              | 426,722                            | -   | (3,177,645)             | (3,177,645)              |
| Economic development   | 589,302              | 26,612               | 33,054                             | -   | (529,636)               | (529,636)                |
| Assistance to other agencies                                 | 1,686,013            | -                    | 448,338                            | -   | (1,247,675)             | (1,247,675)              |
| Unallocated interest expense and fees                        | 432,473              | -                    | -                                  | -   | (432,473)               | (432,473)                |
|  | <u>\$ 47,671,330</u> | <u>\$ 12,877,919</u> | <u>\$ 3,543,585</u>                | <u>\$ 1,923,909</u>                             | <u>(29,325,917)</u>     | <u>(29,325,917)</u>      |
| <b>Business-type activities:</b>                             |                      |                      |                                    |   |                         |                          |
| Public service commission                                    | 2,025,662            | 1,195,127            | -                                  | 996,951   | 166,416                 | 166,416                  |
| Airport  | 860,893              | 413,056              | 69,971                             | 173,765   | (204,101)               | (204,101)                |
|  | <u>\$ 2,886,555</u>  | <u>\$ 1,608,183</u>  | <u>\$ 69,971</u>                   | <u>\$ 1,170,716</u>                             | <u>(37,685)</u>         | <u>(37,685)</u>          |
| <b>General revenues:</b>                                     |                      |                      |                                    |   |                         |                          |
| Property taxes   |                      |                      |                                    |   | 23,024,523              | 23,024,523               |
| Sales taxes  |                      |                      |                                    |   | 6,718,826               | 6,718,826                |
| Franchise taxes  |                      |                      |                                    |   | 217,316                 | 217,316                  |
| Grants and contributions not restricted to specific programs |                      |                      |                                    |   | 6,774,688               | 6,774,688                |
| Investment earnings  |                      |                      |                                    |   | 682,166                 | 682,166                  |
| Gain on sale of capital assets                               |                      |                      |                                    |   | 53,454                  | 53,454                   |
| Miscellaneous  |                      |                      |                                    |   | 269,712                 | 269,712                  |
| Transfers  |                      |                      |                                    |   | (4,798,421)             | -                        |
| Total general revenues and transfers                         |                      |                      |                                    |   | 4,798,421               | 37,740,685               |
| Change in net assets   |                      |                      |                                    |   | 4,760,736               | 8,377,083                |
| Net assets - beginning                                       |                      |                      |                                    |   | 66,390,210              | 90,079,232               |
| Prior period adjustment                                      |                      |                      |                                    |   | 288,145                 | 288,145                  |
| Net assets - beginning (restated)                            |                      |                      |                                    |   | 23,689,022              | 90,079,232               |
| Net assets - ending  |                      |                      |                                    |   | 23,689,022              | 90,367,377               |
|  | <u>\$ 70,294,702</u> | <u>\$ 28,449,758</u> |                                    |   | <u>\$ 98,744,460</u>    |                          |

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



PICKENS COUNTY, SOUTH CAROLINA  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
JUNE 30, 2008

|  | General<br>Fund     | State Road<br>C-Fund | Other<br>Governmental<br>Funds | Totals              |
|--|---------------------|----------------------|--------------------------------|---------------------|
| <b>Assets</b>                              |                     |                      |                                |                     |
| Cash and investments                       | \$24,448,365        | \$5,643,768          | \$10,461,194                   | \$40,553,327        |
| Property taxes receivable                  | 829,577             | -                    | 743,826                        | 1,573,403           |
| Accounts receivable - EMS                  | 1,628,223           | -                    | -                              | 1,628,223           |
| Accounts receivable - other                | 149,796             | -                    | 61,534                         | 211,330             |
| Due from other governments                 | 2,555,978           | 328,738              | 212,562                        | 3,097,278           |
| Notes receivable                           | 46,206              | -                    | -                              | 46,206              |
| Advances to other funds                    | 153,354             | -                    | -                              | 153,354             |
| Inventories                                | 236,705             | -                    | -                              | 236,705             |
| Prepaid items                              | 284,323             | -                    | 17,735                         | 302,058             |
| Land held for resale                       | 1,449,523           | -                    | -                              | 1,449,523           |
|  | <u>\$31,782,050</u> | <u>\$5,972,506</u>   | <u>\$11,496,851</u>            | <u>\$49,251,407</u> |
| <b>Liabilities</b>                         |                     |                      |                                |                     |
| Bank overdraft                             | \$ -                | \$ -                 | \$ 201,965                     | \$ 201,965          |
| Accounts payable                           | 2,279,719           | 5,386                | 857,911                        | 3,143,016           |
| Accrued payroll                            | 761,292             | -                    | 109,118                        | 870,410             |
| Advances from general fund                 | -                   | -                    | 25,069                         | 25,069              |
| Unearned revenue                           | 2,403,044           | -                    | 1,047,261                      | 3,450,305           |
|  | <u>5,444,055</u>    | <u>5,386</u>         | <u>2,241,324</u>               | <u>7,690,765</u>    |
| <b>Fund Balances</b>                       |                     |                      |                                |                     |
| Reserved for:                              |                     |                      |                                |                     |
| Encumbrances                               | 331,396             | 15,936               | 1,966,356                      | 2,313,688           |
| Advances to other funds                    | 153,354             | -                    | -                              | 153,354             |
| Inventories                                | 236,705             | -                    | -                              | 236,705             |
| Prepaid items                              | 284,323             | -                    | 17,735                         | 302,058             |
| Assets held for sale                       | 1,449,523           | -                    | -                              | 1,449,523           |
| Debt service fund                          | -                   | -                    | 541,633                        | 541,633             |
| Unreserved, designated for, reported in:   |                     |                      |                                |                     |
| General fund, future expenditures          | 2,159,236           | -                    | -                              | 2,159,236           |
| General fund, capital improvements         | 1,670,763           | -                    | -                              | 1,670,763           |
| Special revenue funds, future expenditures | -                   | -                    | 473,582                        | 473,582             |
| Unreserved, undesignated reported in:      |                     |                      |                                |                     |
| General fund                               | 20,052,695          | -                    | -                              | 20,052,695          |
| Special revenue funds                      | -                   | 5,951,184            | 5,368,759                      | 11,319,943          |
| Capital project fund                       | -                   | -                    | 887,462                        | 887,462             |
|  | <u>26,337,995</u>   | <u>5,967,120</u>     | <u>9,255,527</u>               | <u>41,560,642</u>   |
|  | <u>\$31,782,050</u> | <u>\$5,972,506</u>   | <u>\$11,496,851</u>            | <u>\$49,251,407</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, 2008

|   |                      |
|---|----------------------|
| <b>Total Governmental Fund Balances</b>   | \$ 41,560,642        |
| <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.   | 53,667,742           |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:  |                      |
| Deferred charges - issuance cost  | 122,463              |
| Deferred charges - refunding  | 44,443               |
| Deferred revenues reported in Governmental Funds Balance Sheets include balances of taxes receivable and other receivables. The balances were deferred because funds were not available to pay current-period expenditures. | 3,079,600            |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:  |                      |
| Landfill closure and postclosure  | (3,904,746)          |
| Capital leases  | (1,812,502)          |
| Notes payable   | (6,413,737)          |
| General obligation bonds  | (14,353,470)         |
| Bond premium  | (15,014)             |
| Accrued compensated absences  | (1,518,544)          |
| Accrued interest payable  | (162,175)            |
| <b>Net Assets of Governmental Activities</b>  | <u>\$ 70,294,702</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, 2008

|                                       | General<br>Fund      | State Road<br>C-Fund | Other<br>Governmental<br>Funds | Total                |
|---------------------------------------|----------------------|----------------------|--------------------------------|----------------------|
| <b>Revenues</b>                       |                      |                      |                                |                      |
| Taxes                                 | \$ 22,926,550        | \$ -                 | \$ 6,667,123                   | \$ 29,593,673        |
| Intergovernmental                     | 6,883,692            | 1,714,242            | 2,447,208                      | 11,045,142           |
| Fees, licenses and permits            | 804,627              | -                    | 4,657,372                      | 5,461,999            |
| Charges for services                  | 6,093,303            | -                    | 158,502                        | 6,251,805            |
| Fines and forfeitures                 | 745,231              | -                    | 230,057                        | 975,288              |
| Investment income                     | 683,278              | 228,924              | 264,040                        | 1,176,242            |
| Rental income                         | 22,103               | -                    | -                              | 22,103               |
| Contributions                         | 1,285                | -                    | 147,357                        | 148,642              |
| Miscellaneous                         | 138,780              | -                    | 29,179                         | 167,959              |
|                                       | <u>38,298,849</u>    | <u>1,943,166</u>     | <u>14,600,838</u>              | <u>54,842,853</u>    |
| <b>Expenditures</b>                   |                      |                      |                                |                      |
| <b>Current</b>                        |                      |                      |                                |                      |
| General government                    | 9,711,783            | -                    | 149,845                        | 9,861,628            |
| Public safety                         | 14,190,278           | -                    | 3,262,977                      | 17,453,255           |
| Public works                          | 5,920,565            | 730,194              | 3,263,871                      | 9,914,630            |
| Health and welfare                    | 778,940              | -                    | -                              | 778,940              |
| Culture and recreation                | 485,225              | -                    | 3,407,367                      | 3,892,592            |
| Economic development and assistance   | 100,000              | -                    | 470,531                        | 570,531              |
| Other                                 | 73,067               | -                    | -                              | 73,067               |
| Intergovernmental                     | 468,507              | -                    | 1,204,885                      | 1,673,392            |
| Capital outlay                        | 1,003,471            | 457,198              | 2,660,029                      | 4,120,698            |
| Debt service                          |                      |                      |                                |                      |
| Principal retirement                  | -                    | -                    | 1,767,006                      | 1,767,006            |
| Interest and fiscal charges           | -                    | -                    | 790,629                        | 790,629              |
|                                       | <u>32,731,836</u>    | <u>1,187,392</u>     | <u>16,977,140</u>              | <u>50,896,368</u>    |
| Revenues Over (Under) Expenditures    | <u>5,567,013</u>     | <u>755,774</u>       | <u>(2,376,302)</u>             | <u>3,946,485</u>     |
| <b>Other Financing Sources (Uses)</b> |                      |                      |                                |                      |
| Proceeds from bond issuance           | 3,874,344            | -                    | -                              | 3,874,344            |
| Proceeds from capital lease           | -                    | -                    | 360,000                        | 360,000              |
| Transfers in (out)                    | (6,228,175)          | -                    | 1,429,754                      | (4,798,421)          |
|                                       | <u>(2,353,831)</u>   | <u>-</u>             | <u>1,789,754</u>               | <u>(564,077)</u>     |
| Net change in fund balances           | 3,213,182            | 755,774              | (586,548)                      | 3,382,408            |
| Fund Balances, Beginning of Year      | 23,124,813           | 5,211,346            | 9,553,930                      | 37,890,089           |
| Prior Period Adjustment               | -                    | -                    | 288,145                        | 288,145              |
| Fund Balances, End of Year            | <u>\$ 26,337,995</u> | <u>\$ 5,967,120</u>  | <u>\$ 9,255,527</u>            | <u>\$ 41,560,642</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, 2008

|   |                            |
|---|----------------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b>   | <b>\$ 3,382,408</b>        |
| <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 \$4,120,698 exceeded depreciation expense of \$3,015,441 in the current period. | 1,105,257                  |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:  |                            |
| Property taxes  | 149,677                    |
| Donated capital assets  | 675,563                    |
| Unearned revenues   | 418,000                    |
| 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.  | (4,234,344)                |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.   | 1,767,006                  |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.  | 19,944                     |
| 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  | 490,500                    |
| Compensated absences  | (133,606)                  |
| Amortization expense  | (24,058)                   |
| <b>Change in Net Assets of Governmental Activities</b>  | <b><u>\$ 3,616,347</u></b> |

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

PICKENS COUNTY, SOUTH CAROLINA  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2008

|   | Business-type Activities - Enterprise Funds |                     |                      |
|---|---|---------------------|----------------------|
|   | Public Service                              |                     | Total                |
|   | Commission                                  | Airport             |                      |
| <b>Assets</b>                                   |   |                     |                      |
| <b>Current Assets</b>                           |   |                     |                      |
| Cash  | \$ 1,081,377                                | \$ 195,519          | \$ 1,276,896         |
| Accounts receivable - other                     | 116,879                                     | 16,866              | 133,745              |
| Due from other governments                      | 217,148                                     | 46,413              | 263,561              |
| Inventory                                       | -   | 48,410              | 48,410               |
| Prepaid expenses                                | 302   | 612                 | 914                  |
|   | <u>1,415,706</u>                            | <u>307,820</u>      | <u>1,723,526</u>     |
| <b>Capital assets</b>                           |   |                     |                      |
| Land  | 336,166                                     | 665,192             | 1,001,358            |
| Construction in process                         | 4,379,676                                   | 259,941             | 4,639,617            |
| Capacity  | 5,938,636                                   | -                   | 5,938,636            |
| Buildings                                       | 372,442                                     | 539,911             | 912,353              |
| Improvements other than buildings               | 22,883,437                                  | 4,120,741           | 27,004,178           |
| Machinery and equipment                         | 383,423                                     | 159,395             | 542,818              |
| Less accumulated depreciation                   | (5,290,472)                                 | (2,108,711)         | (7,399,183)          |
|   | <u>29,003,308</u>                           | <u>3,636,469</u>    | <u>32,639,777</u>    |
|   | <u>\$ 30,419,014</u>                        | <u>\$ 3,944,289</u> | <u>\$ 34,363,303</u> |
| <b>Liabilities</b>                              |   |                     |                      |
| <b>Current Liabilities</b>                      |   |                     |                      |
| Accounts payable                                | \$ 474,489                                  | \$ 75,340           | \$ 549,829           |
| Accrued payroll                                 | 12,859                                      | 3,174               | 16,033               |
| Advances from general fund                      | -   | 128,285             | 128,285              |
| Deferred revenue                                | 40,800                                      | -                   | 40,800               |
| Current portion of long-term debt               | 95,020                                      | 300                 | 95,320               |
|   | <u>623,168</u>                              | <u>207,099</u>      | <u>830,267</u>       |
| <b>Long-term Liabilities</b>                    |   |                     |                      |
| Revenue bonds                                   | 5,055,001                                   | -                   | 5,055,001            |
| Accrued compensated absences                    | 26,721                                      | 1,556               | 28,277               |
|   | <u>5,081,722</u>                            | <u>1,556</u>        | <u>5,083,278</u>     |
|   | <u>5,704,890</u>                            | <u>208,655</u>      | <u>5,913,545</u>     |
| <b>Net Assets</b>                               |   |                     |                      |
| Invested in capital assets, net of related debt | 23,948,307                                  | 3,636,469           | 27,584,776           |
| Restricted for USDA                             | 540,697                                     | -                   | 540,697              |
| Unrestricted                                    | 225,120                                     | 99,165              | 324,285              |
|   | <u>24,714,124</u>                           | <u>3,735,634</u>    | <u>28,449,758</u>    |
|   | <u>\$ 30,419,014</u>                        | <u>\$ 3,944,289</u> | <u>\$ 34,363,303</u> |

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

PICKENS COUNTY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2008

|  | Business-type Activities - Enterprise Funds |                     |                      |
|--|---|---------------------|----------------------|
|  | Public Service<br>Commission                | Airport             | Total                |
| Operating Revenues                               |   |                     |                      |
| Charges for services                             | \$ 1,195,127                                | \$ 413,056          | \$ 1,608,183         |
| Intergovernmental - federal                      | -   | 69,971              | 69,971               |
|  | <u>1,195,127</u>                            | <u>483,027</u>      | <u>1,678,154</u>     |
| Operating Expenses                               |   |                     |                      |
| Salaries and benefits                            | 392,942                                     | 100,545             | 493,487              |
| Depreciation                                     | 782,307                                     | 299,710             | 1,082,017            |
| Other expenses                                   | 604,994                                     | 460,638             | 1,065,632            |
|  | <u>1,780,243</u>                            | <u>860,893</u>      | <u>2,641,136</u>     |
| Operating income (loss)                          | (585,116)                                   | (377,866)           | (962,982)            |
| Nonoperating Revenues (Expenses)                 |   |                     |                      |
| Interest and fiscal charges                      | (245,419)                                   | -                   | (245,419)            |
| Income (loss) before contributions and transfers | (830,535)                                   | (377,866)           | (1,208,401)          |
| Capital Contributions                            | 996,951                                     | 173,765             | 1,170,716            |
| Transfers In                                     | 4,316,370                                   | 482,051             | 4,798,421            |
| Change in net assets                             | 4,482,786                                   | 277,950             | 4,760,736            |
| Total Net Assets - Beginning of Year             | 20,231,338                                  | 3,457,684           | 23,689,022           |
| Total Net Assets - End of Year                   | <u>\$ 24,714,124</u>                        | <u>\$ 3,735,634</u> | <u>\$ 28,449,758</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, 2008

|   | Business-type Activities - Enterprise Funds |                    |                     |
|---|---|--------------------|---------------------|
|   | Public Service<br>Commission                | Airport            | Total               |
| Cash Flows Provided (Used) by Operating Activities:   |   |                    |                     |
| Receipts from customers and users   | \$ 1,258,402                                | \$ 452,067         | \$ 1,710,469        |
| Operating grant   | -   | 38,199             | 38,199              |
| Payments to suppliers   | (601,877)                                   | (480,132)          | (1,082,009)         |
| Payments to employees   | (387,819)                                   | (94,182)           | (482,001)           |
| Net cash provided (used) by operations  | <u>268,706</u>                              | <u>(84,048)</u>    | <u>184,658</u>      |
| Cash Flows From Noncapital Financing Activities:  |   |                    |                     |
| Transfers from other funds  | <u>392,026</u>                              | <u>97,488</u>      | <u>489,514</u>      |
| Net cash provided (used) by noncapital financing activities                                       | <u>392,026</u>                              | <u>97,488</u>      | <u>489,514</u>      |
| Cash Flows From Capital and Related Financing Activities:   |   |                    |                     |
| Capital contributions   | 815,192                                     | 159,125            | 974,317             |
| Capital transfers from other funds  | 3,912,132                                   | 384,563            | 4,296,695           |
| Acquisition and construction of capital assets  | (4,530,153)                                 | (205,918)          | (4,736,071)         |
| Principal paid on capital debt  | (120,085)                                   | (32,400)           | (152,485)           |
| Interest paid on capital debt   | (245,419)                                   | -                  | (245,419)           |
| Net cash provided (used) by capital and related financing activities                              | <u>(168,333)</u>                            | <u>305,370</u>     | <u>137,037</u>      |
| Net Increase (Decrease) in Cash and Cash Equivalents  | 492,399                                     | 318,810            | 811,209             |
| Cash and Cash Equivalents - Beginning of Year   | <u>588,978</u>                              | <u>(123,291)</u>   | <u>465,687</u>      |
| Cash and Cash Equivalents - End of Year   | <u>\$ 1,081,377</u>                         | <u>\$ 195,519</u>  | <u>\$ 1,276,896</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided<br>(used) by operating activities: |   |                    |                     |
| Operating loss  | \$ (585,116)                                | \$ (377,866)       | \$ (962,982)        |
| Adjustments to reconcile operating loss to net<br>cash provided (used) by operating activities    |   |                    |                     |
| Depreciation  | 782,307                                     | 299,710            | 1,082,017           |
| Changes in current assets and liabilities   |   |                    |                     |
| (Increase) decrease in accounts receivable  | 22,476                                      | (6,960)            | 15,516              |
| (Increase) decrease in inventory  | -   | (18,434)           | (18,434)            |
| (Increase) decrease in prepaid expenses   | (92)  | (30)               | (122)               |
| Increase (decrease) in accounts payable and<br>accrued expenses                                   | 8,331                                       | 19,532             | 27,863              |
| Increase (decrease) in deferred revenue   | 40,800                                      | -                  | 40,800              |
| Net Cash Provided (Used) by Operations  | <u>\$ 268,706</u>                           | <u>\$ (84,048)</u> | <u>\$ 184,658</u>   |

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

PICKENS COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2008

|                              | <u>Total<br/>Agency<br/>Funds</u> |
|------------------------------|-----------------------------------|
| Assets                       |                                   |
| Cash                         | \$ 30,959,262                     |
| Accounts receivable - other  | 86,469                            |
| Property taxes receivable    | <u>2,949,934</u>                  |
|                              | <u>\$ 33,995,665</u>              |
| <br>                         |                                   |
| Liabilities                  |                                   |
| Accounts payable             | \$ 79,532                         |
| Due to designated recipients | <u>33,916,133</u>                 |
|                              | <u>\$ 33,995,665</u>              |

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



PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

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**

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

The Economic Development Alliance of Pickens County, Inc. (the Alliance), a legally separate 501(c)(3), is included as a blended component unit of the County because its primary purpose is to conduct economic development, marketing and recruiting on behalf of the County and the County is financially accountable for the Alliance. 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 Alliance's fiscal year ends on June 30. Complete financial statements for the Alliance may be obtained at its administrative offices at 509 S. Lewis Street, Suite B, Pickens, SC 29671.

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

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

**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, 2008

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. For the most part, the effect of interfund activity, except any interfund services provided and used, has been removed from these statements. 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 is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

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

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

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

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

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

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2008

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 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 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, 2008

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 imprested 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. 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, 2008

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

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

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, 2008

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. 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 liability reported as landfill closure and postclosure represents estimated total costs 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, 2008

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, 2008

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

**A. Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with U.S. 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. For the year ended June 30, 2008, a Special Revenue Fund, the Vineyards Fire District, had a fund deficit of \$204,047.

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

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund, special revenue fund and capital projects fund. At June 30, 2008, the governmental funds have reserve for encumbrances totaling \$2,313,688.

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

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

The County's deposits had a carrying value of \$72,307,520 and the bank balance was \$72,127,752, of which \$2,410,025 that was covered by FDIC insurance and \$69,455,176 that was collateralized by securities held by the pledging bank's trust department or agent in the County's name. However, \$262,551 of the County's deposits with financial institutions was in excess of federal and state depository insurance limits and was uncollateralized.



PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2008

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Investments

As of June 30, 2008, the County had the following investments:

| Investment Type      | Carrying and<br>Fair Value | Maturity  | Rating |
|----------------------|----------------------------|-----------|--------|
| Repurchase Agreement | \$ 280,000                 | Overnight | N/A    |

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

|  |                      |
|--|----------------------|
| Unrestricted cash, including time deposits                   | \$ 41,830,223        |
| Bank overdraft   | (201,965)            |
| Agency fund cash (not included in government-wide statement) | <u>30,959,262</u>    |
|  | <u>\$ 72,587,520</u> |

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

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

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

NOTE 4 - PROPERTY TAXES

The County's property taxes are levied each September (except vehicles which are assessed annually on the first day of the month the vehicles are registered) on the assessed value as of the prior December 31 for all real and personal property located in the County. Assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates ranging from 4 to 10.5 percent of the estimated market value. The assessed value as of June 30, 2008 was \$403,240,558. The estimated market value was \$7,090,308,644 making the assessed value approximately 5.7 percent of the estimated market value.

The County is permitted under South Carolina law to levy property taxes for general governmental services and principal and interest on long-term debt. The combined tax rate to finance general government services and principal and interest on long-term debt for the year ended June 30, 2008 was \$6.91 per \$100 of assessed value.

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

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2008

NOTE 4 - PROPERTY TAXES - Continued

Property taxes receivable and allowances for doubtful accounts at June 30, 2008 are summarized as follows:

|                                    | General<br>Fund   | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Agency<br>Funds     |
|------------------------------------|-------------------|-----------------------------|--------------------------|---------------------|
|                                    | <u>          </u> | <u>          </u>           | <u>          </u>        | <u>          </u>   |
| Gross taxes receivable             | \$ 987,591        | \$ 761,759                  | \$ 122,487               | \$ 3,511,826        |
| Allowance for doubtful<br>accounts | <u>(158,014)</u>  | <u>(121,012)</u>            | <u>(19,408)</u>          | <u>(561,892)</u>    |
|                                    | <u>\$ 829,577</u> | <u>\$ 640,747</u>           | <u>\$ 103,079</u>        | <u>\$ 2,949,934</u> |

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2008 are summarized as follows:

|   | General<br>Fund     | Other<br>Governmental<br>Funds | Enterprise<br>Funds |
|---|---------------------|--------------------------------|---------------------|
|   | <u>          </u>   | <u>          </u>              | <u>          </u>   |
| EMS fees                                | \$ 4,652,067        | \$ -                           | \$ -                |
| Less allowance for<br>doubtful accounts | <u>(3,023,844)</u>  | <u>-</u>                       | <u>-</u>            |
|   | <u>1,628,223</u>    | <u>-</u>                       | <u>-</u>            |
| Interest                                | 7,262               | 3,677                          | -                   |
| Landfill                                | 22,169              | -                              | -                   |
| Sewer fees                              | -                   | -                              | 116,879             |
| Other                                   | <u>120,365</u>      | <u>57,857</u>                  | <u>16,866</u>       |
|   | <u>149,796</u>      | <u>61,534</u>                  | <u>133,745</u>      |
|   | <u>\$ 1,778,019</u> | <u>\$ 61,534</u>               | <u>\$ 133,745</u>   |

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2008

NOTE 6 - CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental activities as follows:

|                         |    |                  |
|-------------------------|----|------------------|
| General government      | \$ | 370,100          |
| Public Safety           |    | 1,087,422        |
| Public Works            |    | 1,164,522        |
| Health and welfare      |    | 65,337           |
| Cultural and recreation |    | 303,751          |
| Economic development    |    | 24,309           |
| Total                   | \$ | <u>3,015,441</u> |

Construction in progress in the Governmental activities as of June 30, 2008, represents costs incurred to date on the Crosswell, Keowee Springs and Liberty Fire Stations, the Easley EMS station, Mile Creek dumping station, orthophotos, a walking track at the Commerce Park and a bridge. The construction in progress in the Business-type activities as of June 30, 2008, represent costs of construction for the Sea Level Extension, the Roper wastewater treatment facilities upgrade, the Cateechee Village wastewater treatment project, the Airport Terminal Building and Airport Hangers.

NOTE 7 - LONG-TERM DEBT

**A. Governmental Activities Debt**

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

|                                  | <u>Beginning Balance</u> | <u>Additions</u>    | <u>Retirements</u>  | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|----------------------------------|--------------------------|---------------------|---------------------|-----------------------|----------------------------|
| General obligation bonds         | \$ 11,529,000            | \$ 3,874,344        | \$ 1,049,874        | \$ 14,353,470         | \$ 1,208,986               |
| Capital leases                   | 1,840,176                | 360,000             | 387,673             | 1,812,503             | 431,339                    |
| Notes payable                    | 6,743,195                | -                   | 329,458             | 6,413,737             | 342,690                    |
| Compensated absences             | 1,384,937                | 308,818             | 175,212             | 1,518,543             | 180,000                    |
| Landfill closure and postclosure | 4,395,246                | -                   | 490,500             | 3,904,746             | 175,000                    |
| Total                            | <u>\$ 25,892,554</u>     | <u>\$ 4,543,162</u> | <u>\$ 2,432,717</u> | <u>\$ 28,002,999</u>  | <u>\$ 2,338,015</u>        |

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2008

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008, was as follows:

|   | Balance<br>July 1,<br>2007 | Additions           | Deletions             | Balance<br>June 30,<br>2008 |
|---|----------------------------|---------------------|-----------------------|-----------------------------|
| <b>Governmental Activities:</b>             |                            |                     |                       |                             |
| Capital assets not being depreciated:       |                            |                     |                       |                             |
| Land  | \$ 2,915,864               | \$ 647,116          | \$ -                  | \$ 3,562,980                |
| Construction in progress                    | 2,265,640                  | 621,546             | (2,688,136)           | 199,050                     |
| Total capital assets not being depreciated  | <u>5,181,504</u>           | <u>1,268,662</u>    | <u>(2,688,136)</u>    | <u>3,762,030</u>            |
| Capital assets being depreciated:           |                            |                     |                       |                             |
| Buildings                                   | 29,184,613                 | 247,441             |                       | 29,432,054                  |
| Improvements and infrastructure             | 24,108,146                 | 3,562,343           |                       | 27,670,489                  |
| Machinery and equipment                     | 19,975,632                 | 2,444,956           | (716,545)             | 21,704,043                  |
| Total capital assets being depreciated      | <u>73,268,391</u>          | <u>6,254,740</u>    | <u>(716,545)</u>      | <u>78,806,586</u>           |
| Less accumulated depreciation:              |                            |                     |                       |                             |
| Buildings                                   | (7,536,102)                | (864,924)           |                       | (8,401,026)                 |
| Improvements and infrastructure             | (6,687,441)                | (667,287)           |                       | (7,354,728)                 |
| Machinery and equipment                     | (12,339,433)               | (1,522,232)         | 716,545               | (13,145,120)                |
| Total accumulated depreciation              | <u>(26,562,976)</u>        | <u>(3,054,443)</u>  | <u>716,545</u>        | <u>(28,900,874)</u>         |
| Total capital assets being depreciated, net | <u>46,705,415</u>          | <u>3,200,297</u>    | <u>-</u>              | <u>49,905,712</u>           |
| Governmental activities capital assets, net | <u>\$ 51,886,919</u>       | <u>\$ 4,468,959</u> | <u>\$ (2,688,136)</u> | <u>\$ 53,667,742</u>        |
| <b>Business-type Activities:</b>            |                            |                     |                       |                             |
| Capital assets not being depreciated:       |                            |                     |                       |                             |
| Land  | \$ 964,987                 | \$ 36,371           | \$ -                  | \$ 1,001,358                |
| Construction in progress                    | 935,145                    | 4,889,112           | (1,184,640)           | 4,639,617                   |
| Total capital assets not being depreciated  | <u>1,900,132</u>           | <u>4,925,483</u>    | <u>(1,184,640)</u>    | <u>5,640,975</u>            |
| Capital assets being depreciated:           |                            |                     |                       |                             |
| Capacity                                    | 5,938,636                  | -                   | -                     | 5,938,636                   |
| Buildings                                   | 912,353                    | -                   | -                     | 912,353                     |
| Improvements and infrastructure             | 25,855,909                 | 1,148,269           | -                     | 27,004,178                  |
| Machinery and equipment                     | 532,440                    | 49,380              | (39,002)              | 542,818                     |
| Total capital assets being depreciated      | <u>33,239,338</u>          | <u>1,197,649</u>    | <u>(39,002)</u>       | <u>34,397,985</u>           |
| Less accumulated depreciation:              |                            |                     |                       |                             |
| Buildings                                   | (361,003)                  | (19,369)            | -                     | (380,372)                   |
| Capacity                                    | (334,048)                  | (148,466)           | -                     | (482,514)                   |
| Improvements and infrastructure             | (5,295,290)                | (868,334)           | -                     | (6,163,624)                 |
| Machinery and equipment                     | (346,534)                  | (65,141)            | 39,002                | (372,673)                   |
| Total accumulated depreciation              | <u>(6,336,875)</u>         | <u>(1,101,310)</u>  | <u>39,002</u>         | <u>(7,399,183)</u>          |
| Total capital assets being depreciated, net | <u>26,902,463</u>          | <u>96,339</u>       | <u>-</u>              | <u>26,998,802</u>           |
| Business-type capital assets, net           | <u>\$ 28,802,595</u>       | <u>\$ 5,021,822</u> | <u>\$ (1,184,640)</u> | <u>\$ 32,639,777</u>        |

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2008

NOTE 7 - LONG-TERM DEBT - Continued

**A. Governmental Activities Debt - Continued**

General obligation (general purpose) bonds payable at June 30, 2008 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%          | \$ 1,350,000 ✓              |
| \$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% | 1,780,000 ✓                 |
| \$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%        | 5,885,000 ✓                 |
| \$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%                   | 890,000                     |
| \$1,024,709 2008 general obligation bonds due in quarterly installments of principal and interest of \$17,865 through April 1, 2028; interest at 3.5%     | 1,006,835                   |
| \$2,849,635 2008 general obligation bonds due in quarterly installments of principal and interest of \$49,680 through August 1, 2028; interest at 3.5%    | 2,849,635                   |
| \$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>592,000</u>              |
|   | 14,353,470                  |
| Less current portion  | <u>1,208,986</u>            |
| Long-term portion outstanding   | <u><u>\$ 13,144,484</u></u> |

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2008 are as follows:

| Year Ending<br>June 30 | Principal                   | Interest                   | Totals                      |
|------------------------|-----------------------------|----------------------------|-----------------------------|
| 2009                   | \$ 1,208,986                | \$ 529,086                 | \$ 1,738,072                |
| 2010                   | 1,276,843                   | 475,768                    | 1,752,611                   |
| 2011                   | 1,331,874                   | 424,812                    | 1,756,686                   |
| 2012                   | 1,423,082                   | 372,268                    | 1,795,350                   |
| 2013                   | 1,486,475                   | 319,689                    | 1,806,164                   |
| 2014 to 2018           | 5,278,210                   | 819,450                    | 6,097,660                   |
| 2019 to 2023           | 1,143,795                   | 313,308                    | 1,457,103                   |
| 2024 to 2028           | <u>1,204,205</u>            | <u>110,951</u>             | <u>1,315,156</u>            |
|                        | <u><u>\$ 14,353,470</u></u> | <u><u>\$ 3,365,332</u></u> | <u><u>\$ 17,718,802</u></u> |

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2008

NOTE 7 - LONG -TERM DEBT - Continued

**A. Governmental Activities Debt - Continued**

Capital leases payable at June 30, 2008 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                        | \$ 209,325                 |
| \$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          | 84,297                     |
| \$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                 | 447,821                    |
| \$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 | 158,459                    |
| \$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   | 149,773                    |
| \$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     | 184,880                    |
| \$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     | 217,948                    |
| \$360,000 capital lease payable to RBC Centura payable in annual installments of principal and interest of \$43,221 through May 2018 at 3.47%; collateralized by equipment           | <u>360,000</u>             |
|  | 1,812,503                  |
| Less current portion   | <u>431,339</u>             |
| Long-term portion outstanding  | <u><u>\$ 1,381,164</u></u> |

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2008

NOTE 7 - LONG-TERM DEBT - Continued

**A. Governmental Activities Debt - Continued**

Annual requirements to amortize all capital leases outstanding as of June 30, 2008 are as follows:

| Year Ending<br>June 30 | Principal           | Interest          | Totals              |
|------------------------|---------------------|-------------------|---------------------|
| 2009                   | \$ 431,339          | \$ 65,982         | \$ 497,321          |
| 2010                   | 278,243             | 51,536            | 329,779             |
| 2011                   | 288,766             | 41,013            | 329,779             |
| 2012                   | 221,320             | 30,092            | 251,412             |
| 2013                   | 229,610             | 21,803            | 251,413             |
| 2014 to 2018           | 363,225             | 31,544            | 394,769             |
|                        | <u>\$ 1,812,503</u> | <u>\$ 241,970</u> | <u>\$ 2,054,473</u> |

As of June 30, 2008, the County had assets under capital lease with a total cost of \$4,683,764.

Notes payable at June 30, 2008 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%  | \$ 2,141,715        |
| \$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%    | 2,701,049           |
| \$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>1,570,973</u>    |
|   | 6,413,737           |
| Less current portion  | <u>342,690</u>      |
| Long-term portion outstanding   | <u>\$ 6,071,047</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2008

NOTE 7 - LONG-TERM DEBT - Continued

**A. Governmental Activities Debt - Continued**

Annual requirements to amortize all notes payable outstanding as of June 30, 2008 are as follows:

| Year Ending<br>June 30 | Principal           | Interest            | Totals              |
|------------------------|---------------------|---------------------|---------------------|
| 2009                   | \$ 342,690          | \$ 246,974          | \$ 589,664          |
| 2010                   | 356,454             | 233,210             | 589,664             |
| 2011                   | 370,771             | 218,893             | 589,664             |
| 2012                   | 385,663             | 204,001             | 589,664             |
| 2013                   | 401,154             | 188,510             | 589,664             |
| 2014 to 2018           | 2,260,821           | 687,499             | 2,948,320           |
| 2019 to 2023           | 1,797,787           | 260,488             | 2,058,275           |
| 2024 to 2028           | 498,397             | 15,502              | 513,899             |
|                        | <u>\$ 6,413,737</u> | <u>\$ 2,055,077</u> | <u>\$ 8,468,814</u> |

**B. Business-type Activities Debt**

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

|                         | Balance<br>July 1,<br>2007 | Additions       | Retirements       | Balance<br>June 30,<br>2008 | Due Within<br>One Year |
|-------------------------|----------------------------|-----------------|-------------------|-----------------------------|------------------------|
| Notes payable           | \$ 70,833                  | \$ -            | \$ 50,000         | \$ 20,833                   | \$ 20,833              |
| Revenue bonds           | 5,198,572                  | -               | 70,084            | 5,128,488                   | 73,487                 |
| Compensated<br>absences | 23,278                     | 6,454           | 455               | 29,277                      | 1,000                  |
| Total                   | <u>\$ 5,292,683</u>        | <u>\$ 6,454</u> | <u>\$ 120,539</u> | <u>\$ 5,178,598</u>         | <u>\$ 95,320</u>       |



PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2008

NOTE 7 - LONG-TERM DEBT - Continued

**B. Business-type Activities Debt - Continued**

Revenue bonds payable recorded in the Public Service Commission Enterprise Fund at June 30, 2008 are comprised of the following individual issues:

|  |    |           |
|--|----|-----------|
| \$1,988,200 USDA Rural Development revenue bonds in monthly installments of principal and interest of \$9,345 through October 2039 at 4.75%  | \$ | 1,822,757 |
| <br>   |    |           |
| \$3,605,700 USDA Rural Development revenue bonds in monthly installments of principal and interest of \$16,947 through October 2039 at 4.75% |    | 3,305,731 |
|  |    | 5,128,488 |
| Less current portion   |    | 73,487    |
| Long-term portion outstanding  | \$ | 5,055,001 |

Annual requirements to amortize all revenue bonds outstanding as of June 30, 2008 are as follows:

| Year Ending<br>June 30 | Principal    | Interest     | Totals       |
|------------------------|--------------|--------------|--------------|
| 2009                   | \$ 73,487    | \$ 242,017   | \$ 315,504   |
| 2010                   | 77,055       | 238,449      | 315,504      |
| 2011                   | 80,795       | 234,709      | 315,504      |
| 2012                   | 84,718       | 230,786      | 315,504      |
| 2013                   | 88,831       | 226,673      | 315,504      |
| 2014 to 2018           | 513,185      | 1,064,335    | 1,577,520    |
| 2019 to 2023           | 650,452      | 927,068      | 1,577,520    |
| 2024 to 2028           | 824,436      | 753,084      | 1,577,520    |
| 2029 to 2033           | 1,044,956    | 532,564      | 1,577,520    |
| 2034 to 2038           | 1,324,461    | 253,059      | 1,577,520    |
| 2039 to 2043           | 366,112      | 11,233       | 377,345      |
|                        | \$ 5,128,488 | \$ 4,713,977 | \$ 9,842,465 |

Under the revenue bonds with the USDA Rural Development, the Public Service Commission is required to maintain certain reservations of retained earnings. At June 30, 2008 the Public Service Commission was in compliance with the following reserve requirements:

|                                   |        |             |
|-----------------------------------|--------|-------------|
| Reserved for debt service         | \$     | 270,349     |
| Reserved for depreciation funding |        | 135,174     |
| Reserved for contingency fund     |        | 135,174     |
| <br>Total                         | <br>\$ | <br>540,697 |

The note payable recorded in the Public Service Commission Enterprise Fund at June 30, 2008 is a \$400,000 non-interest bearing note to the Blue Ridge Electric Cooperative payable in monthly installments of \$4,167 through November 2008. The balance at June 30, 2008 is \$20,833.

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2008

NOTE 8 - CAPITAL CONTRIBUTIONS

Capital contributions for the year ended June 30, 2008 have 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, 2008 was as follows:

|                                     | Public Service<br>Commission | Airport    | Totals       |
|-------------------------------------|------------------------------|------------|--------------|
| Grants and other cash contributions | \$ 996,951                   | \$ 173,765 | \$ 1,170,716 |

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

**A. Interfund Receivables and Payables**

|                             | Advance<br>Receivable | Advance<br>Payable |
|-----------------------------|-----------------------|--------------------|
| Major Governmental Fund     |                       |                    |
| General Fund                | \$ 153,354            | \$ -               |
| Nonmajor Governmental Funds | -                     | 25,069             |
| Major Enterprise Fund       |                       |                    |
| Airport Fund                | -                     | 128,285            |
|                             | \$ 153,354            | \$ 153,354         |

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**

|                                | Transfers In | Transfers Out |
|--------------------------------|--------------|---------------|
| Major Governmental Fund:       |              |               |
| General Fund                   | \$ 508,593   | \$ 6,736,768  |
| Nonmajor Governmental Funds    | 1,938,347    | 508,593       |
| Major Enterprise Funds         |              |               |
| Public Service Commission Fund | 4,316,370    | -             |
| Airport                        | 482,051      | -             |
|                                | \$ 7,245,361 | \$ 7,245,361  |

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.

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2008

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 and PORS Class II plan members are required to contribute 6.50% of their annual covered salary. The County is required to contribute an actuarially determined rate. The current rates for the SCRS and PORS Class II are 9.24% and 10.65% of annual covered payroll, respectively. In addition to the preceding rates, participating employers contribute .15% and .20% of covered payroll to a group life insurance benefit for their SCRS and PORS participants, respectively.

Additionally, participating employers contribute .20% of covered payroll to provide an accidental death benefit for their PORS participants. The contribution requirements of plan members and the County are established under Title 9 of the South Carolina Code of Laws. The County's contributions to SCRS and the PORS (average membership of 585) are summarized as follows:

| Year Ended<br>June 30, | Employer     |                                  |            |                                  |
|------------------------|--------------|----------------------------------|------------|----------------------------------|
|                        | SCRS         | Percent of<br>Covered<br>Payroll | PORS       | Percent of<br>Covered<br>Payroll |
| 2008                   | \$ 1,255,362 | 9.39%                            | \$ 567,900 | 11.05%                           |
| 2007                   | 1,110,709    | 8.20%                            | 532,614    | 10.70%                           |
| 2006                   | 1,009,682    | 7.70%                            | 501,056    | 10.70%                           |

| Year Ended<br>June 30, | Employee   |                                  |            |                                  |
|------------------------|------------|----------------------------------|------------|----------------------------------|
|                        | SCRS       | Percent of<br>Covered<br>Payroll | PORS       | Percent of<br>Covered<br>Payroll |
| 2008                   | \$ 868,832 | 6.50%                            | \$ 344,986 | 6.50%                            |
| 2007                   | 858,655    | 6.50%                            | 323,552    | 6.50%                            |
| 2006                   | 815,017    | 6.25%                            | 302,519    | 6.50%                            |

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

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2008

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 individual insurance coverage on the same terms as active employees until age 65. The total cost of any dependent coverage is charged to the retiree. Benefits provided include health and dental insurance coverage.

As of year end, there were 27 employees retired and under the age of 65 that were receiving insurance benefits. For the year ended June 30, 2008, the County incurred net expenditures for the plan of approximately \$122,059 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 has entered into various constructions commitments. Such contracts include contracts for construction of wastewater treatments facilities and fire stations. Several of these contracts were in progress but not completed as of June 30, 2008. The total contractual commitments outstanding as of June 30, 2008, aggregated approximately \$1,576,327. The County has sufficient funds available to cover these commitments.

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

The Economic Development Alliance of Pickens County, Inc. was determined to be a component unit and was included as a special revenue fund of the County for the first time this year. As a result, a prior period adjustment was made to record the beginning fund balance for the Alliance special revenue fund.

NOTE 14 - SUBSEQUENT EVENT

On October 8, 2008, the County issued \$1,800,000 of general obligation bonds to finance the construction of a new fire station in the Springs Fire District.

**REQUIRED SUPPLEMENTARY INFORMATION**

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PICKENS COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2008

|                            | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------|--------------------|-------------------|-------------------|---|
| <b>Revenues</b>            |                    |                   |                   |   |
| Taxes                      | \$ 22,205,272      | \$ 22,205,272     | \$ 22,926,550     | \$ 721,278  |
| Fees, licenses and permits | 549,300            | 549,300           | 804,627           | 255,327   |
| Intergovernmental          | 6,723,540          | 6,788,540         | 6,883,692         | 95,152  |
| Charges for services       | 5,614,887          | 5,614,887         | 6,093,303         | 478,416   |
| Fines and forfeitures      | 630,000            | 630,000           | 745,231           | 115,231   |
| Investment income          | 601,461            | 601,461           | 683,278           | 81,817  |
| Rental income              | 19,200             | 19,200            | 22,103            | 2,903   |
| Contributions              | 11,300             | 11,657            | 1,285             | (10,372)  |
| Miscellaneous              | 81,000             | 81,000            | 138,780           | 57,780  |
|                            | <u>36,435,960</u>  | <u>36,501,317</u> | <u>38,298,849</u> | <u>1,797,532</u>  |
| <b>Expenditures</b>        |                    |                   |                   |   |
| <b>Current</b>             |                    |                   |                   |   |
| <b>General government</b>  |                    |                   |                   |   |
| County council             | 201,533            | 211,672           | 196,633           | 15,039  |
| County attorney            | 93,000             | 94,249            | 93,813            | 436   |
| State solicitor            | 734,156            | 734,156           | 717,614           | 16,542  |
| Public defender            | 42,167             | 42,167            | 39,341            | 2,826   |
| Probate judge              | 261,091            | 268,901           | 271,066           | (2,165)   |
| Register of deeds          | 456,065            | 458,116           | 357,906           | 100,210   |
| Clerk of court             | 628,272            | 631,851           | 610,838           | 21,013  |
| Administrator              | 587,565            | 485,331           | 426,612           | 58,719  |
| Purchasing                 | 207,597            | 207,597           | 204,105           | 3,492   |
| Finance                    | 423,002            | 433,889           | 418,543           | 15,346  |
| Building maintenance       | 1,361,133          | 1,361,518         | 1,307,346         | 54,172  |
| Human resources            | 264,284            | 265,259           | 220,268           | 44,991  |
| Delinquent tax             | 265,548            | 265,748           | 244,553           | 21,195  |
| Circuit judge              | 5,225              | 5,225             | 4,999             | 226   |
| Treasurer                  | 421,107            | 422,280           | 422,023           | 257   |
| Auditor                    | 358,404            | 361,865           | 352,900           | 8,965   |
| Tax assessor               | 894,539            | 902,854           | 834,407           | 68,447  |
| Board of appeals           | 2,000              | 2,000             | 700               | 1,300   |
| GIS mapping                | 300,384            | 304,274           | 294,295           | 9,979   |
| Registration and elections | 215,320            | 269,623           | 316,663           | (47,040)  |
| Planning commission        | 203,066            | 204,259           | 160,048           | 44,211  |
| Information services       | 1,110,134          | 1,166,601         | 1,033,116         | 133,485   |
| County magistrates         | 668,035            | 671,726           | 675,724           | (3,998)   |
| Vehicle maintenance        | 508,155            | 508,241           | 508,270           | (29)  |
|                            | <u>10,211,782</u>  | <u>10,279,402</u> | <u>9,711,783</u>  | <u>567,619</u>  |
| <b>Public safety</b>       |                    |                   |                   |   |
| Sheriff's department       | 7,728,922          | 7,770,322         | 7,784,259         | (13,937)  |
| Emergency management       | 233,797            | 237,044           | 231,173           | 5,871   |
| County coroner             | 162,105            | 162,691           | 143,577           | 19,114  |
| Prison camp                | 1,123,595          | 1,124,698         | 1,159,906         | (35,208)  |
| Emergency medical services | 4,525,699          | 4,505,439         | 4,274,181         | 231,258   |
| Building codes             | 471,371            | 474,589           | 454,239           | 20,350  |
| County radio system        | 23,000             | 23,000            | 25,707            | (2,707)   |
| E-911                      | 118,113            | 118,113           | 117,236           | 877   |
|                            | <u>14,386,602</u>  | <u>14,415,896</u> | <u>14,190,278</u> | <u>225,618</u>  |

PICKENS COUNTY, SOUTH CAROLINA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2008

|                                       | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|--------------------|-------------------|-------------------|---|
| Public works                          |                    |                   |                   |   |
| Roads and bridges                     | 2,104,564          | 2,294,867         | 1,982,607         | 312,260   |
| Solid waste department                | 3,936,138          | 3,929,862         | 3,646,650         | 283,212   |
| Engineering                           | 153,369            | 154,919           | 153,446           | 1,473   |
| Environmental services                | 148,159            | 153,871           | 137,862           | 16,009  |
|                                       | <u>6,342,230</u>   | <u>6,533,519</u>  | <u>5,920,565</u>  | <u>612,954</u>  |
| Health and welfare                    |                    |                   |                   |   |
| Health department                     | 52,281             | 52,281            | 51,495            | 786   |
| Animal control                        | 367,171            | 382,809           | 375,015           | 7,794   |
| Humane society                        | 75,000             | 70,000            | 70,000            | -   |
| Veterans affairs                      | 123,040            | 127,881           | 128,378           | (497)   |
| Storm water management                | 129,514            | 140,319           | 129,052           | 11,267  |
| Pickens County health partners        | 25,000             | 25,000            | 25,000            | -   |
|                                       | <u>772,006</u>     | <u>798,290</u>    | <u>778,940</u>    | <u>19,350</u>   |
| Culture and recreation                |                    |                   |                   |   |
| Cultural commission                   | 300,031            | 300,031           | 286,397           | 13,634  |
| Parks department                      | 186,642            | 186,642           | 198,828           | (12,186)  |
|                                       | <u>486,673</u>     | <u>486,673</u>    | <u>485,225</u>    | <u>1,448</u>  |
| Economic development and assistance   |                    |                   |                   |   |
| Economic development                  | 375,000            | 475,000           | 100,000           | 375,000   |
| Intergovernmental                     |                    |                   |                   |   |
| Legislative delegation                | 29,617             | 29,617            | 27,976            | 1,641   |
| Seniors unlimited                     | 20,000             | 20,000            | 20,000            | -   |
| Department of social services         | 45,680             | 45,680            | 41,818            | 3,862   |
| Mental health center                  | 20,000             | 20,000            | 20,000            | -   |
| Medically indigent fund               | 228,716            | 228,716           | 219,252           | 9,464   |
| SC Appalachian Council of Governments | 45,593             | 45,593            | 45,593            | -   |
| Clemson extension                     | 33,200             | 33,200            | 33,933            | (733)   |
| Soil and water conservation           | 67,520             | 67,520            | 59,935            | 7,585   |
|                                       | <u>490,326</u>     | <u>490,326</u>    | <u>468,507</u>    | <u>21,819</u>   |
| Other                                 |                    |                   |                   |   |
| Fringe benefits                       | 15,000             | 15,000            | -                 | 15,000  |
| Reclassifications                     | 25,000             | 25,000            | -                 | 25,000  |
| Contingency                           | 297,050            | 247,166           | 54,042            | 193,124   |
| Non-departmental                      | 19,025             | 19,025            | 19,025            | -   |
|                                       | <u>356,075</u>     | <u>306,191</u>    | <u>73,067</u>     | <u>233,124</u>  |
| Capital outlay                        | 2,001,496          | 2,048,725         | 1,003,471         | 1,045,254   |
| Total Expenditures                    | <u>35,422,190</u>  | <u>35,834,022</u> | <u>32,731,836</u> | <u>3,102,186</u>  |



PICKENS COUNTY, SOUTH CAROLINA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget  | Final<br>Budget       | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|---------------------|-----------------------|----------------------|---|
| Revenues Over (Under) Expenditures | 1,013,770           | 667,295               | 5,567,013            | 4,899,718   |
| Other Financing Sources (Uses)     |                     |                       |                      |   |
| Proceeds from bond issuance        | -                   | -                     | 3,874,344            | 3,874,344   |
| Transfers in (out)                 | (1,693,205)         | (2,469,205)           | (6,228,175)          | (3,758,970)   |
|                                    | <u>(1,693,205)</u>  | <u>(2,469,205)</u>    | <u>(2,353,831)</u>   | <u>115,374</u>  |
| Net change in fund balances        | <u>\$ (679,435)</u> | <u>\$ (1,801,910)</u> | 3,213,182            | <u>\$ 5,015,092</u>                                     |
| Fund Balances, Beginning of Year   |                     |                       | <u>23,124,813</u>    |   |
| Fund Balances, End of Year         |                     |                       | <u>\$ 26,337,995</u> |   |

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

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**COMBINING FINANCIAL STATEMENTS  
AND  
SCHEDULES**

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PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2008

|                                      | Special<br>Revenue<br>Funds | Debt<br>Service<br>Fund | Capital<br>Project Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|--------------------------------------|-----------------------------|-------------------------|-------------------------|--|
| <b>Assets</b>                        |                             |                         |                         |  |
| Cash and investments                 | \$ 8,994,329                | \$ 522,853              | \$ 944,012              | \$ 10,461,194                              |
| Property taxes receivable            | 640,747                     | 103,079                 | -                       | 743,826                                    |
| Accounts receivable - other          | 61,388                      | 17                      | 129                     | 61,534                                     |
| Due from other governments           | 205,686                     | 6,876                   | -                       | 212,562                                    |
| Prepaid expenses                     | 17,735                      | -                       | -                       | 17,735                                     |
|                                      | <u>\$ 9,919,885</u>         | <u>\$ 632,825</u>       | <u>\$ 944,141</u>       | <u>\$ 11,496,851</u>                       |
| <b>Liabilities and Fund Balances</b> |                             |                         |                         |  |
| <b>Liabilities</b>                   |                             |                         |                         |  |
| Bank overdraft                       | \$ 201,965                  | \$ -                    | \$ -                    | \$ 201,965                                 |
| Accounts payable                     | 837,861                     | 250                     | 19,800                  | 857,911                                    |
| Accrued payroll                      | 109,118                     | -                       | -                       | 109,118                                    |
| Advances from general fund           | 25,069                      | -                       | -                       | 25,069                                     |
| Unearned revenue                     | 956,319                     | 90,942                  | -                       | 1,047,261                                  |
|                                      | <u>2,130,332</u>            | <u>91,192</u>           | <u>19,800</u>           | <u>2,241,324</u>                           |
| <b>Fund balances</b>                 |                             |                         |                         |  |
| <b>Reserved for:</b>                 |                             |                         |                         |  |
| Encumbrances                         | 1,929,477                   | -                       | 36,879                  | 1,966,356                                  |
| Prepaid items                        | 17,735                      | -                       | -                       | 17,735                                     |
| Debt service                         | -                           | 541,633                 | -                       | 541,633                                    |
| <b>Unreserved:</b>                   |                             |                         |                         |  |
| Designated for future expenditures   | 473,582                     | -                       | -                       | 473,582                                    |
| Undesignated                         | 5,368,759                   | -                       | 887,462                 | 6,256,221                                  |
|                                      | <u>7,789,553</u>            | <u>541,633</u>          | <u>924,341</u>          | <u>9,255,527</u>                           |
|                                      | <u>\$ 9,919,885</u>         | <u>\$ 632,825</u>       | <u>\$ 944,141</u>       | <u>\$ 11,496,851</u>                       |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2008

|                                     | Special<br>Revenue<br>Funds | Debt<br>Service<br>Fund | Capital<br>Project<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------------------|-----------------------------|-------------------------|----------------------------|--|
| Revenues                            |                             |                         |                            |  |
| Taxes                               | \$ 4,491,978                | \$ 2,175,145            | \$ -                       | \$ 6,667,123                               |
| Fees, licenses and permits          | 4,657,372                   | -                       | -                          | 4,657,372                                  |
| Intergovernmental                   | 2,152,040                   | 95,168                  | 200,000                    | 2,447,208                                  |
| Charges for services                | 158,502                     | -                       | -                          | 158,502                                    |
| Fines and forfeitures               | 230,057                     | -                       | -                          | 230,057                                    |
| Investment income                   | 239,610                     | 1,242                   | 23,188                     | 264,040                                    |
| Contributions                       | 147,357                     | -                       | -                          | 147,357                                    |
| Miscellaneous                       | 29,179                      | -                       | -                          | 29,179                                     |
|                                     | <u>12,106,095</u>           | <u>2,271,555</u>        | <u>223,188</u>             | <u>14,600,838</u>                          |
| Expenditures                        |                             |                         |                            |  |
| General government                  | 149,845                     | -                       | -                          | 149,845                                    |
| Public safety                       | 3,262,977                   | -                       | -                          | 3,262,977                                  |
| Public works                        | 3,263,871                   | -                       | -                          | 3,263,871                                  |
| Culture and recreation              | 3,407,367                   | -                       | -                          | 3,407,367                                  |
| Economic development and assistance | 460,746                     | -                       | 9,785                      | 470,531                                    |
| Intergovernmental                   | 1,204,885                   | -                       | -                          | 1,204,885                                  |
| Capital outlay                      | 2,641,258                   | -                       | 18,771                     | 2,660,029                                  |
| Debt service                        |                             |                         |                            |  |
| Principal retirement                | 233,290                     | 1,533,716               | -                          | 1,767,006                                  |
| Interest and fiscal charges         | 59,281                      | 731,348                 | -                          | 790,629                                    |
|                                     | <u>14,683,520</u>           | <u>2,265,064</u>        | <u>28,556</u>              | <u>16,977,140</u>                          |
| Revenues Over (Under) Expenditures  | <u>(2,577,425)</u>          | <u>6,491</u>            | <u>194,632</u>             | <u>(2,376,302)</u>                         |
| Other Financing Sources (Uses)      |                             |                         |                            |  |
| Proceeds from capital lease         | 360,000                     | -                       | -                          | 360,000                                    |
| Transfers in (out)                  | 1,371,129                   | -                       | 58,625                     | 1,429,754                                  |
|                                     | <u>1,731,129</u>            | <u>-</u>                | <u>58,625</u>              | <u>1,789,754</u>                           |
| Net change in fund balances         | (846,296)                   | 6,491                   | 253,257                    | (586,548)                                  |
| Fund Balances, Beginning of Year    | 8,347,704                   | 535,142                 | 671,084                    | 9,553,930                                  |
| Prior Period Adjustment             | 288,145                     | -                       | -                          | 288,145                                    |
| Fund Balances, End of Year          | <u>\$ 7,789,553</u>         | <u>\$ 541,633</u>       | <u>\$ 924,341</u>          | <u>\$ 9,255,527</u>                        |

**PICKENS COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULES  
NONMAJOR GOVERNMENTAL FUNDS**

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**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 thirteen 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.

**Economic Development Alliance of Pickens County, Inc.** – This fund is used to account for the County’s non-profit blended component unit. This entity was established to promote economic development in Pickens County.

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PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2008

|                             | Tri-County<br>Tech | Fixed<br>Nuclear<br>Fund | Sheriff<br>Special<br>Fund | Library<br>Fund | Victim<br>Rights | Grants<br>Fund | Emergency<br>Phone<br>System | Fire<br>Districts |
|-----------------------------|--------------------|--------------------------|----------------------------|-----------------|------------------|----------------|------------------------------|-------------------|
| <b>Assets</b>               |                    |                          |                            |                 |                  |                |                              |                   |
| Cash and investments        | \$ 43,025          | \$ 40,857                | \$ 513,996                 | \$ 1,259,127    | \$ 92,583        | \$ 167,658     | \$ 461,107                   | \$ 2,701,635      |
| Property taxes receivable   | 55,335             | -                        | -                          | 118,898         | -                | -              | -                            | 466,514           |
| Accounts receivable - other | -                  | -                        | 849                        | -               | -                | -              | 24,663                       | 2,828             |
| Due from other governments  | 1,441              | -                        | -                          | -               | -                | 143,997        | -                            | -                 |
| Prepaid expenses            | -                  | -                        | -                          | -               | -                | -              | -                            | 354               |
|                             | \$ 99,801          | \$ 40,857                | \$ 514,845                 | \$ 1,378,025    | \$ 92,583        | \$ 311,655     | \$ 485,770                   | \$ 3,171,331      |

|                                      |           |           |            |              |           |            |            |              |
|--------------------------------------|-----------|-----------|------------|--------------|-----------|------------|------------|--------------|
| <b>Liabilities and Fund Balances</b> |           |           |            |              |           |            |            |              |
| <b>Liabilities</b>                   |           |           |            |              |           |            |            |              |
| Bank overdraft                       | \$ -      | \$ -      | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ 201,965   |
| Accounts payable                     | -         | 205       | 49         | 51,112       | 3,042     | 7,817      | 22,621     | 98,466       |
| Accrued payroll                      | -         | 1,043     | -          | 65,312       | 6,296     | 5,658      | 1,722      | 17,840       |
| Advances from general fund           | -         | -         | -          | -            | -         | -          | -          | 25,069       |
| Unearned revenue                     | 48,833    | -         | -          | 103,551      | 1,893     | 298,180    | -          | 438,862      |
|                                      | 48,833    | 1,248     | 49         | 219,975      | 11,231    | 311,655    | 24,343     | 782,202      |
| <b>Fund Balances</b>                 |           |           |            |              |           |            |            |              |
| Reserved for:                        |           |           |            |              |           |            |            |              |
| Encumbrances                         | -         | -         | -          | -            | -         | 34,842     | 41,261     | 1,851,501    |
| Prepaid items                        | -         | -         | -          | -            | -         | -          | -          | 354          |
| Unreserved:                          |           |           |            |              |           |            |            |              |
| Designated for future expenditures   | 103,202   | -         | -          | 72,739       | 39,581    | -          | -          | 233,060      |
| Undesignated                         | (52,234)  | 39,609    | 514,796    | 1,085,311    | 41,771    | (34,842)   | 420,166    | 304,214      |
|                                      | 50,968    | 39,609    | 514,796    | 1,158,050    | 81,352    | -          | 461,427    | 2,389,129    |
|                                      | \$ 99,801 | \$ 40,857 | \$ 514,845 | \$ 1,378,025 | \$ 92,583 | \$ 311,655 | \$ 485,770 | \$ 3,171,331 |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2008

|                             | Law Enforcement Block Grants | Accommodations Tax Fund | Museum Restricted Resources | Road Fee   | Tourism Development Fee | Recreation Capital | Public Safety Capital Replacement | Alliance Pickens | Totals       |
|-----------------------------|------------------------------|-------------------------|-----------------------------|------------|-------------------------|--------------------|-----------------------------------|------------------|--------------|
|                             |                              |                         |                             |            |                         |                    |                                   |                  |              |
| Cash and investments        | \$ -                         | \$ 15,162               | \$ 342,169                  | \$ 813,960 | \$ 269,762              | \$ 285,571         | \$ 1,586,708                      | \$ 401,009       | \$ 8,994,329 |
| Property taxes receivable   | -                            | -                       | -                           | -          | -                       | -                  | -                                 | -                | 640,747      |
| Accounts receivable - other | -                            | -                       | -                           | -          | 22,388                  | -                  | -                                 | 10,660           | 61,388       |
| Due from other governments  | -                            | 60,248                  | -                           | -          | -                       | -                  | -                                 | -                | 205,686      |
| Prepaid expenses            | -                            | -                       | -                           | -          | -                       | -                  | -                                 | 17,381           | 17,735       |
|                             | \$ -                         | \$ 75,410               | \$ 342,169                  | \$ 813,960 | \$ 292,150              | \$ 285,571         | \$ 1,586,708                      | \$ 429,050       | \$ 9,919,885 |

Liabilities and Fund Balances

|                            |      |      |      |         |       |      |      |        |            |
|----------------------------|------|------|------|---------|-------|------|------|--------|------------|
| Bank overdraft             | \$ - | \$ - | \$ - | \$ -    | \$ -  | \$ - | \$ - | \$ -   | \$ 201,965 |
| Accounts payable           | -    | -    | 870  | 645,808 | -     | 860  | 170  | 6,841  | 837,861    |
| Accrued payroll            | -    | -    | -    | 1,457   | 1,250 | -    | -    | 8,540  | 109,118    |
| Advances from general fund | -    | -    | -    | -       | -     | -    | -    | -      | 25,069     |
| Unearned revenue           | -    | -    | -    | -       | -     | -    | -    | 65,000 | 956,319    |
|                            | -    | -    | 870  | 647,265 | 1,250 | 860  | 170  | 80,381 | 2,130,332  |

Fund Balances

|                                    |      |           |            |            |            |            |              |            |              |
|------------------------------------|------|-----------|------------|------------|------------|------------|--------------|------------|--------------|
| Reserved for:                      |      |           |            |            |            |            |              |            |              |
| Encumbrances                       | -    | -         | -          | 1,873      | -          | -          | -            | -          | 1,929,477    |
| Prepaid items                      | -    | -         | -          | -          | -          | -          | -            | 17,381     | 17,735       |
| Unreserved:                        |      |           |            |            |            |            |              |            |              |
| Designated for future expenditures | -    | -         | -          | -          | 25,000     | -          | -            | -          | 473,582      |
| Undesignated                       | -    | 75,410    | 341,299    | 164,822    | 265,900    | 284,711    | 1,586,538    | 331,288    | 5,368,759    |
|                                    | -    | 75,410    | 341,299    | 166,695    | 290,900    | 284,711    | 1,586,538    | 348,669    | 7,789,553    |
|                                    | \$ - | \$ 75,410 | \$ 342,169 | \$ 813,960 | \$ 292,150 | \$ 285,571 | \$ 1,586,708 | \$ 429,050 | \$ 9,919,885 |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2008

|   | Tri-County<br>Tech | Fixed<br>Nuclear<br>Fund | Sheriff<br>Special<br>Fund | Library<br>Fund     | Victim<br>Rights | Grants<br>Fund   | Emergency<br>Phone<br>System | Fire<br>Districts   |
|---|--------------------|--------------------------|----------------------------|---------------------|------------------|------------------|------------------------------|---------------------|
| <b>Revenues</b>                           |                    |                          |                            |                     |                  |                  |                              |                     |
| Taxes                                     | \$ 1,114,810       | -                        | \$ -                       | \$ 2,621,939        | \$ -             | \$ -             | \$ -                         | \$ 755,229          |
| Intergovernmental                         | -                  | 42,725                   | -                          | 270,942             | -                | 961,694          | 613,023                      | 27,624              |
| Fees, licenses and permits                | -                  | -                        | -                          | -                   | -                | -                | 378,494                      | 2,068,506           |
| Charges for services                      | -                  | -                        | -                          | 92,898              | -                | -                | -                            | -                   |
| Fines and forfeitures                     | -                  | -                        | 67,579                     | -                   | 162,478          | -                | -                            | -                   |
| Investment income                         | -                  | -                        | 5,034                      | 39,330              | -                | -                | 26,718                       | 56,197              |
| Contributions                             | -                  | -                        | 13,648                     | 9,762               | -                | -                | -                            | -                   |
| Miscellaneous                             | -                  | -                        | -                          | 2,052               | -                | -                | -                            | 14,675              |
|   | <u>1,114,810</u>   | <u>42,725</u>            | <u>86,261</u>              | <u>3,036,923</u>    | <u>162,478</u>   | <u>961,694</u>   | <u>1,018,235</u>             | <u>2,922,231</u>    |
| <b>Expenditures</b>                       |                    |                          |                            |                     |                  |                  |                              |                     |
| General government                        | -                  | -                        | -                          | -                   | -                | 149,845          | -                            | -                   |
| Public safety                             | -                  | 41,121                   | 76,651                     | -                   | 206,921          | 133,664          | 322,204                      | 2,461,690           |
| Public works                              | -                  | -                        | -                          | -                   | -                | 258,447          | -                            | -                   |
| Culture and recreation                    | -                  | -                        | -                          | 2,844,832           | -                | -                | -                            | -                   |
| Economic Development                      | -                  | -                        | -                          | -                   | -                | -                | -                            | -                   |
| Intergovernmental                         | 1,204,885          | -                        | -                          | -                   | -                | -                | -                            | -                   |
| Capital outlay                            | -                  | -                        | -                          | 5,924               | -                | 609,727          | 527,933                      | 842,835             |
| Debt service                              | -                  | -                        | -                          | -                   | -                | -                | -                            | -                   |
| Principal retirement                      | -                  | -                        | -                          | -                   | -                | -                | 67,284                       | 86,010              |
| Interest and fiscal charges               | -                  | -                        | -                          | -                   | -                | -                | 11,083                       | 28,194              |
|   | <u>1,204,885</u>   | <u>41,121</u>            | <u>76,651</u>              | <u>2,850,756</u>    | <u>206,921</u>   | <u>1,151,683</u> | <u>928,504</u>               | <u>3,418,729</u>    |
|   | <u>(90,075)</u>    | <u>1,604</u>             | <u>9,610</u>               | <u>186,167</u>      | <u>(44,443)</u>  | <u>(189,989)</u> | <u>89,731</u>                | <u>(496,498)</u>    |
| <b>Revenues Over (Under) Expenditures</b> |                    |                          |                            |                     |                  |                  |                              |                     |
| Other Financing Sources (Uses)            | -                  | -                        | -                          | -                   | -                | -                | -                            | 360,000             |
| Proceeds from capital lease               | -                  | 4,462                    | -                          | -                   | -                | 189,989          | -                            | -                   |
| Transfers in (out)                        | -                  | 4,462                    | -                          | -                   | -                | 189,989          | -                            | 360,000             |
|   | <u>(90,075)</u>    | <u>6,066</u>             | <u>9,610</u>               | <u>186,167</u>      | <u>(44,443)</u>  | <u>-</u>         | <u>89,731</u>                | <u>(136,498)</u>    |
| <b>Net change in fund balances</b>        |                    |                          |                            |                     |                  |                  |                              |                     |
| Fund Balances, Beginning of Year          | 141,043            | 33,543                   | 505,186                    | 971,883             | 125,795          | -                | 371,696                      | 2,525,627           |
| Prior Period Adjustment                   | -                  | -                        | -                          | -                   | -                | -                | -                            | -                   |
| <b>Fund Balances, End of Year</b>         | <u>\$ 50,968</u>   | <u>\$ 39,609</u>         | <u>\$ 514,796</u>          | <u>\$ 1,158,050</u> | <u>\$ 81,352</u> | <u>\$ -</u>      | <u>\$ 461,427</u>            | <u>\$ 2,389,129</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2008

|   | Law Enforcement Block Grants | Accommodations Tax Fund | Museum Restricted Resources | Road Fee         | Tourism Development Fee | Recreation Capital | Public Safety Capital Replacement | Alliance Pickens | Totals            |
|---|------------------------------|-------------------------|-----------------------------|------------------|-------------------------|--------------------|-----------------------------------|------------------|-------------------|
| <b>Revenues</b>                           |                              |                         |                             |                  |                         |                    |                                   |                  |                   |
| Taxes                                     | \$ -                         | \$ -                    | \$ -                        | \$ -             | \$ -                    | \$ -               | \$ -                              | \$ -             | \$ 4,491,978      |
| Intergovernmental                         | 19,961                       | 149,136                 | 16,935                      | -                | 50,000                  | -                  | -                                 | -                | 2,152,040         |
| Fees, licenses and permits                | -                            | -                       | -                           | 1,975,866        | 234,506                 | -                  | -                                 | -                | 4,657,372         |
| Charges for services                      | -                            | -                       | 65,604                      | -                | -                       | -                  | -                                 | -                | 158,502           |
| Fines and forfeitures                     | -                            | -                       | -                           | -                | -                       | -                  | -                                 | -                | 230,057           |
| Investment income                         | 765                          | 1,767                   | 4,154                       | 79,555           | 13,519                  | -                  | -                                 | 12,571           | 239,610           |
| Contributions                             | -                            | -                       | 2,700                       | -                | -                       | -                  | -                                 | 121,247          | 147,357           |
| Miscellaneous                             | -                            | -                       | -                           | -                | -                       | -                  | -                                 | 12,452           | 29,179            |
|   | <u>20,726</u>                | <u>150,903</u>          | <u>89,393</u>               | <u>2,055,421</u> | <u>298,025</u>          | <u>-</u>           | <u>-</u>                          | <u>146,270</u>   | <u>12,106,099</u> |
| <b>Expenditures</b>                       |                              |                         |                             |                  |                         |                    |                                   |                  |                   |
| General government                        | -                            | -                       | -                           | -                | -                       | -                  | -                                 | -                | 149,845           |
| Public safety                             | 20,726                       | -                       | -                           | -                | -                       | -                  | -                                 | -                | 3,262,977         |
| Public works                              | -                            | -                       | -                           | 3,005,424        | -                       | -                  | -                                 | -                | 3,263,871         |
| Culture and recreation                    | -                            | 49,999                  | 60,709                      | -                | 80,239                  | 371,588            | -                                 | -                | 3,407,367         |
| Economic Development                      | -                            | -                       | -                           | -                | -                       | -                  | -                                 | 460,746          | 460,746           |
| Intergovernmental                         | -                            | -                       | -                           | -                | -                       | -                  | -                                 | -                | 1,204,885         |
| Capital outlay                            | -                            | -                       | -                           | 269,955          | -                       | -                  | 317,016                           | -                | 2,641,258         |
| Debt service                              | -                            | -                       | -                           | -                | -                       | -                  | -                                 | -                | 233,290           |
| Principal retirement                      | -                            | -                       | -                           | -                | 79,996                  | -                  | -                                 | -                | 59,281            |
| Interest and fiscal charges               | -                            | -                       | -                           | -                | 20,004                  | -                  | -                                 | -                | -                 |
|   | <u>20,726</u>                | <u>49,999</u>           | <u>60,709</u>               | <u>3,275,379</u> | <u>248,107</u>          | <u>371,588</u>     | <u>317,016</u>                    | <u>460,746</u>   | <u>14,683,520</u> |
| <b>Revenues Over (Under) Expenditures</b> | -                            | 100,904                 | 28,684                      | (1,219,958)      | 49,918                  | (371,588)          | (317,016)                         | (314,476)        | (2,577,425)       |
| <b>Other Financing Sources (Uses)</b>     |                              |                         |                             |                  |                         |                    |                                   |                  |                   |
| Proceeds from capital lease               | -                            | (31,207)                | -                           | -                | -                       | 377,680            | 455,205                           | 375,000          | 360,000           |
| Transfers in (out)                        | -                            | (31,207)                | -                           | -                | -                       | 377,680            | 455,205                           | 375,000          | 1,371,129         |
|   | -                            | -                       | -                           | -                | -                       | -                  | -                                 | -                | 1,731,129         |
| <b>Net change in fund balances</b>        | -                            | 69,697                  | 28,684                      | (1,219,958)      | 49,918                  | 6,092              | 138,189                           | 60,524           | (846,296)         |
| <b>Fund Balances, Beginning of Year</b>   | -                            | 5,713                   | 312,615                     | 1,386,653        | 240,982                 | 278,619            | 1,448,349                         | -                | 8,347,704         |
| <b>Prior Period Adjustment</b>            | -                            | -                       | -                           | -                | -                       | -                  | -                                 | 288,145          | 288,145           |
| <b>Fund Balances, End of Year</b>         | \$ -                         | \$ 75,410               | \$ 341,299                  | \$ 166,695       | \$ 290,900              | \$ 284,711         | \$ 1,586,538                      | \$ 348,669       | \$ 7,789,553      |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TRI-COUNTY TECH FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original and<br>Final<br>Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|---------------------------------|------------------|---|
| Revenues                           |                                 |                  |   |
| Taxes                              | \$ 1,105,566                    | \$ 1,114,810     | \$ 9,244  |
|                                    | <u>1,105,566</u>                | <u>1,114,810</u> | <u>9,244</u>  |
| Expenditures                       |                                 |                  |   |
| Current                            |                                 |                  |   |
| Intergovernmental                  | 1,204,885                       | 1,204,885        | -   |
|                                    | <u>1,204,885</u>                | <u>1,204,885</u> | <u>-</u>  |
| Revenues Over (Under) Expenditures | <u>\$ (99,319)</u>              | (90,075)         | <u>\$ 9,244</u>   |
| Fund Balances, Beginning of Year   |                                 | <u>141,043</u>   |   |
| Fund Balances, End of Year         |                                 | <u>\$ 50,968</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 LIBRARY FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget    | Operations          | State Aid      | Totals              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|--------------------|---------------------|----------------|---------------------|---|
| <b>Revenues</b>                    |                    |                    |                     |                |                     |   |
| Taxes                              | \$ 2,577,430       | \$ 2,577,430       | \$ 2,621,939        | \$ -           | \$ 2,621,939        | \$ 44,509   |
| Intergovernmental                  | 225,000            | 249,203            | 21,739              | 249,203        | 270,942             | 21,739  |
| Charges for services               | 80,000             | 80,000             | 92,898              | -              | 92,898              | 12,898  |
| Investment income                  | -                  | -                  | 39,330              | -              | 39,330              | 39,330  |
| Donations                          | 2,000              | 9,758              | 9,762               | -              | 9,762               | 4   |
| Miscellaneous                      | -                  | -                  | 2,052               | -              | 2,052               | 2,052   |
|                                    | <u>2,884,430</u>   | <u>2,916,391</u>   | <u>2,787,720</u>    | <u>249,203</u> | <u>3,036,923</u>    | <u>120,532</u>  |
| <b>Expenditures</b>                |                    |                    |                     |                |                     |   |
| <b>Current</b>                     |                    |                    |                     |                |                     |   |
| Personnel services                 | 2,047,793          | 2,034,142          | 1,941,536           | -              | 1,941,536           | 92,606  |
| Library collections                | 394,000            | 413,461            | 155,271             | 249,203        | 404,474             | 8,987   |
| Supplies                           | 49,500             | 53,300             | 53,080              | -              | 53,080              | 220   |
| Contractual services               | 82,329             | 121,829            | 116,609             | -              | 116,609             | 5,220   |
| Utilities                          | 151,950            | 155,850            | 141,649             | -              | 141,649             | 14,201  |
| Repairs and maintenance            | 32,900             | 41,151             | 38,270              | -              | 38,270              | 2,881   |
| Fuel and oil                       | 1,400              | 1,900              | 1,601               | -              | 1,601               | 299   |
| Furniture, machinery and equipment | 60,835             | 53,011             | 49,664              | -              | 49,664              | 3,347   |
| Insurance, bonds and licenses      | 42,023             | 42,023             | 40,281              | -              | 40,281              | 1,742   |
| Rent                               | 42,350             | 49,250             | 49,142              | -              | 49,142              | 108   |
| Other                              | 11,850             | 11,850             | 8,526               | -              | 8,526               | 3,324   |
| Capital outlay                     | -                  | 5,924              | 5,924               | -              | 5,924               | -   |
|                                    | <u>2,916,930</u>   | <u>2,983,691</u>   | <u>2,601,553</u>    | <u>249,203</u> | <u>2,850,756</u>    | <u>132,935</u>  |
| Revenues Over (Under) Expenditures | <u>\$ (32,500)</u> | <u>\$ (67,300)</u> | 186,167             | -              | 186,167             | <u>\$ 253,467</u>                                       |
| Fund Balances, Beginning of Year   |                    |                    | 971,883             | -              | 971,883             |   |
| Fund Balances, End of Year         |                    |                    | <u>\$ 1,158,050</u> | <u>\$ -</u>    | <u>\$ 1,158,050</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 VICTIM RIGHTS FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget    | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|--------------------|------------------|---|
| Revenues                           |                    |                    |                  |   |
| Fines and forfeitures              | \$ 188,000         | \$ 188,000         | \$ 162,478       | \$ (25,522)   |
|                                    | <u>188,000</u>     | <u>188,000</u>     | <u>162,478</u>   | <u>(25,522)</u>   |
| Expenditures                       |                    |                    |                  |   |
| Current                            |                    |                    |                  |   |
| Personnel services                 | 183,769            | 183,524            | 185,160          | (1,636)   |
| Supplies                           | 8,800              | 9,437              | 8,460            | 977   |
| Contractual services               | 1,587              | 1,587              | 1,489            | 98  |
| Utilities                          | 2,450              | 2,450              | 2,220            | 230   |
| Repairs and Maintenance            | 400                | 400                | 350              | 50  |
| Fuel and oil                       | 2,400              | 2,400              | 3,533            | (1,133)   |
| Furniture, machinery and equipment | -                  | 2,613              | 2,458            | 155   |
| Insurance, bonds and licenses      | 2,922              | 3,167              | 2,973            | 194   |
| Grant match                        | 24,402             | 24,402             | -                | 24,402  |
| Other                              | -                  | 485                | 278              | 207   |
|                                    | <u>226,730</u>     | <u>230,465</u>     | <u>206,921</u>   | <u>23,544</u>   |
| Revenues Over (Under) Expenditures | <u>\$ (38,730)</u> | <u>\$ (42,465)</u> | (44,443)         | <u>\$ (1,978)</u>                                       |
| Fund Balances, Beginning of Year   |                    |                    | <u>125,795</u>   |   |
| Fund Balances, End of Year         |                    |                    | <u>\$ 81,352</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 EMERGENCY PHONE SYSTEM FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget  | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|------------------|-------------------|---|
| <b>Revenues</b>                    |                    |                  |                   |   |
| Fees, licenses and permits         | \$ 412,696         | \$ 412,696       | \$ 378,494        | \$ (34,202)   |
| Investment income                  | 7,500              | 7,500            | 26,718            | 19,218  |
| Intergovernmental                  | 30,000             | 597,100          | 613,023           | 15,923  |
|                                    | <u>450,196</u>     | <u>1,017,296</u> | <u>1,018,235</u>  | <u>939</u>  |
| <b>Expenditures</b>                |                    |                  |                   |   |
| <b>Current</b>                     |                    |                  |                   |   |
| Personnel services                 | 49,692             | 49,692           | 49,724            | (32)  |
| Supplies                           | 2,500              | 2,500            | 826               | 1,674   |
| Contractual services               | 37,500             | 27,500           | 24,638            | 2,862   |
| Utilities                          | 250,450            | 250,450          | 224,668           | 25,782  |
| Repairs and maintenance            | 1,000              | 1,000            | 52                | 948   |
| Furniture, machinery and equipment | 15,000             | 32,500           | 12,901            | 19,599  |
| Insurance, bonds, licenses         | 938                | 938              | 3,645             | (2,707)   |
| Other                              | 14,750             | 7,250            | 5,750             | 1,500   |
| Capital outlay                     | -                  | 567,100          | 527,933           | 39,167  |
| <b>Debt service</b>                |                    |                  |                   |   |
| Principal retirement               | 67,284             | 67,284           | 67,284            | -   |
| Interest and fiscal charges        | 11,082             | 11,082           | 11,083            | (1)   |
|                                    | <u>450,196</u>     | <u>1,017,296</u> | <u>928,504</u>    | <u>88,792</u>   |
| Revenues Over (Under) Expenditures | <u>\$ -</u>        | <u>\$ -</u>      | 89,731            | <u>\$ 89,731</u>  |
| Fund Balances, Beginning of Year   |                    |                  | <u>371,696</u>    |   |
| Fund Balances, End of Year         |                    |                  | <u>\$ 461,427</u> |   |



PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 FIRE DISTRICTS  
 JUNE 30, 2008

|                                      | Easley            | Liberty           | Pumpkintown       | Crosswell           | Six Mile          | Pickens           | Dacusville        |
|--------------------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| <b>Assets</b>                        |                   |                   |                   |                     |                   |                   |                   |
| Cash                                 | \$ 102,728        | \$ 322,937        | \$ 90,645         | \$ 898,955          | \$ 442,230        | \$ 137,599        | \$ 265,680        |
| Property taxes receivable, net       | 80,670            | 75,356            | 18,244            | 103,486             | 45,180            | 53,401            | 50,928            |
| Accounts receivable, other           | 41                | 167               | 38                | 1,376               | 210               | 700               | 142               |
| Prepaid items                        | -                 | -                 | -                 | -                   | -                 | -                 | -                 |
|                                      | <u>\$ 183,439</u> | <u>\$ 398,460</u> | <u>\$ 108,927</u> | <u>\$ 1,003,817</u> | <u>\$ 487,620</u> | <u>\$ 191,700</u> | <u>\$ 316,750</u> |
| <b>Liabilities and Fund Balances</b> |                   |                   |                   |                     |                   |                   |                   |
| <b>Liabilities</b>                   |                   |                   |                   |                     |                   |                   |                   |
| Bank overdraft                       | \$ -              | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -              |
| Accounts payable                     | 2,986             | 40,653            | 16,855            | 2,260               | -                 | 4,613             | 1,610             |
| Accrued payroll                      | -                 | -                 | -                 | -                   | -                 | -                 | 2,177             |
| Advances from general fund           | -                 | -                 | 25,069            | -                   | -                 | -                 | -                 |
| Unearned revenue                     | 75,709            | 71,771            | 17,600            | 98,078              | 42,695            | 48,718            | 48,353            |
|                                      | <u>78,695</u>     | <u>112,424</u>    | <u>59,524</u>     | <u>100,338</u>      | <u>42,695</u>     | <u>53,331</u>     | <u>52,140</u>     |
| <b>Fund Balances</b>                 |                   |                   |                   |                     |                   |                   |                   |
| Reserved for encumbrances            | -                 | -                 | 197               | 3,000               | 264,004           | -                 | -                 |
| Reserved for prepaid items           | -                 | -                 | -                 | -                   | -                 | -                 | -                 |
| Designated for future expenditures   | -                 | -                 | 772               | -                   | 123,836           | -                 | -                 |
| Unreserved                           | 104,744           | 286,036           | 48,434            | 900,479             | 57,085            | 138,369           | 264,610           |
|                                      | <u>104,744</u>    | <u>286,036</u>    | <u>49,403</u>     | <u>903,479</u>      | <u>444,925</u>    | <u>138,369</u>    | <u>264,610</u>    |
|                                      | <u>\$ 183,439</u> | <u>\$ 398,460</u> | <u>\$ 108,927</u> | <u>\$ 1,003,817</u> | <u>\$ 487,620</u> | <u>\$ 191,700</u> | <u>\$ 316,750</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 FIRE DISTRICTS  
 JUNE 30, 2008

|                                      | Holly Springs    | Central           | Shady Grove       | Rocky Bottom     | Vineyards        | Springs         | Total               |
|--------------------------------------|------------------|-------------------|-------------------|------------------|------------------|-----------------|---------------------|
| <b>Assets</b>                        |                  |                   |                   |                  |                  |                 |                     |
| Cash                                 | \$ 61,527        | \$ 232,157        | \$ 127,442        | \$ 19,735        | \$ -             | \$ -            | \$ 2,701,635        |
| Property taxes receivable, net       | 10,964           | 18,928            | 3,925             | 138              | 5,294            | -               | 466,514             |
| Accounts receivable, other           | 13               | 101               | 40                | -                | -                | -               | 2,828               |
| Prepaid items                        | -                | -                 | -                 | -                | 354              | -               | 354                 |
|                                      | <u>\$ 72,504</u> | <u>\$ 251,186</u> | <u>\$ 131,407</u> | <u>\$ 19,873</u> | <u>\$ 5,648</u>  | <u>\$ -</u>     | <u>\$ 3,171,331</u> |
| <b>Liabilities and Fund Balances</b> |                  |                   |                   |                  |                  |                 |                     |
| <b>Liabilities</b>                   |                  |                   |                   |                  |                  |                 |                     |
| Bank overdraft                       | \$ -             | \$ -              | \$ -              | \$ -             | \$ 185,026       | \$ 16,939       | \$ 201,965          |
| Accounts payable                     | 1,800            | 2,918             | 300               | -                | 4,172            | 20,299          | 98,466              |
| Accrued payroll                      | -                | -                 | -                 | -                | 15,663           | -               | 17,840              |
| Advances from general fund           | -                | -                 | -                 | -                | -                | -               | 25,069              |
| Unearned revenue                     | 9,573            | 17,880            | 3,513             | 138              | 4,834            | -               | 438,862             |
|                                      | <u>11,373</u>    | <u>20,798</u>     | <u>3,813</u>      | <u>138</u>       | <u>209,695</u>   | <u>37,238</u>   | <u>782,202</u>      |
| <b>Fund Balances</b>                 |                  |                   |                   |                  |                  |                 |                     |
| Reserved for encumbrances            | -                | -                 | -                 | -                | -                | 1,584,300       | 1,851,501           |
| Reserved for prepaid items           | -                | -                 | -                 | -                | 354              | -               | 354                 |
| Designated for future expenditures   | -                | 97,000            | -                 | 690              | 10,762           | -               | 233,060             |
| Unreserved                           | 61,131           | 133,388           | 127,594           | 19,045           | (215,163)        | (1,621,538)     | 304,214             |
|                                      | <u>61,131</u>    | <u>230,388</u>    | <u>127,594</u>    | <u>19,735</u>    | <u>(204,047)</u> | <u>(37,238)</u> | <u>2,389,129</u>    |
|                                      | <u>\$ 72,504</u> | <u>\$ 251,186</u> | <u>\$ 131,407</u> | <u>\$ 19,873</u> | <u>\$ 5,648</u>  | <u>\$ -</u>     | <u>\$ 3,171,331</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 EASLEY FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|-----------------|-------------------|---|
| Revenues                           |                    |                 |                   |   |
| Fee, licenses and permits          | \$ 403,000         | \$ 403,000      | \$ 437,472        | \$ 34,472   |
| Investment income                  | 3,000              | 3,000           | 2,348             | (652)   |
|                                    | <u>406,000</u>     | <u>406,000</u>  | <u>439,820</u>    | <u>33,820</u>   |
| Expenditures                       |                    |                 |                   |   |
| Current                            |                    |                 |                   |   |
| Contractual services               | 403,000            | 403,000         | 437,567           | (34,567)  |
| Contingency expense                | 3,000              | 3,000           | -                 | 3,000   |
|                                    | <u>406,000</u>     | <u>406,000</u>  | <u>437,567</u>    | <u>(31,567)</u>   |
| Revenues Over (Under) Expenditures | <u>\$ -</u>        | <u>\$ -</u>     | 2,253             | <u>\$ 2,253</u>   |
| Fund Balances, Beginning of Year   |                    |                 | <u>102,491</u>    |   |
| Fund Balances, End of Year         |                    |                 | <u>\$ 104,744</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 LIBERTY FIRE DISTRICT  
 YEAR ENDED JUNE 30, 2008

|  | Original<br>Budget | Final<br>Budget | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-----------------|-------------------|---|
| <b>Revenues</b>  |                    |                 |                   |   |
| Fee, licenses and permits  | \$ 305,000         | \$ 305,000      | \$ 333,305        | \$ 28,305   |
| Investment income  | 2,000              | 2,000           | 4,480             | 2,480   |
|  | <u>307,000</u>     | <u>307,000</u>  | <u>337,785</u>    | <u>30,785</u>   |
| <b>Expenditures</b>  |                    |                 |                   |   |
| Current  |                    |                 |                   |   |
| Supplies   | 4,500              | 4,500           | 3,098             | 1,402   |
| Contractual services   | 178,500            | 178,500         | 174,000           | 4,500   |
| Repairs and maintenance  | 10,000             | 10,000          | 12,056            | (2,056)   |
| Furniture, machinery and equipment   | 30,000             | 32,500          | 7,034             | 25,466  |
| Insurance, bonds and licenses  | 10,000             | 10,000          | 7,349             | 2,651   |
| Rent   | -                  | -               | 42                | (42)  |
| Other  | 10,000             | 7,500           | 1,781             | 5,719   |
| Capital Outlay   | 525,000            | 525,000         | 43,673            | 481,327   |
| Contingency expense  | 39,000             | 39,000          | 4,427             | 34,573  |
|  | <u>807,000</u>     | <u>807,000</u>  | <u>253,460</u>    | <u>553,540</u>  |
| Revenues Over (Under) Expenditures   | \$ (500,000)       | \$ (500,000)    | 84,325            | \$ 584,325  |
| Other Financing Sources (Uses)   |                    |                 |                   |   |
| Proceeds from bond issuance  | 500,000            | 500,000         | -                 | (500,000)   |
| Revenues and Other Financing Sources Over<br>(Under) Expenditures and Other Financing Uses | <u>\$ -</u>        | <u>\$ -</u>     | 84,325            | <u>\$ 84,325</u>  |
| Fund Balances, Beginning of Year   |                    |                 | <u>201,711</u>    |   |
| Fund Balances, End of Year   |                    |                 | <u>\$ 286,036</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PUMPKINTOWN FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget   | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|-------------------|------------------|---|
| <b>Revenues</b>                    |                    |                   |                  |   |
| Fee, licenses and permits          | \$ 91,305          | \$ 91,305         | \$ 94,102        | \$ 2,797  |
| Investment income                  | 750                | 750               | 1,294            | 544   |
| Miscellaneous                      | 6,000              | 6,000             | 10,528           | 4,528   |
|                                    | <u>98,055</u>      | <u>98,055</u>     | <u>105,924</u>   | <u>7,869</u>  |
| <b>Expenditures</b>                |                    |                   |                  |   |
| <b>Current</b>                     |                    |                   |                  |   |
| Supplies                           | 10,300             | 10,300            | 9,542            | 758   |
| Contractual services               | 2,650              | 2,650             | 902              | 1,748   |
| Utilities                          | 5,500              | 5,500             | 5,896            | (396)   |
| Repairs and maintenance            | 12,000             | 20,000            | 17,924           | 2,076   |
| Fuel and oil                       | 2,500              | 2,500             | 4,043            | (1,543)   |
| Furniture, machinery and equipment | 7,000              | 7,000             | 11,460           | (4,460)   |
| Insurance, bonds and licenses      | 16,000             | 16,000            | 12,796           | 3,204   |
| Other                              | 6,200              | 6,200             | 5,223            | 977   |
| Contingency expense                | 3,979              | 3,979             | -                | 3,979   |
| <b>Debt service</b>                |                    |                   |                  |   |
| Principal retirement               | 27,048             | 27,048            | 15,058           | 11,990  |
| Interest and fiscal charges        | 4,878              | 4,878             | 4,877            | 1   |
|                                    | <u>98,055</u>      | <u>106,055</u>    | <u>87,721</u>    | <u>18,334</u>   |
| Revenues Over (Under) Expenditures | <u>\$ -</u>        | <u>\$ (8,000)</u> | 18,203           | <u>\$ 26,203</u>  |
| Fund Balances, Beginning of Year   |                    |                   | <u>31,200</u>    |   |
| Fund Balances, End of Year         |                    |                   | <u>\$ 49,403</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 CROSSWELL FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|  | Original<br>Budget  | Final<br>Budget     | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|-------------------|---|
| <b>Revenues</b>  |                     |                     |                   |   |
| Fee, licenses and permits  | \$ 391,000          | \$ 391,000          | \$ 393,123        | \$ 2,123  |
| Investment income  | 10,000              | 10,000              | 18,468            | 8,468   |
|  | <u>401,000</u>      | <u>401,000</u>      | <u>411,591</u>    | <u>10,591</u>   |
| <b>Expenditures</b>  |                     |                     |                   |   |
| <b>Current</b>   |                     |                     |                   |   |
| Personnel services   | 135,354             | 135,354             | -                 | 135,354   |
| Supplies   | 27,213              | 27,213              | 82                | 27,131  |
| Contractual services   | -                   | -                   | 305,124           | (305,124)   |
| Repairs and maintenance  | -                   | -                   | 40                | (40)  |
| Furniture, machinery and equipment   | 68,373              | 68,373              | 8,986             | 59,387  |
| Rent   | -                   | -                   | 72                | (72)  |
| Capital outlay   | 997,000             | 1,006,875           | 369,510           | 637,365   |
| Contingency expense  | 1,627               | 1,627               | -                 | 1,627   |
|  | <u>1,229,567</u>    | <u>1,239,442</u>    | <u>683,814</u>    | <u>555,628</u>  |
| Revenues Over (Under) Expenditures   | (828,567)           | (838,442)           | (272,223)         | 566,219   |
| <b>Other Financing Sources (Uses)</b>  |                     |                     |                   |   |
| Proceeds from capital lease  | 347,000             | 347,000             | 360,000           | 13,000  |
| Revenues and Other Financing Sources Over<br>(Under) Expenditures and Other Financing Uses | <u>\$ (481,567)</u> | <u>\$ (491,442)</u> | 87,777            | <u>\$ 579,219</u>                                       |
| Fund Balances, Beginning of Year   |                     |                     | <u>815,702</u>    |   |
| Fund Balances, End of Year   |                     |                     | <u>\$ 903,479</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 SIX MILE FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget  | Final<br>Budget     | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|---------------------|---------------------|-------------------|---|
| Revenues                           |                     |                     |                   |   |
| Fee, licenses and permits          | \$ 134,000          | \$ 134,000          | \$ 136,849        | \$ 2,849  |
| Intergovernmental                  | 33,160              | 33,160              | -                 | (33,160)  |
| Investment income                  | 7,500               | 7,500               | 11,261            | 3,761   |
| Miscellaneous                      | -                   | -                   | 370               | 370   |
|                                    | <u>174,660</u>      | <u>174,660</u>      | <u>148,480</u>    | <u>(26,180)</u>   |
| Expenditures                       |                     |                     |                   |   |
| Current                            |                     |                     |                   |   |
| Supplies                           | 13,000              | 13,000              | 16                | 12,984  |
| Contractual services               | 66,285              | 66,285              | 62,061            | 4,224   |
| Furniture, machinery and equipment | 15,600              | 15,600              | 12,848            | 2,752   |
| Insurance, bonds, and licenses     | 3,960               | 3,960               | 3,921             | 39  |
| Other                              | 400                 | 400                 | -                 | 400   |
| Capital outlay                     | 305,000             | 305,000             | -                 | 305,000   |
| Contingency expense                | 40,305              | 40,305              | -                 | 40,305  |
|                                    | <u>444,550</u>      | <u>444,550</u>      | <u>78,846</u>     | <u>365,704</u>  |
| Revenues Over (Under) Expenditures | <u>\$ (269,890)</u> | <u>\$ (269,890)</u> | 69,634            | <u>\$ 339,524</u>                                       |
| Fund Balances, Beginning of Year   |                     |                     | <u>375,291</u>    |   |
| Fund Balances, End of Year         |                     |                     | <u>\$ 444,925</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 PICKENS FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|-------------------|-------------------|---|
| <b>Revenues</b>                    |                    |                   |                   |   |
| Fee, licenses and permits          | \$ 254,000         | \$ 254,000        | \$ 287,047        | \$ 33,047   |
| Investment income                  | 2,000              | 2,000             | 4,977             | 2,977   |
|                                    | <u>256,000</u>     | <u>256,000</u>    | <u>292,024</u>    | <u>36,024</u>   |
| <b>Expenditures</b>                |                    |                   |                   |   |
| Current                            |                    |                   |                   |   |
| Supplies                           | -                  | -                 | 24                | (24)  |
| Contractual services               | -                  | -                 | 267,754           | (267,754)   |
| Furniture, machinery and equipment | -                  | 5,179             | 5,179             | -   |
| Contingency expense                | 256,000            | 256,000           | -                 | 256,000   |
|                                    | <u>256,000</u>     | <u>261,179</u>    | <u>272,957</u>    | <u>(11,778)</u>   |
| Revenues Over (Under) Expenditures | <u>\$ -</u>        | <u>\$ (5,179)</u> | 19,067            | <u>\$ 24,246</u>  |
| Fund Balances, Beginning of Year   |                    |                   | <u>119,302</u>    |   |
| Fund Balances, End of Year         |                    |                   | <u>\$ 138,369</u> |   |



PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 DACUSVILLE FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|-------------------|-------------------|---|
| <b>Revenues</b>                    |                    |                   |                   |   |
| Fee, licenses and permits          | \$ 161,987         | \$ 161,987        | \$ 170,155        | \$ 8,168  |
| Investment income                  | 5,000              | 5,000             | 4,791             | (209)   |
| Intergovernmental                  | -                  | -                 | 27,624            | 27,624  |
|                                    | <u>166,987</u>     | <u>166,987</u>    | <u>202,570</u>    | <u>35,583</u>   |
| <b>Expenditures</b>                |                    |                   |                   |   |
| <b>Current</b>                     |                    |                   |                   |   |
| Personnel services                 | 58,610             | 58,610            | 55,960            | 2,650   |
| Supplies                           | 9,000              | 9,000             | 14,879            | (5,879)   |
| Contractual services               | 4,000              | 4,000             | 2,747             | 1,253   |
| Utilities                          | 8,800              | 8,800             | 10,921            | (2,121)   |
| Repairs and maintenance            | 3,500              | 3,500             | 17,000            | (13,500)  |
| Fuel and oil                       | 3,000              | 3,000             | 3,191             | (191)   |
| Furniture, machinery and equipment | 1,916              | 1,916             | 13,618            | (11,702)  |
| Insurance, bonds and licenses      | 30,000             | 30,000            | 26,400            | 3,600   |
| Other                              | 19,000             | 19,000            | 15,734            | 3,266   |
| Capital outlay                     | -                  | -                 | 14,634            | (14,634)  |
| <b>Debt service</b>                |                    |                   |                   |   |
| Principal retirement               | 25,883             | 25,883            | 25,883            | -   |
| Interest and fiscal charges        | 8,491              | 8,491             | 8,491             | -   |
|                                    | <u>172,200</u>     | <u>172,200</u>    | <u>209,458</u>    | <u>(37,258)</u>   |
| Revenues Over (Under) Expenditures | <u>\$ (5,213)</u>  | <u>\$ (5,213)</u> | (6,888)           | <u>\$ (1,675)</u>                                       |
| Fund Balances, Beginning of Year   |                    |                   | <u>271,498</u>    |   |
| Fund Balances, End of Year         |                    |                   | <u>\$ 264,610</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 HOLLY SPRINGS FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget   | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|-------------------|------------------|---|
| <b>Revenues</b>                    |                    |                   |                  |   |
| Fee, licenses and permits          | \$ 57,000          | \$ 57,000         | \$ 61,219        | \$ 4,219  |
| Investment income                  | 1,000              | 1,000             | 715              | (285)   |
| Miscellaneous                      | 2,300              | 2,300             | 2,325            | 25  |
|                                    | <u>60,300</u>      | <u>60,300</u>     | <u>64,259</u>    | <u>3,959</u>  |
| <b>Expenditures</b>                |                    |                   |                  |   |
| <b>Current</b>                     |                    |                   |                  |   |
| Supplies                           | 6,841              | 9,451             | 5,875            | 3,576   |
| Contractual services               | 1,300              | 1,300             | 713              | 587   |
| Utilities                          | 5,000              | 5,000             | 4,108            | 892   |
| Repairs and maintenance            | 6,600              | 6,600             | 6,137            | 463   |
| Fuel and oil                       | 2,000              | 2,000             | 1,189            | 811   |
| Furniture, machinery and equipment | 800                | 800               | 1,000            | (200)   |
| Insurance, bonds, and licenses     | 6,000              | 6,000             | -                | 6,000   |
| Other                              | 2,300              | 2,300             | 164              | 2,136   |
| Contingency expense                | 3,000              | 390               | 39               | 351   |
| <b>Debt service</b>                |                    |                   |                  |   |
| Principal retirement               | 19,294             | 19,294            | 19,294           | -   |
| Interest and fiscal charges        | 8,165              | 8,165             | 8,165            | -   |
|                                    | <u>61,300</u>      | <u>61,300</u>     | <u>46,684</u>    | <u>14,616</u>   |
| Revenues Over (Under) Expenditures | <u>\$ (1,000)</u>  | <u>\$ (1,000)</u> | 17,575           | <u>\$ 18,575</u>  |
| Fund Balances, Beginning of Year   |                    |                   | <u>43,556</u>    |   |
| Fund Balances, End of Year         |                    |                   | <u>\$ 61,131</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 CENTRAL FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|-----------------|-------------------|---|
| <b>Revenues</b>                    |                    |                 |                   |   |
| Fee, licenses and permits          | \$ 150,436         | \$ 150,436      | \$ 151,982        | \$ 1,546  |
| Investment income                  | 4,000              | 4,000           | 4,136             | 136   |
|                                    | <u>154,436</u>     | <u>154,436</u>  | <u>156,118</u>    | <u>1,682</u>  |
| <b>Expenditures</b>                |                    |                 |                   |   |
| <b>Current</b>                     |                    |                 |                   |   |
| Personnel services                 | 5,832              | 5,832           | 2,694             | 3,138   |
| Supplies                           | 9,350              | 9,350           | 4,461             | 4,889   |
| Contractual services               | 64,709             | 64,709          | 71,127            | (6,418)   |
| Utilities                          | 4,524              | 4,524           | 3,304             | 1,220   |
| Repairs and maintenance            | 5,000              | 5,000           | 1,953             | 3,047   |
| Fuel and oil                       | 770                | 770             | 902               | (132)   |
| Furniture, machinery and equipment | 23,000             | 23,000          | 19,917            | 3,083   |
| Insurance, bonds and licenses      | 4,537              | 4,537           | 3,742             | 795   |
| Other                              | 3,825              | 3,825           | 3,627             | 198   |
| Contingency expense                | 5,355              | 5,355           | -                 | 5,355   |
| Debt service                       |                    |                 |                   |   |
| Principal retirement               | 21,122             | 21,122          | 21,122            | -   |
| Interest and fiscal charges        | 6,412              | 6,412           | 6,412             | -   |
|                                    | <u>154,436</u>     | <u>154,436</u>  | <u>139,261</u>    | <u>15,175</u>   |
| Revenues Over (Under) Expenditures | <u>\$ -</u>        | <u>\$ -</u>     | 16,857            | <u>\$ 16,857</u>  |
| Fund Balances, Beginning of Year   |                    |                 | <u>213,531</u>    |   |
| Fund Balances, End of Year         |                    |                 | <u>\$ 230,388</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 SHADY GROVE FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget     | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|---------------------|-------------------|---|
| Revenues                           |                    |                     |                   |   |
| Property taxes                     | \$ 225,000         | \$ 225,000          | \$ 233,407        | \$ 8,407  |
| Investment income                  | 5,000              | 5,000               | 3,069             | (1,931)   |
| Miscellaneous                      | -                  | -                   | 1,452             | 1,452   |
|                                    | <u>230,000</u>     | <u>230,000</u>      | <u>237,928</u>    | <u>7,928</u>  |
| Expenditures                       |                    |                     |                   |   |
| Current                            |                    |                     |                   |   |
| Supplies                           | 300                | 300                 | -                 | 300   |
| Contractual services               | 194,280            | 194,280             | 189,484           | 4,796   |
| Utilities                          | -                  | -                   | 1,155             | (1,155)   |
| Furniture, machinery and equipment | -                  | -                   | 5,032             | (5,032)   |
| Insurance, bonds and licenses      | 6,000              | 6,000               | 5,354             | 646   |
| Capital outlay                     | -                  | 193,166             | 198,228           | (5,062)   |
| Contingency expense                | 29,420             | 29,420              | 980               | 28,440  |
|                                    | <u>230,000</u>     | <u>423,166</u>      | <u>400,233</u>    | <u>22,933</u>   |
| Revenues Over (Under) Expenditures | <u>\$ -</u>        | <u>\$ (193,166)</u> | <u>(162,305)</u>  | <u>\$ 30,861</u>  |
| Fund Balances, Beginning of Year   |                    |                     | <u>289,899</u>    |   |
| Fund Balances, End of Year         |                    |                     | <u>\$ 127,594</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ROCKY BOTTOM FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|-----------------|------------------|---|
| Revenues                           |                    |                 |                  |   |
| Fee, licenses and permits          | \$ 3,803           | \$ 3,803        | \$ 3,252         | \$ (551)  |
| Investment income                  | 200                | 200             | 164              | (36)  |
|                                    | <u>4,003</u>       | <u>4,003</u>    | <u>3,416</u>     | <u>(587)</u>  |
| Expenditures                       |                    |                 |                  |   |
| Current                            |                    |                 |                  |   |
| Supplies                           | 490                | 490             | -                | 490   |
| Contractual services               | 2,719              | 2,719           | 2,325            | 394   |
| Contingency expense                | 794                | 794             | -                | 794   |
|                                    | <u>4,003</u>       | <u>4,003</u>    | <u>2,325</u>     | <u>1,678</u>  |
| Revenues Over (Under) Expenditures | <u>\$ -</u>        | <u>\$ -</u>     | 1,091            | <u>\$ 1,091</u>   |
| Fund Balances, Beginning of Year   |                    |                 | <u>18,644</u>    |   |
| Fund Balances, End of Year         |                    |                 | <u>\$ 19,735</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL  
 VINEYARDS FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|  | Original<br>Budget | Final<br>Budget    | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|---------------------|---|
| Revenues   |                    |                    |                     |   |
| Taxes  | \$ 522,148         | \$ 522,148         | \$ 521,822          | \$ (326)  |
| Investment income  | -                  | -                  | 494                 | 494   |
|  | <u>522,148</u>     | <u>522,148</u>     | <u>522,316</u>      | <u>168</u>  |
| Expenditures   |                    |                    |                     |   |
| Current  |                    |                    |                     |   |
| Personnel services   | 429,475            | 429,475            | 474,526             | (45,051)  |
| Supplies   | 14,050             | 14,050             | 19,494              | (5,444)   |
| Contractual services   | 5,000              | 5,000              | 4,207               | 793   |
| Utilities  | 14,900             | 14,900             | 16,760              | (1,860)   |
| Repairs and maintenance  | 25,500             | 25,500             | 26,321              | (821)   |
| Fuel and oil   | 8,000              | 8,000              | 7,899               | 101   |
| Furniture, machinery and equipment   | 11,500             | 11,500             | 11,950              | (450)   |
| Insurance, bonds, and licenses   | 12,000             | 12,000             | 12,016              | (16)  |
| Rent   | 500                | 500                | 64                  | 436   |
| Other  | 12,000             | 12,000             | 11,445              | 555   |
| Capital outlay   | 180,000            | 180,000            | 179,581             | 419   |
| Contingency expense  | 24,005             | 24,500             | -                   | 24,500  |
| Debt service   |                    |                    |                     |   |
| Principal retirement   | 4,653              | 4,653              | 4,653               | -   |
| Interest and fiscal charges  | 249                | 249                | 249                 | -   |
|  | <u>741,832</u>     | <u>742,327</u>     | <u>769,165</u>      | <u>(26,838)</u>   |
| Revenues Over (Under) Expenditures   | (219,684)          | (220,179)          | (246,849)           | (26,670)  |
| Other Financing Sources (Uses)   |                    |                    |                     |   |
| Proceeds from Capital Lease  | 180,000            | 180,000            | -                   | (180,000)   |
| Revenues and Other Financing Sources Over<br>(Under) Expenditures and Other Financing Uses | <u>\$ (39,684)</u> | <u>\$ (40,179)</u> | (246,849)           | <u>\$ (206,670)</u>                                     |
| Fund Balances, Beginning of Year   |                    |                    | <u>42,802</u>       |   |
| Fund Balances (Deficit), End of Year   |                    |                    | <u>\$ (204,047)</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET AND ACTUAL  
 SPRINGS FIRE DISTRICT FUND  
 YEAR ENDED JUNE 30, 2008

|                                      | Original<br>Budget | Final<br>Budget | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|--------------------|-----------------|--------------------|---|
| Revenues                             |                    |                 |                    |   |
| Property taxes                       | \$ -               | \$ -            | \$ -               | \$ -  |
|                                      | -                  | -               | -                  | -   |
| Expenditures                         |                    |                 |                    |   |
| Current                              |                    |                 |                    |   |
| Supplies                             | \$ -               | \$ -            | \$ 29              | \$ (29)   |
| Capital outlay                       | -                  | -               | 37,209             | (37,209)  |
|                                      | -                  | -               | 37,238             | (37,238)  |
| Revenues Over (Under) Expenditures   | <u>\$ -</u>        | <u>\$ -</u>     | (37,238)           | <u>\$ (37,238)</u>                                      |
| Fund Balances, Beginning of Year     |                    |                 | -                  |   |
| Fund Balances (Deficit), End of Year |                    |                 | <u>\$ (37,238)</u> |   |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 ACCOMMODATION TAX FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|-----------------|------------------|---|
| Revenues                           |                    |                 |                  |   |
| Intergovernmental                  | \$ 90,000          | \$ 90,000       | \$ 149,136       | \$ 59,136   |
| Investment income                  | 500                | 500             | 1,767            | 1,267   |
|                                    | <u>90,500</u>      | <u>90,500</u>   | <u>150,903</u>   | <u>60,403</u>   |
| Expenditures                       |                    |                 |                  |   |
| Direct Assistance                  | 62,225             | 62,225          | 49,999           | 12,226  |
|                                    | <u>62,225</u>      | <u>62,225</u>   | <u>49,999</u>    | <u>12,226</u>   |
| Revenues Over (Under) Expenditures | 28,275             | 28,275          | 100,904          | 72,629  |
| Other Financing Sources (Uses):    |                    |                 |                  |   |
| Transfers in (out)                 | <u>(28,275)</u>    | <u>(28,275)</u> | <u>(31,207)</u>  | <u>(2,932)</u>  |
| Net change in fund balances        | <u>\$ -</u>        | <u>\$ -</u>     | 69,697           | <u>\$ 69,697</u>  |
| Fund Balances, Beginning of Year   |                    |                 | <u>5,713</u>     |   |
| Fund Balances, End of Year         |                    |                 | <u>\$ 75,410</u> |   |



PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 TOURISM DEVELOPMENT FEE FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget    | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|--------------------|-------------------|---|
| <b>Revenues</b>                    |                    |                    |                   |   |
| Fees, licenses and permits         | \$ 225,000         | \$ 225,000         | \$ 234,506        | \$ 9,506  |
| Intergovernmental                  | -                  | -                  | 50,000            | 50,000  |
| Investment income                  | 7,500              | 7,500              | 13,519            | 6,019   |
|                                    | <u>232,500</u>     | <u>232,500</u>     | <u>298,025</u>    | <u>65,525</u>   |
| <b>Expenditures</b>                |                    |                    |                   |   |
| Current                            |                    |                    |                   |   |
| Personnel services                 | 32,656             | 32,656             | 32,543            | 113   |
| Repairs and maintenance            | 53,000             | 53,000             | 47,696            | 5,304   |
| Capital outlay                     | 108,304            | 108,304            | 67,868            | 40,436  |
| Debt service:                      |                    |                    |                   |   |
| Principal                          | 79,996             | 79,996             | 79,996            | -   |
| Interest                           | 20,004             | 20,004             | 20,004            | -   |
|                                    | <u>293,960</u>     | <u>293,960</u>     | <u>248,107</u>    | <u>45,853</u>   |
| Revenues Over (Under) Expenditures | <u>\$ (61,460)</u> | <u>\$ (61,460)</u> | 49,918            | <u>\$ 111,378</u>                                       |
| Fund Balances, Beginning of Year   |                    |                    | <u>240,982</u>    |   |
| Fund Balances, End of Year         |                    |                    | <u>\$ 290,900</u> |   |

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**PICKENS COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULES  
NONMAJOR GOVERNMENTAL FUNDS**

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**Debt Service Fund**

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

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 DEBT SERVICE FUND  
 YEAR ENDED JUNE 30, 2008

|                                    | Original<br>Budget | Final<br>Budget  | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|------------------|-------------------|---|
| Revenues                           |                    |                  |                   |   |
| Taxes                              | \$ 2,410,795       | \$ 2,410,795     | \$ 2,175,145      | \$ (235,650)  |
| Intergovernmental                  | 88,000             | 88,000           | 95,168            | 7,168   |
| Investment income                  | -                  | -                | 1,242             | 1,242   |
|                                    | <u>2,498,795</u>   | <u>2,498,795</u> | <u>2,271,555</u>  | <u>(227,240)</u>  |
| Expenditures                       |                    |                  |                   |   |
| Debt Service:                      |                    |                  |                   |   |
| Principal retirement               | 1,653,098          | 1,653,098        | 1,533,716         | 119,382   |
| Interest and fiscal charges        | 845,697            | 845,697          | 731,348           | 114,349   |
|                                    | <u>2,498,795</u>   | <u>2,498,795</u> | <u>2,265,064</u>  | <u>233,731</u>  |
| Revenues Over (Under) Expenditures | <u>\$ -</u>        | <u>\$ -</u>      | 6,491             | <u>\$ 6,491</u>   |
| Fund Balances, Beginning of Year   |                    |                  | 535,142           |   |
| Fund Balances, End of Year         |                    |                  | <u>\$ 541,633</u> |   |

**PICKENS COUNTY, SOUTH CAROLINA  
COMBINING STATEMENTS  
AGENCY FUNDS**

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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  
 YEAR ENDED JUNE 30, 2008

|                             | School District Fund | Municipal Fund    | Magistrates Fund | Family Court Fund | Clerk of Court Fund | Museum           | Library Foundation | Total                |
|-----------------------------|----------------------|-------------------|------------------|-------------------|---------------------|------------------|--------------------|----------------------|
| <b>Assets</b>               |                      |                   |                  |                   |                     |                  |                    |                      |
| Cash                        | \$ 29,569,317        | \$ 79,532         | \$ 82,066        | \$ 35,338         | \$ 1,121,545        | \$ 10,569        | \$ 60,895          | \$ 30,959,262        |
| Accounts receivable - other | 86,469               | -                 | -                | -                 | -                   | -                | -                  | 86,469               |
| Property taxes receivable   | 2,611,282            | 338,652           | -                | -                 | -                   | -                | -                  | 2,949,934            |
|                             | <u>\$ 32,267,068</u> | <u>\$ 418,184</u> | <u>\$ 82,066</u> | <u>\$ 35,338</u>  | <u>\$ 1,121,545</u> | <u>\$ 10,569</u> | <u>\$ 60,895</u>   | <u>\$ 33,995,665</u> |
| <b>Liabilities</b>          |                      |                   |                  |                   |                     |                  |                    |                      |
| Accounts payable            | \$ -                 | \$ 79,532         | \$ -             | \$ -              | \$ -                | \$ -             | \$ -               | \$ 79,532            |
| Due to other taxing units   | 32,267,068           | 338,652           | 82,066           | 35,338            | 1,121,545           | 10,569           | 60,895             | 33,916,133           |
|                             | <u>\$ 32,267,068</u> | <u>\$ 418,184</u> | <u>\$ 82,066</u> | <u>\$ 35,338</u>  | <u>\$ 1,121,545</u> | <u>\$ 10,569</u> | <u>\$ 60,895</u>   | <u>\$ 33,995,665</u> |

PICKENS COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULE OF CHANGES IN  
ASSETS AND LIABILITIES - AGENCY FUNDS  
YEAR ENDED JUNE 30, 2008

|                             | Balance<br>June 30, 2007 | Additions             | Deductions            | Balance<br>June 30, 2008 |
|-----------------------------|--------------------------|-----------------------|-----------------------|--------------------------|
| <b>School District Fund</b> |                          |                       |                       |                          |
| <b>Assets</b>               |                          |                       |                       |                          |
| Cash and cash equivalents   | \$ 31,183,357            | \$ 171,502,543        | \$ 173,116,583        | \$ 29,569,317            |
| Accounts receivable - other | -                        | 172,939               | 86,470                | 86,469                   |
| Property taxes receivable   | 1,925,311                | 816,632               | 130,661               | 2,611,282                |
|                             | <u>\$ 33,108,668</u>     | <u>\$ 172,492,114</u> | <u>\$ 173,333,714</u> | <u>\$ 32,267,068</u>     |
| <b>Liabilities</b>          |                          |                       |                       |                          |
| Due to others               | \$ 33,108,668            | \$ 172,492,114        | \$ 173,333,714        | \$ 32,267,068            |
|                             | <u>\$ 33,108,668</u>     | <u>\$ 172,492,114</u> | <u>\$ 173,333,714</u> | <u>\$ 32,267,068</u>     |
| <b>Municipal Fund</b>       |                          |                       |                       |                          |
| <b>Assets</b>               |                          |                       |                       |                          |
| Cash                        | \$ 82,506                | \$ 8,220,787          | \$ 8,223,761          | \$ 79,532                |
| Property taxes receivable   | 265,998                  | 86,493                | 13,839                | 338,652                  |
|                             | <u>\$ 348,504</u>        | <u>\$ 8,307,280</u>   | <u>\$ 8,237,600</u>   | <u>\$ 418,184</u>        |
| <b>Liabilities</b>          |                          |                       |                       |                          |
| Accounts payable            | \$ 82,506                | \$ 8,116,320          | \$ 8,119,294          | \$ 79,532                |
| Due to others               | 265,998                  | 190,960               | 118,306               | 338,652                  |
|                             | <u>\$ 348,504</u>        | <u>\$ 8,307,280</u>   | <u>\$ 8,237,600</u>   | <u>\$ 418,184</u>        |
| <b>Mini-Bottle Fund</b>     |                          |                       |                       |                          |
| <b>Assets</b>               |                          |                       |                       |                          |
| Cash                        | \$ -                     | \$ 206,131            | \$ 206,131            | \$ -                     |
| <b>Liabilities</b>          |                          |                       |                       |                          |
| Due to others               | \$ -                     | \$ 206,131            | \$ 206,131            | \$ -                     |
| <b>Fire District Fund</b>   |                          |                       |                       |                          |
| <b>Assets</b>               |                          |                       |                       |                          |
| Cash                        | \$ -                     | \$ 159,367            | \$ 159,367            | \$ -                     |
| <b>Liabilities</b>          |                          |                       |                       |                          |
| Due to others               | \$ -                     | \$ 159,367            | \$ 159,367            | \$ -                     |
| <b>Magistrates Fund</b>     |                          |                       |                       |                          |
| <b>Assets</b>               |                          |                       |                       |                          |
| Cash                        | \$ 134,831               | \$ 1,199,038          | \$ 1,251,803          | \$ 82,066                |
| <b>Liabilities</b>          |                          |                       |                       |                          |
| Due to others               | \$ 134,831               | \$ 1,199,038          | \$ 1,251,803          | \$ 82,066                |
| <b>Family Court Fund</b>    |                          |                       |                       |                          |
| <b>Assets</b>               |                          |                       |                       |                          |
| Cash                        | \$ 31,551                | \$ 7,461,113          | \$ 7,457,326          | \$ 35,338                |
| <b>Liabilities</b>          |                          |                       |                       |                          |
| Due to others               | \$ 31,551                | \$ 7,461,113          | \$ 7,457,326          | \$ 35,338                |
| <b>Clerk of Court</b>       |                          |                       |                       |                          |
| <b>Assets</b>               |                          |                       |                       |                          |
| Cash                        | \$ 786,384               | \$ 2,036,472          | \$ 1,701,311          | \$ 1,121,545             |
| <b>Liabilities</b>          |                          |                       |                       |                          |
| Due to others               | \$ 786,384               | \$ 2,036,472          | \$ 1,701,311          | \$ 1,121,545             |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING SCHEDULE OF CHANGES IN  
 ASSETS AND LIABILITIES - AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2008

|                         | Balance<br>June 30, 2007 | Additions | Deductions | Balance<br>June 30, 2008 |
|-------------------------|--------------------------|-----------|------------|--------------------------|
| Museum Fund             |                          |           |            |                          |
| Assets                  |                          |           |            |                          |
| Cash                    | \$ 10,656                | \$ 32,694 | \$ 32,781  | \$ 10,569                |
| Liabilities             |                          |           |            |                          |
| Due to others           | \$ 10,656                | \$ 32,694 | \$ 32,781  | \$ 10,569                |
| Library Foundation Fund |                          |           |            |                          |
| Assets                  |                          |           |            |                          |
| Cash                    | \$ 54,564                | \$ 9,377  | \$ 3,046   | \$ 60,895                |
| Liabilities             |                          |           |            |                          |
| Due to others           | \$ 54,564                | \$ 9,377  | \$ 3,046   | \$ 60,895                |

ASSETS

|                             |                      |                       |                       |                      |
|-----------------------------|----------------------|-----------------------|-----------------------|----------------------|
| Cash and cash equivalents   | \$ 32,283,849        | \$ 190,827,522        | \$ 192,152,109        | \$ 30,959,262        |
| Accounts receivable - other | -                    | 172,939               | 86,470                | 86,469               |
| Property taxes receivable   | 2,191,309            | 903,125               | 144,500               | 2,949,934            |
| Total assets                | <u>\$ 34,475,158</u> | <u>\$ 191,903,586</u> | <u>\$ 192,383,079</u> | <u>\$ 33,995,665</u> |

LIABILITIES

|                   |                      |                       |                       |                      |
|-------------------|----------------------|-----------------------|-----------------------|----------------------|
| Accounts Payable  | \$ 82,506            | \$ 8,116,320          | \$ 8,119,294          | \$ 79,532            |
| Due to others     | 34,392,652           | 183,787,266           | 184,263,785           | 33,916,133           |
| Total liabilities | <u>\$ 34,475,158</u> | <u>\$ 191,903,586</u> | <u>\$ 192,383,079</u> | <u>\$ 33,995,665</u> |



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

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PICKENS COUNTY, SOUTH CAROLINA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION  
 JUNE 30, 2008

| Function                                       | Land                       | Construction<br>in<br>Progress | Buildings<br>and<br>Improvements | Machinery<br>and<br>Equipment | Improvements<br>and<br>Infrastructure | Total                       |
|--|----------------------------|--------------------------------|----------------------------------|-------------------------------|---------------------------------------|-----------------------------|
| General government administration              | \$ 1,778,247               | \$ 40,500                      | \$ 10,892,543                    | \$ 1,762,579                  | \$ -                                  | \$ 14,473,869               |
| Public safety                                  | 280,003                    | 97,080                         | 5,387,854                        | 9,925,697                     | 92,752                                | 15,783,386                  |
| Public works                                   | 1,052,129                  | 37,638                         | 1,308,565                        | 9,004,560                     | 26,907,209                            | 38,310,101                  |
| Public health and welfare                      | 26,902                     | -                              | 998,301                          | 228,684                       | -                                     | 1,253,887                   |
| Culture and recreation                         | 425,699                    | 23,831                         | 9,929,791                        | 775,320                       | 62,808                                | 11,217,449                  |
| Economic development                           | -                          | -                              | -                                | 7,203                         | 607,720                               | 614,923                     |
| Intergovernmental                              | -                          | -                              | 915,000                          | -                             | -                                     | 915,000                     |
| <b>Total governmental funds capital assets</b> | <b><u>\$ 3,562,980</u></b> | <b><u>\$ 199,049</u></b>       | <b><u>\$ 29,432,054</u></b>      | <b><u>\$ 21,704,043</u></b>   | <b><u>\$ 27,670,489</u></b>           | <b><u>\$ 82,568,615</u></b> |

PICKENS COUNTY, SOUTH CAROLINA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION  
 YEAR ENDED JUNE 30, 2008

| Function                                | Beginning<br>of Year | Additions           | Deletions           | Transfers         |                   | End of Year          |
|---|----------------------|---------------------|---------------------|-------------------|-------------------|----------------------|
|   |                      |                     |                     | In                | Out               |                      |
| General government administration       | \$ 13,778,193        | \$ 249,410          | \$ 55,968           | \$ 565,952        | \$ 63,718         | \$ 14,473,869        |
| Public safety                           | 14,289,928           | 2,037,676           | 491,808             | -                 | 52,410            | 15,783,386           |
| Public works                            | 36,546,324           | 4,580,996           | 2,856,906           | 83,396            | 43,709            | 38,310,101           |
| Public health and welfare               | 1,231,976            | 511,422             | -                   | 20,277            | 509,788           | 1,253,887            |
| Culture and recreation                  | 11,073,551           | 143,898             | -                   | -                 | -                 | 11,217,449           |
| Economic development                    | 614,923              | -                   | -                   | -                 | -                 | 614,923              |
| Intergovernmental                       | 915,000              | -                   | -                   | -                 | -                 | 915,000              |
| Total governmental funds capital assets | <u>\$ 78,449,895</u> | <u>\$ 7,523,402</u> | <u>\$ 3,404,682</u> | <u>\$ 669,625</u> | <u>\$ 669,625</u> | <u>\$ 82,568,615</u> |

## **STATISTICAL SECTION**

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## 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    |
|--|---------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.   | 107-111 |
| <b>Revenue Capacity</b><br>These schedules contain trend information to help the reader assess the government's most significant local revenue sources.  | 112-115 |
| <b>Debt Capacity</b><br>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.                                | 116-119 |
| <b>Demographic and Economic Information</b><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.  | 120-121 |
| <b>Operating Information</b><br>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. | 122-124 |

**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.

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

|   | Fiscal Year   |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          |
| <b>Governmental Activities</b>                  |               |               |               |               |               |               |
| Invested in capital assets, net of related debt | \$ 5,340,081  | \$ 5,432,002  | \$ 13,090,011 | \$ 18,309,975 | \$ 38,341,795 | \$ 41,537,095 |
| Restricted                                      | 14,577,050    | 17,772,051    | 14,398,760    | 12,205,788    | 13,038,304    | 13,002,730    |
| Unrestricted                                    | 14,079,175    | 7,576,829     | 10,188,977    | 16,849,075    | 15,010,111    | 15,754,877    |
| Total governmental activities net assets        | 33,996,306    | 30,780,882    | 37,677,748    | 47,364,838    | 66,390,210    | 70,294,702    |
| <b>Business-type Activities</b>                 |               |               |               |               |               |               |
| Invested in capital assets, net of related debt | 18,311,254    | 21,954,538    | 23,508,097    | 22,851,882    | 23,533,189    | 27,584,777    |
| Restricted                                      | 225,157       | 288,265       | 351,373       | 414,481       | 477,589       | 540,697       |
| Unrestricted (Deficit)                          | 353,553       | 524,982       | (26,653)      | 215,564       | (249,782)     | 324,284       |
| Total business-type activities net assets       | 18,889,964    | 22,767,785    | 23,832,817    | 23,481,927    | 23,760,996    | 28,449,758    |
| <b>Primary Government</b>                       |               |               |               |               |               |               |
| Invested in capital assets, net of related debt | 23,651,335    | 27,386,540    | 36,598,108    | 41,161,857    | 61,874,984    | 69,121,872    |
| Restricted                                      | 14,802,207    | 18,060,316    | 14,750,133    | 12,620,269    | 13,515,893    | 13,543,427    |
| Unrestricted                                    | 14,432,728    | 8,101,811     | 10,162,324    | 17,064,639    | 14,760,329    | 14,760,329    |
| Total primary government net assets             | \$ 52,886,270 | \$ 53,548,667 | \$ 61,510,565 | \$ 70,846,765 | \$ 90,151,206 | \$ 97,425,628 |

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 Six Fiscal Years  
 (accrual basis of accounting)

|   | Fiscal Year   |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          |
| <b>Expenses</b>   |               |               |               |               |               |               |
| <u>Governmental activities:</u>                         |               |               |               |               |               |               |
| General government                                      | \$ 8,037,057  | \$ 8,125,875  | \$ 9,354,229  | \$ 9,292,433  | \$ 9,531,581  | \$ 10,383,406 |
| Public safety   | 12,100,263    | 13,822,142    | 14,377,237    | 17,028,781    | 17,381,994    | 18,701,286    |
| Public works  | 8,364,990     | 10,379,251    | 9,324,127     | 10,061,181    | 10,182,540    | 11,342,672    |
| Health and welfare                                      | 432,738       | 505,494       | 894,069       | 690,329       | 734,956       | 329,074       |
| Cultural and recreation                                 | 2,188,427     | 2,445,278     | 3,334,446     | 3,615,200     | 4,168,650     | 4,197,104     |
| Economic development                                    | 371,377       | 3,988,379     | 968,303       | 562,665       | 568,792       | 589,302       |
| Intergovernmental                                       | 1,470,549     | 1,751,671     | 1,664,330     | 1,573,120     | 1,769,773     | 1,696,013     |
| Other   | 523,343       | -             | -             | -             | -             | -             |
| Capital outlay  | 69,230        | 1,395,421     | -             | -             | -             | -             |
| Interest on long-term debt                              | 471,710       | 352,715       | 551,100       | 483,791       | 423,517       | 432,473       |
| Total governmental activities expenses                  | 34,029,684    | 42,786,226    | 40,467,841    | 43,307,500    | 44,761,803    | 47,671,330    |
| <u>Business-type activities:</u>                        |               |               |               |               |               |               |
| Public Service Commission                               | 1,774,051     | 1,715,756     | 2,216,662     | 2,086,584     | 2,041,793     | 2,025,662     |
| Airport   | 632,377       | 701,255       | 489,946       | 588,187       | 641,239       | 860,893       |
| Total business-type activities expense                  | 2,406,428     | 2,417,011     | 2,706,608     | 2,674,771     | 2,683,032     | 2,886,555     |
| Total Primary Government Expenses                       | 36,436,112    | 45,183,237    | 43,174,449    | 45,982,271    | 47,444,835    | 50,557,885    |
| <b>Program Revenues</b>                                 |               |               |               |               |               |               |
| <u>Governmental activities:</u>                         |               |               |               |               |               |               |
| Charges for services                                    |               |               |               |               |               |               |
| General government                                      | 1,308,050     | 1,348,957     | 1,471,204     | 1,810,994     | 1,676,604     | 2,141,308     |
| Public safety   | 4,604,670     | 5,110,166     | 5,375,064     | 6,666,736     | 6,833,609     | 6,738,601     |
| Public works  | 1,036,287     | 1,144,015     | 1,360,549     | 1,236,061     | 3,281,515     | 3,355,920     |
| Health and welfare                                      | 592           | 590           | 115           | -             | 28,988        | 22,741        |
| Cultural and recreation                                 | 293,322       | 316,517       | 292,931       | 379,457       | 551,901       | 592,737       |
| Economic development                                    | 5,383         | 12,033        | 16,148        | 11,842        | 21,732        | 26,612        |
| Operating grants and contributions                      | 4,496,981     | 4,685,103     | 4,833,323     | 5,751,643     | 5,090,312     | 3,543,585     |
| Capital grants and contributions                        | 782,548       | 1,390,071     | 906,154       | 585,721       | 609,054       | 1,923,909     |
| Total governmental activities program revenues          | 12,527,833    | 14,007,452    | 14,255,488    | 16,442,454    | 18,093,715    | 18,345,413    |
| <u>Business-type activities:</u>                        |               |               |               |               |               |               |
| Charges for services                                    |               |               |               |               |               |               |
| Public Service Commission                               | 753,771       | 981,678       | 1,118,346     | 1,248,421     | 1,111,067     | 1,195,127     |
| Airport   | 282,362       | 346,733       | 147,886       | 253,965       | 287,119       | 413,056       |
| Operating grants and contributions                      | -             | 900           | -             | 10,672        | -             | 69,971        |
| Capital grants and contributions                        | 2,241,645     | 2,029,225     | 1,983,498     | 110,896       | 710,863       | 1,170,716     |
| Total business-type activities program revenues         | 3,277,778     | 3,358,536     | 3,249,730     | 1,623,954     | 2,109,049     | 2,848,870     |
| Total Primary Government Program Revenues               | 15,805,611    | 17,365,988    | 17,505,218    | 18,066,408    | 20,202,764    | 21,194,283    |
| <b>Net (Expense) Revenue</b>                            |               |               |               |               |               |               |
| Governmental activities                                 | (21,501,851)  | (28,758,774)  | (26,212,353)  | (26,865,046)  | (26,668,088)  | (29,325,917)  |
| Business-type activities                                | 871,350       | 941,525       | 543,122       | (1,050,817)   | (573,983)     | (37,685)      |
| Total Primary Government                                | (20,630,501)  | (27,817,249)  | (25,669,231)  | (27,915,863)  | (27,242,071)  | (29,363,602)  |
| <b>General Revenues and Other Changes in Net Assets</b> |               |               |               |               |               |               |
| <u>Governmental activities:</u>                         |               |               |               |               |               |               |
| Taxes   | \$ 20,781,733 | \$ 22,431,734 | \$ 25,261,022 | \$ 28,051,248 | \$ 28,144,246 | \$ 29,960,665 |
| Grants and contributions                                | 5,156,251     | 5,217,805     | 5,271,087     | 5,495,186     | 6,139,217     | 6,774,688     |
| Investment earnings                                     | 170,189       | 130,491       | 380,469       | 548,420       | 966,546       | 682,166       |
| Fees, licenses, and permits                             | 187,896       | 172,772       | 132,091       | 143,335       | -             | -             |
| Miscellaneous   | 703,406       | 139,129       | 1,311,031     | 3,018,377     | 391,397       | 269,712       |
| Gain on sale of capital assets                          | -             | -             | -             | -             | (509)         | 53,454        |
| Transfer of Capital Asset                               | 1,717,778     | -             | -             | -             | -             | -             |
| Transfers   | (563,029)     | (2,936,293)   | (521,911)     | (699,927)     | (872,089)     | (4,798,421)   |
| Total governmental activities                           | 28,154,224    | 25,155,638    | 31,833,789    | 36,556,639    | 34,768,808    | 32,942,264    |
| <u>Business-type activities:</u>                        |               |               |               |               |               |               |
| Transfers   | 563,029       | 2,936,293     | 521,911       | 699,927       | 872,089       | 4,798,421     |

**Pickens County, South Carolina**  
**Changes in Net Assets**  
**Last Six Fiscal Years**  
**(accrual basis of accounting)**

|                                | Fiscal Year  |             |              |              |              |              |
|--------------------------------|--------------|-------------|--------------|--------------|--------------|--------------|
|                                | 2003         | 2004        | 2005         | 2006         | 2007         | 2008         |
| Total business-type activities | 563,029      | 2,936,293   | 521,911      | 699,927      | 872,089      | 4,798,421    |
| Total Primary Government       | 28,717,253   | 28,091,931  | 32,355,700   | 37,256,566   | 35,640,897   | 37,740,685   |
| <b>Change in Net Assets</b>    |              |             |              |              |              |              |
| Governmental activities        | 6,652,373    | (3,603,136) | 5,621,436    | 9,691,593    | 8,100,720    | 3,616,347    |
| Business-type activities       | 1,434,379    | 3,877,818   | 1,065,033    | (350,890)    | 298,106      | 4,760,736    |
| Total Primary Government       | \$ 8,086,752 | \$ 274,682  | \$ 6,686,469 | \$ 9,340,703 | \$ 8,398,826 | \$ 8,377,083 |

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)

|  | 1999          | 2000          | 2001          | 2002          | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>General Fund</b>                    |               |               |               |               |               |               |               |               |               |               |
| Reserved                               | \$ 142,078    | \$ 144,566    | \$ 231,758    | \$ 1,382,532  | \$ 2,839,838  | \$ 2,201,434  | \$ 1,914,549  | \$ 1,784,717  | \$ 1,597,235  | \$ 2,455,301  |
| Unreserved                             | 7,738,875     | 11,571,671    | 13,110,297    | 13,849,205    | 12,897,458    | 11,192,229    | 13,130,692    | 16,862,916    | 21,527,579    | 23,882,694    |
| Total General Fund                     | 7,880,953     | 11,716,237    | 13,342,055    | 15,231,737    | 15,737,296    | 13,393,663    | 15,045,241    | 18,647,633    | 23,124,814    | 26,337,995    |
| <b>All Other Governmental Funds</b>    |               |               |               |               |               |               |               |               |               |               |
| Reserved                               |               |               |               |               |               |               |               |               |               |               |
| Debt service                           | 298,203       | 569,767       | 623,280       | 579,651       | -             | 912,526       | 1,135,204     | 843,318       | 535,141       | 541,633       |
| Other reserves                         | -             | 124           | -             | -             | 228,371       | 3,887,756     | 1,057,463     | 328,664       | 620,352       | 2,000,027     |
| Unreserved, reported in:               |               |               |               |               |               |               |               |               |               |               |
| Special revenue funds                  | 260,287       | 2,440,173     | 3,119,214     | 377,484       | 6,228,918     | 11,880,410    | 11,829,130    | 12,118,506    | 12,938,696    | 11,793,525    |
| Debt service funds                     | -             | -             | -             | 4,827         | 607,878       | -             | -             | -             | -             | -             |
| Capital project funds                  | 3,910,934     | 6,558,401     | 7,349,071     | 11,438,802    | 8,463,898     | 2,186,523     | 1,527,628     | 1,214,214     | 671,084       | 887,462       |
| Total All Other Governmental Funds     | 4,469,424     | 9,568,465     | 11,091,565    | 12,400,764    | 15,529,065    | 18,867,215    | 15,549,425    | 14,504,702    | 14,765,273    | 15,222,647    |
| <b>Total Governmental Fund Balance</b> | \$ 12,350,377 | \$ 21,284,702 | \$ 24,433,620 | \$ 27,632,501 | \$ 31,266,361 | \$ 32,260,878 | \$ 30,594,666 | \$ 33,152,335 | \$ 37,890,087 | \$ 41,560,642 |

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, |                     |                     |                     |                     |                     |                       |                     |                     |                     |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
|   | 1999                       | 2000                | 2001                | 2002                | 2003                | 2004                | 2005                  | 2006                | 2007                | 2008                |
| <b>Revenues</b>   |                            |                     |                     |                     |                     |                     |                       |                     |                     |                     |
| Taxes   | \$ 16,440,538              | \$ 17,388,779       | \$ 19,057,929       | \$ 21,259,787       | \$ 20,633,138       | \$ 22,507,766       | \$ 25,315,693         | \$ 27,909,119       | \$ 27,883,001       | \$ 29,593,873       |
| Fees, licenses and permits                              | 376,725                    | 343,322             | 658,944             | 694,433             | 4,245,388           | 4,609,257           | 4,560,429             | 4,894,813           | 5,108,915           | 5,461,999           |
| Intergovernmental                                       | 13,566,450                 | 14,137,544          | 8,723,748           | 8,309,830           | 8,350,505           | 9,251,235           | 8,699,593             | 9,335,262           | 11,210,389          | 11,045,142          |
| Charges for services                                    | 2,114,086                  | 3,119,011           | 4,524,806           | 5,094,039           | 3,888,066           | 4,335,537           | 4,790,488             | 5,722,544           | 6,398,628           | 6,251,305           |
| Fines and forfeitures                                   | 3,201,057                  | 2,189,324           | 1,046,146           | 2,647,179           | 929,332             | 927,665             | 808,594               | 938,369             | 942,141             | 975,288             |
| Investment income                                       | 490,269                    | 694,471             | 877,659             | 492,804             | 331,430             | 251,702             | 593,511               | 1,024,978           | 1,520,297           | 1,176,242           |
| Contributions   | -                          | -                   | 23,336              | 3,148               | 16,231              | 12,257              | 255,299               | 115,668             | 74,446              | 148,842             |
| Miscellaneous   | 872,315                    | 2,434,128           | 321,500             | 405,950             | 170,442             | 137,773             | 651,182               | 705,252             | 159,906             | 190,062             |
| <b>Total Revenues</b>                                   | <b>37,061,440</b>          | <b>40,286,579</b>   | <b>35,234,068</b>   | <b>38,907,170</b>   | <b>38,564,532</b>   | <b>42,033,192</b>   | <b>45,674,789</b>     | <b>50,646,005</b>   | <b>53,297,723</b>   | <b>54,842,853</b>   |
| <b>Expenditures</b>                                     |                            |                     |                     |                     |                     |                     |                       |                     |                     |                     |
| General government                                      | 7,253,753                  | 5,919,910           | 5,589,296           | 7,258,565           | 7,661,096           | 8,081,076           | 8,616,734             | 8,932,315           | 9,155,233           | 9,861,628           |
| Public safety   | 4,990,811                  | 5,029,882           | 8,415,448           | 10,928,234          | 11,686,937          | 14,389,530          | 14,971,515            | 17,207,330          | 16,249,967          | 17,453,255          |
| Public works  | 9,318,214                  | 8,170,244           | 4,911,711           | 5,420,038           | 7,807,873           | 9,569,400           | 8,856,010             | 10,324,117          | 8,939,715           | 9,914,630           |
| Health and welfare                                      | 2,551,898                  | 2,706,918           | 238,344             | 308,899             | 395,499             | 440,974             | 644,549               | 661,020             | 690,162             | 778,940             |
| Culture and recreation                                  | 1,709,880                  | 1,704,083           | 1,713,287           | 1,973,758           | 2,117,156           | 2,336,952           | 3,145,300             | 3,483,387           | 3,863,186           | 3,892,592           |
| Economic development                                    | -                          | -                   | 101,815             | 154,143             | 245,912             | 3,876,989           | 904,739               | 1,050,117           | 548,535             | 570,531             |
| Other   | 4,250,894                  | 3,684,572           | 3,992,266           | 578,616             | 523,343             | 1,589,548           | 133,632               | 127,681             | 169,233             | 73,067              |
| Intergovernmental                                       | -                          | -                   | 1,236,830           | 1,896,313           | 1,447,674           | 162,123             | 1,530,698             | 1,422,564           | 1,577,665           | 1,673,392           |
| Capital outlay  | 8,002,721                  | 12,635,491          | 4,284,051           | 4,476,810           | 2,992,437           | 6,389,198           | 6,218,964             | 959,939             | 3,930,308           | 4,120,698           |
| Debt service  |                            |                     |                     |                     |                     |                     |                       |                     |                     |                     |
| Principal   | 865,035                    | 5,961,757           | 1,159,062           | 1,221,322           | 1,570,285           | 1,489,332           | 2,007,512             | 2,810,309           | 1,767,801           | 1,767,006           |
| Interest  | 565,158                    | 791,117             | 700,847             | 772,145             | 611,136             | 679,553             | 928,310               | 982,353             | 845,923             | 790,629             |
| <b>Total Expenditures</b>                               | <b>39,508,364</b>          | <b>46,603,974</b>   | <b>32,342,957</b>   | <b>34,990,843</b>   | <b>37,059,848</b>   | <b>49,004,675</b>   | <b>47,959,963</b>     | <b>47,961,132</b>   | <b>47,737,728</b>   | <b>50,896,368</b>   |
| <b>Excess of Revenues Over (Under) Expenditures</b>     | <b>(2,446,924)</b>         | <b>(6,317,395)</b>  | <b>2,891,111</b>    | <b>3,916,327</b>    | <b>1,505,184</b>    | <b>(6,971,483)</b>  | <b>(2,285,174)</b>    | <b>2,684,873</b>    | <b>5,559,995</b>    | <b>3,946,485</b>    |
| <b>Other Financing Sources (Uses)</b>                   |                            |                     |                     |                     |                     |                     |                       |                     |                     |                     |
| Proceeds from capital lease                             | -                          | 549,192             | -                   | 466,839             | 973,923             | 2,965,781           | 284,300               | 572,725             | -                   | 360,000             |
| 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               | -                   | -                   | 3,874,344           |
| Payment to escrow agent                                 | -                          | -                   | -                   | (3,651,706)         | -                   | -                   | -                     | -                   | -                   | -                   |
| Transfer of capital asset                               | -                          | -                   | -                   | -                   | 1,717,778           | -                   | -                     | -                   | -                   | -                   |
| Sale of capital assets                                  | -                          | -                   | -                   | -                   | -                   | 135,138             | 56,566                | -                   | -                   | -                   |
| Transfers in (out)                                      | -                          | (511,217)           | (511,217)           | (1,476,488)         | (563,029)           | (2,936,293)         | (521,911)             | (699,927)           | (872,089)           | (4,798,421)         |
| <b>Total Other Financing Sources (Uses)</b>             | <b>2,606,237</b>           | <b>12,961,665</b>   | <b>(511,217)</b>    | <b>(971,355)</b>    | <b>2,128,672</b>    | <b>9,954,313</b>    | <b>618,955</b>        | <b>(127,202)</b>    | <b>(872,089)</b>    | <b>(564,077)</b>    |
| <b>Net Change in Fund Balance</b>                       | <b>\$ 159,313</b>          | <b>\$ 6,644,270</b> | <b>\$ 2,379,894</b> | <b>\$ 2,944,972</b> | <b>\$ 3,633,856</b> | <b>\$ 2,982,830</b> | <b>\$ (1,666,219)</b> | <b>\$ 2,557,671</b> | <b>\$ 4,687,906</b> | <b>\$ 3,382,408</b> |
| Debt Service as a percentage of noncapital expenditures | 4.54%                      | 19.88%              | 6.63%               | 6.53%               | 6.40%               | 5.09%               | 7.03%                 | 8.07%               | 5.97%               | 5.47%               |

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 Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years

| Fiscal Year<br>Ended<br>June 30, | Tax<br>Year | Real<br>Property | Personal<br>Property | Less:<br>Exemptions | Total Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax Rate (1) | Estimated<br>Actual<br>Taxable<br>Value | Taxable Assessed<br>Value as a<br>Percentage of<br>Actual Taxable Value |      |
|----------------------------------|-------------|------------------|----------------------|---------------------|------------------------------------|---------------------------------|---|---|------|
|                                  |             |                  |                      |                     |                                    |                                 |   |   | 1998 |
| 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%   |      |
| 2007                             | 2006        | 282,718,664      | 113,649,991          |                     | 396,368,655                        | 69.10                           | 6,870,455,103                           | 5.77%   |      |
| 2008                             | 2007        | 290,390,511      | 112,850,047          |                     | 403,240,558                        | 69.10                           | 7,090,308,644                           | 5.69%   |      |

(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)**

|                               | 1999  | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>County Wide Tax Rates</b>  |       |       |       |       |       |       |       |       |       |       |
| General County                | 67.1  | 55.7  | 60.9  | 64.8  | 59.3  | 60.3  | 65.9  | 60.9  | 60.0  | 60.0  |
| Tri-County Technical Library  | 2.9   | 2.3   | 2.3   | 3.1   | 3.0   | 3.0   | 3.0   | 2.7   | 2.7   | 2.7   |
|                               | 4.2   | 3.0   | 3.0   | 4.5   | 4.4   | 4.4   | 5.9   | 6.4   | 6.4   | 6.4   |
| Total Direct Rate             | 74.2  | 61.0  | 66.2  | 72.4  | 66.7  | 67.7  | 74.8  | 70.0  | 69.1  | 69.1  |
| <b>City Rates</b>             |       |       |       |       |       |       |       |       |       |       |
| Easley                        | 59.0  | 56.0  | 56.0  | 61.7  | 61.7  | 61.7  | 61.7  | 59.0  | 61.0  | 61.0  |
| Liberty                       | 82.0  | 79.0  | 79.0  | 79.0  | 77.0  | 77.0  | 87.0  | 77.5  | 77.5  | 77.5  |
| Norris                        | 51.0  | 45.0  | 68.0  | 75.0  | 75.0  | 75.0  | 75.0  | 77.2  | 77.2  | 77.2  |
| Central                       | 73.0  | 63.0  | 63.0  | 63.0  | 63.0  | 63.0  | 63.0  | 59.0  | 61.0  | 63.0  |
| Clemson                       | 82.0  | 79.1  | 79.1  | 81.6  | 81.6  | 81.6  | 81.6  | 76.9  | 77.9  | 79.5  |
| Six Mile                      | 47.0  | 37.0  | 37.0  | 37.0  | 37.0  | 37.0  | 37.0  | 36.0  | 36.0  | 36.0  |
| Pickens                       | 58.0  | 48.0  | 48.0  | 48.0  | 48.0  | 48.0  | 48.0  | 46.7  | 46.7  | 48.5  |
| <b>School District Rate</b>   | 130.5 | 130.0 | 123.9 | 128.9 | 135.5 | 132.7 | 138.2 | 130.9 | 128.0 | 167.0 |
| <b>Special District Rates</b> |       |       |       |       |       |       |       |       |       |       |
| Keowee Vineyards              | -     | -     | -     | -     | -     | 18.8  | 57.6  | 34.0  | 32.7  | 36.2  |
| Pumpkintown                   | -     | -     | -     | -     | -     | -     | 14.2  | -     | -     | -     |
| Shady Grove                   | -     | -     | -     | -     | -     | -     | 26.8  | 19.0  | 14.5  | 12.9  |
| County Sewer                  | -     | -     | -     | -     | 2.7   | 2.7   | 1.6   | 0.5   | 0.5   | 1.5   |
| Georges Creek                 | 1.5   | 1.1   | 1.1   | 0.7   | 0.7   | 0.7   | 0.7   | 0.7   | 0.6   | 0.6   |
| Sedgewood                     | 11.0  | 8.7   | 8.7   | 8.7   | 8.7   | 8.4   | 8.4   | 7.3   | 7.0   | 5.0   |
| Saluda Lake                   | 20.0  | 15.0  | 15.0  | 15.0  | 15.0  | 15.0  | 15.0  | 10.6  | 10.6  | 10.6  |

Note: Property was reassessed as of 1999-2000

Source: Pickens County Auditor's Office

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

|                                | 2008                   |   | 1999                   |   |
|--------------------------------|------------------------|---|------------------------|---|
|                                | Taxable Assessed Value | Percent of Total Taxable Assessed Value | Taxable Assessed Value | Percent of Total Taxable Assessed Value |
| Duke Energy Corporation        | \$ 17,650,500          | 4.38%                                   | \$ 15,056,440          | 6.75%                                   |
| Blue Ridge Electric Coop.      | 4,924,280              | 1.22%                                   | 7,148,860              | 3.20%                                   |
| Bellsouth Telecommunications   | 4,352,300              | 1.08%                                   | 5,860,990              | 2.63%                                   |
| Keowee River Club LLC          | 3,301,377              | 0.82%                                   | 4,668,140              | 2.09%                                   |
| Keowee Investment Group LLC    | 1,811,445              | 0.45%                                   | 3,454,045              | 1.55%                                   |
| Sauer Danfoss US Company       | 1,600,779              | 0.40%                                   | 2,946,140              | 1.32%                                   |
| Shaw Industries Group Inc.     | 1,542,342              | 0.38%                                   | 2,851,175              | 1.28%                                   |
| Alice Manufacturing Company    | 1,542,342              | 0.38%                                   | 2,031,260              | 0.91%                                   |
| Reliable Automatic Sprinkler   | 1,334,266              | 0.33%                                   | 1,752,190              | 0.79%                                   |
| Cellco Partnership DBA Verizon | 1,258,030              | 0.31%                                   | 1,578,650              | 0.71%                                   |
| <b>Total</b>                   | <b>\$ 39,317,661</b>   | <b>9.75%</b>                            | <b>\$ 47,347,890</b>   | <b>21.22%</b>                           |

Source: Pickens County Auditor's Office



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

| Fiscal<br>Year<br>Ended<br>June 30, | Total<br>Adjusted<br>Levy (1) | Collected within the<br>Fiscal Year of the Levy (2) |                                   | Receivable<br>June 30, 2008 | Estimated Tax<br>Collections to Date (3) |                                   |
|-------------------------------------|-------------------------------|---|-----------------------------------|-----------------------------|--|-----------------------------------|
|                                     |                               | Amount  | Percentage<br>of Adjusted<br>Levy |                             | Estimated<br>Amount                      | Percentage<br>of Adjusted<br>Levy |
| 1999                                | 10,440,034                    | 9,251,693   | 88.62%                            | \$ 11,172                   | \$ 10,428,862                            | 99.89%                            |
| 2000                                | 10,717,681                    | 9,807,870   | 91.51%                            | 13,591                      | 10,704,090                               | 99.87%                            |
| 2001                                | 13,093,314                    | 11,201,107  | 85.55%                            | 22,902                      | 13,070,412                               | 99.83%                            |
| 2002                                | 14,999,432                    | 12,512,738  | 83.42%                            | 40,201                      | 14,959,231                               | 99.73%                            |
| 2003                                | 14,209,581                    | 12,485,752  | 87.87%                            | 51,889                      | 14,157,692                               | 99.63%                            |
| 2004                                | 14,916,445                    | 13,446,296  | 90.14%                            | 67,572                      | 14,848,873                               | 99.55%                            |
| 2005                                | 16,375,917                    | 14,769,963  | 90.19%                            | 89,760                      | 16,286,157                               | 99.45%                            |
| 2006                                | 17,824,985                    | 16,133,203  | 90.51%                            | 97,452                      | 17,727,533                               | 99.45%                            |
| 2007                                | 17,398,589                    | 15,977,443  | 91.83%                            | 166,791                     | 17,231,798                               | 99.04%                            |
| 2008                                | 17,475,608                    | 16,600,160  | 94.99%                            | 519,932                     | 16,955,676                               | 97.02%                            |

Notes:

- (1) Includes the adjusted County operating and bond millage. The original tax levy information was unavailable.
- (2) Does not include current year taxes collected as delinquent in the year of the levy.
- (3) Collections in subsequent years by year of levy were unavailable. Amounts receivable at June 30, 2008, were used to estimate the total collections to date.

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

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

| Fiscal Year<br>Ended<br>June 30, | Governmental Activities        |                                    |                   |                  | Business-type Activities  |                  |                  |                  | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income | Per<br>Capita |     |
|----------------------------------|--------------------------------|------------------------------------|-------------------|------------------|---------------------------|------------------|------------------|------------------|--------------------------------|-------------------------------------|---------------|-----|
|                                  | General<br>Obligation<br>Bonds | Special Source<br>Revenue<br>Bonds | Capital<br>Leases | Notes<br>Payable | Sewer<br>Revenue<br>Bonds | Notes<br>Payable | Revenue<br>Bonds | Notes<br>Payable |                                |                                     |               |     |
| 1999                             | 9,525,000                      | -                                  | 519,691           | -                | -                         | 2,606,237        | 5,593,900        | 2,606,237        | \$ 12,650,928                  | 0.60%                               | \$            | 116 |
| 2000                             | 8,850,000                      | 2,372,420                          | 1,240,405         | 3,175,756        | 5,593,900                 | 400,000          | 5,593,900        | 400,000          | 21,632,481                     | 0.99%                               |               | 197 |
| 2001                             | 8,105,000                      | 2,170,686                          | 1,027,496         | 3,063,775        | 5,555,958                 | 400,000          | 5,555,958        | 400,000          | 20,322,915                     | 0.87%                               |               | 183 |
| 2002                             | 7,280,000                      | 1,956,193                          | 1,302,599         | 6,447,248        | 5,503,224                 | 320,833          | 5,503,224        | 320,833          | 22,810,097                     | 0.92%                               |               | 205 |
| 2003                             | 6,395,000                      | 1,728,196                          | 1,941,310         | 6,325,989        | 5,447,929                 | 270,833          | 5,447,929        | 270,833          | 22,109,257                     | 0.87%                               |               | 198 |
| 2004                             | 13,415,000                     | 1,486,124                          | 2,552,405         | 7,800,409        | 5,389,950                 | 220,833          | 5,389,950        | 220,833          | 30,864,721                     | 1.19%                               |               | 275 |
| 2005                             | 13,405,000                     | 1,228,464                          | 2,119,865         | 7,364,442        | 5,329,156                 | 170,834          | 5,329,156        | 170,834          | 29,617,761                     | 1.11%                               |               | 262 |
| 2006                             | 12,506,000                     | -                                  | 2,314,240         | 7,059,933        | 5,265,412                 | 120,833          | 5,265,412        | 120,833          | 27,266,418                     | 0.98%                               |               | 240 |
| 2007                             | 11,529,000                     | -                                  | 1,840,176         | 6,743,196        | 5,198,573                 | 70,833           | 5,198,573        | 70,833           | 25,381,778                     | 0.87%                               |               | 222 |
| 2008                             | 14,353,470                     | -                                  | 1,812,503         | 6,413,737        | 5,128,488                 | 20,833           | 5,128,488        | 20,833           | 27,729,031                     | 0.92%                               |               | 239 |

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 Five Fiscal Years (1)

Legal Debt Margin Calculation for Fiscal Year 2008

|  |                       |
|--|-----------------------|
| Assessed valuation                             | \$ 403,240,558        |
| Less: Exemptions                               |                       |
| Net Assessed value                             | <u>\$ 403,240,558</u> |
| Debt Limit - 8 percent of total assessed value | 32,259,245            |
| Amount of debt applicable to debt limit        | <u>13,287,022</u>     |
| Legal debt margin                              | <u>\$ 18,972,223</u>  |

|  | 2004          | 2005          | 2006          | 2007          | 2008          |
|--|---------------|---------------|---------------|---------------|---------------|
| Debt limit   | \$ 23,423,892 | \$ 24,380,890 | \$ 29,973,504 | \$ 31,709,492 | \$ 32,259,245 |
| Total net debt applicable to limit                                   | 17,415,613    | 17,140,942    | 15,393,073    | 14,368,521    | 13,287,022    |
| Legal debt margin  | \$ 6,008,279  | \$ 7,239,948  | \$ 14,580,431 | \$ 17,340,971 | \$ 18,972,223 |
| Total net debt applicable to the limit as a percentage of debt limit | 74.35%        | 70.30%        | 51.36%        | 45.31%        | 41.19%        |

Notes:

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

Source: Annual Financial Statements

Pickens County, South Carolina  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Fiscal Years

| Fiscal Year<br>Ended<br>June 30, | General<br>Obligation<br>Bonds | Percentage of<br>Estimated Actual<br>Taxable Value of<br>Property (1) | Debt Per<br>Capita (2) |
|----------------------------------|--------------------------------|---|------------------------|
| 1999                             | 9,525,000                      | 0.22%   | \$ 88                  |
| 2000                             | 8,850,000                      | 0.18%   | 81                     |
| 2001                             | 8,105,000                      | 0.15%   | 73                     |
| 2002                             | 7,280,000                      | 0.12%   | 65                     |
| 2003                             | 6,395,000                      | 0.11%   | 57                     |
| 2004                             | 13,415,000                     | 0.22%   | 119                    |
| 2005                             | 13,405,000                     | 0.22%   | 119                    |
| 2006                             | 12,506,000                     | 0.19%   | 110                    |
| 2007                             | 11,529,000                     | 0.17%   | 101                    |
| 2008                             | 14,353,470                     | 0.20%   | 124                    |

Note:

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

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

Source: Annual Financial Statements

Pickens County, South Carolina  
Pledged Revenue Coverage  
Last Nine Fiscal Years

Series 1999A and 1999B Revenue Bonds (1)

Funding Source: Fee in Lieu of Taxes

| Fiscal Year | Available Revenue | Debt Service |            | Coverage |
|-------------|-------------------|--------------|------------|----------|
|             |                   | Principal    | Interest   |          |
| 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    |
| 2006        | n/a               | n/a          | n/a        | n/a      |
| 2007        | n/a               | n/a          | n/a        | n/a      |
| 2008        | n/a               | n/a          | n/a        | n/a      |

Note:

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

Source: Annual Financial Statements

Sewer System Revenue Bonds (2)

Funding Source: Capital charges and transfers

| Fiscal Year | Available Revenue | Debt Service |          | Coverage |
|-------------|-------------------|--------------|----------|----------|
|             |                   | Principal    | Interest |          |
| 2000        | n/a               | n/a          | n/a      | n/a      |
| 2001        | 236,628           | 37,942       | 198,686  | 1.000    |
| 2002        | 315,504           | 52,734       | 262,770  | 1.000    |
| 2003        | 315,504           | 55,294       | 260,210  | 1.000    |
| 2004        | 315,504           | 57,979       | 257,525  | 1.000    |
| 2005        | 315,504           | 60,794       | 254,710  | 1.000    |
| 2006        | 315,504           | 63,745       | 251,759  | 1.000    |
| 2007        | 315,504           | 66,840       | 248,664  | 1.000    |
| 2008        | 315,504           | 70,085       | 245,419  | 1.000    |

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

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

| <b>Fiscal Year</b> | <b>Population</b> | <b>Personal Income</b> | <b>Per Capita Personal Income</b> | <b>Unemployment Rate</b> |
|--------------------|-------------------|------------------------|-----------------------------------|--------------------------|
| 1999               | 108,663           | 2,091,290,000          | 19,246                            | 2.6%                     |
| 2000               | 109,851           | 2,190,499,000          | 19,941                            | 3.1%                     |
| 2001               | 111,089           | 2,338,305,000          | 21,049                            | 2.4%                     |
| 2002               | 111,520           | 2,481,369,000          | 22,250                            | 4.3%                     |
| 2003               | 111,619           | 2,540,175,000          | 22,758                            | 5.3%                     |
| 2004               | 112,340           | 2,598,725,000          | 23,133                            | 6.1%                     |
| 2005               | 113,090           | 2,663,426,000          | 23,551                            | 5.1%                     |
| 2006               | 113,729           | 2,778,369,000          | 24,430                            | 6.7%                     |
| 2007               | 114,585           | 2,932,353,000          | 25,591                            | 5.8%                     |
| 2008(1)            | 116,003           | 3,022,898,284          | 26,059                            | 5.3%                     |

**Notes:**

(1) Personal Income and Per Capita Personal Income for 2008 were estimated based on the average yearly change over the last five years.

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

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

| Company or Organization              | June 30, 2008       |                                    |
|--------------------------------------|---------------------|------------------------------------|
|                                      | Number of Employees | Percent of Total County Employment |
| Clemson University                   | 7,992               | 6.89%                              |
| State of South Carolina              | 3,784               | 3.26%                              |
| School District of Pickens County    | 2,308               | 1.99%                              |
| Palmetto Baptist Medical Center      | 700                 | 0.60%                              |
| Confluence Watersports               | 650                 | 0.56%                              |
| Reliable Automatic Sprinkler Company | 600                 | 0.52%                              |
| Pickens County                       | 585                 | 0.50%                              |
| Wal-Mart                             | 544                 | 0.47%                              |
| ARAMARK Services                     | 500                 | 0.43%                              |
| Fluid Routing Solutions              | 450                 | 0.39%                              |
|                                      | <b>18,113</b>       | <b>15.61%</b>                      |

| Company or Organization           | June 30, 1999       |                                    |
|-----------------------------------|---------------------|------------------------------------|
|                                   | Number of Employees | Percent of Total County Employment |
| Clemson University                | 8,122               | 7.47%                              |
| State of South Carolina           | 3,457               | 3.18%                              |
| School District of Pickens County | 1,800               | 1.66%                              |
| Ryobi Motor Products              | 1,502               | 1.38%                              |
| Baptist Medical Center            | 550                 | 0.51%                              |
| Bi-Lo                             | 538                 | 0.50%                              |
| Mayfair Mills - Glenwood Division | 455                 | 0.42%                              |
| BASF Corp - Clemson Plant         | 450                 | 0.41%                              |
| Pickens County                    | 430                 | 0.40%                              |
| Champion Aviation Products        | 415                 | 0.38%                              |
|                                   | <b>17,719</b>       | <b>16.31%</b>                      |

Source: Appalachian Council of Governments and InfoMentum.

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

| Function                   | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------|------|------|------|------|------|------|------|------|------|
| General government         | 147  | 134  | 138  | 140  | 144  | 147  | 150  | 147  | 147  | 148  |
| Public safety              | 191  | 192  | 207  | 221  | 228  | 232  | 251  | 262  | 268  | 267  |
| Public works               | 88   | 95   | 98   | 100  | 102  | 103  | 102  | 105  | 105  | 104  |
| Health and welfare         | 6    | 6    | 6    | 7    | 8    | 8    | 9    | 9    | 9    | 9    |
| Culture and recreation     | 51   | 50   | 50   | 50   | 50   | 51   | 68   | 70   | 70   | 70   |
| Transportation             | -    | -    | 5    | 5    | 6    | 5    | 3    | 4    | 4    | 4    |
| Economic Development       | 2    | 2    | 3    | 2    | 2    | 3    | 3    | 3    | 3    | 0    |
| Intergovernmental          | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Total authorized positions | 486  | 480  | 508  | 526  | 541  | 550  | 587  | 601  | 607  | 603  |

Source: County's Adopted Budget



Pickens County, South Carolina  
 Operating Indicators by Function/Program  
 Fiscal Years 2004-2008 (1)

| Function/Program                      | Fiscal Year<br>2004 | Fiscal Year<br>2005 | Fiscal Year<br>2006 | Fiscal Year<br>2007 | Fiscal Year<br>2008 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General government</b>             |                     |                     |                     |                     |                     |
| Probate Court estate cases            | 661                 | 694                 | 739                 | 716                 | 785                 |
| Marriage license applications         | 793                 | 801                 | 769                 | 796                 | 718                 |
| Register of Deeds documents filed     | 30,369              | 26,845              | 29,363              | 27,188              | 19,605              |
| Clerk of Court civil cases filed      | 1,907               | 1,905               | 1,989               | 1,921               | 2,233               |
| Clerk of Court warrants received      | 3,344               | 4,041               | 4,194               | 3,384               | 3,615               |
| Vehicle bills and renewals processed  | 195,147             | 192,371             | 115,319             | 109,141             | 111,797             |
| Magistrate case filings               | 14,328              | 16,780              | 19,040              | 16,791              | 20,685              |
| <b>Public Safety</b>                  |                     |                     |                     |                     |                     |
| Sheriff 911 Calls received            | 34,166              | 36,726              | 37,014              | 35,295              | 38,167              |
| Coroner's Office investigations       | 190                 | 204                 | 196                 | 200                 | n/a                 |
| Prison inmates received               | 592                 | 560                 | 597                 | 621                 | 742                 |
| EMS ambulance calls                   | 11,591              | 12,110              | 12,608              | 14,498              | 15,158              |
| Victim Rights services and assistance | 5,303               | 7,103               | 7,208               | 7,792               | 8,026               |
| <b>Public Works</b>                   |                     |                     |                     |                     |                     |
| Solid Waste transfer station tonnage  | 44,019              | 44,407              | 41,464              | 44,356              | 42,042              |
| Recyclables tonnage                   | 10,209              | 9,290               | 9,030               | 3,558               | 7,742               |
| Roads paved                           | 30                  | 35                  | 36                  | 65                  | n/a                 |
| Signs installed/repaired              | 462                 | 428                 | 457                 | 1,649               | n/a                 |
| <b>Health and Welfare</b>             |                     |                     |                     |                     |                     |
| Animal Control calls received         | 9,304               | 11,455              | 9,985               | 9,713               | 9,808               |
| Veteran's Affairs claims/actions      | 27,553              | 23,359              | 23,073              | 21,517              | 24,662              |
| <b>Culture and Recreation</b>         |                     |                     |                     |                     |                     |
| County Park                           |                     |                     |                     |                     |                     |
| Park camping and day use passes       | 7,530               | 5,882               | 6,713               | 5,787               | 7,360               |
| Museum & Mill visitors (2)            | 24,860              | 21,456              | 19,277              | 32,527              | 33,789              |
| Library visitors                      | 336,564             | 355,840             | 426,075             | 426,829             | 480,822             |
| <b>Public Service Commission</b>      |                     |                     |                     |                     |                     |
| Wastewater Treated /Gallons           | 342,555,281         | 306,732,858         | 280,842,244         | 333,899,990         | 298,610,000         |

Notes:

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

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

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 |       |       |       |       |       |       |       |       |       |
|---------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                 | 1999        | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  |
| Public Safety                   |             |       |       |       |       |       |       |       |       |       |
| Sheriff Patrol units            | 75          | 80    | 82    | 88    | 92    | 93    | 94    | 101   | 101   | 101   |
| EMS Stations                    | 5           | 6     | 6     | 6     | 6     | 6     | 6     | 7     | 7     | 7     |
| Public Works                    |             |       |       |       |       |       |       |       |       |       |
| Solid Waste convenience centers | 7           | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     |
| Roads (miles)                   | 160.2       | 162.1 | 164.7 | 168.3 | 171.5 | 172.3 | 174.1 | 181.2 | 182.0 | 183.6 |
| Bridges                         | 52          | 52    | 53    | 54    | 58    | 59    | 66    | 68    | 68    | 73    |
| Public Service Commission       |             |       |       |       |       |       |       |       |       |       |
| Sanitary sewers (miles)         | 5.66        | 14.49 | 15.41 | 15.91 | 17.06 | 23.51 | 26.5  | 26.75 | 28.29 | 28.61 |
| Culture and Recreation          |             |       |       |       |       |       |       |       |       |       |
| Number of county parks          | 1           | 1     | 1     | 1     | 1     | 1     | 2     | 2     | 2     | 2     |

Source: County's Adopted Budget and County departments

**SINGLE AUDIT SECTION**

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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 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, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 9, 2008. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pickens County, South Carolina's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pickens County, South Carolina's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Pickens County, South Carolina's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Pickens County, South Carolina's financial statements that is more than inconsequential will not be prevented or detected by the Pickens County, South Carolina's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Pickens County, South Carolina's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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, the audit committee, 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  
December 9, 2008

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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, 2008. Pickens County, South Carolina's major federal programs are identified in the summary of auditors' 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, 2008.

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 the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pickens County, South Carolina's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

Pickens County Council  
Pickens, South Carolina  
Page Two

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of management, County Council, others within the entity, 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  
December 9, 2008



PICKENS COUNTY, SOUTH CAROLINA  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2008

BASIS OF PRESENTATION

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

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PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2008

| <u>Federal Grantor / Program Title</u>  | <u>Federal CFDA Number</u> | <u>Grant / Award Number</u> | <u>Award Amount</u> | <u>Federal Expenditures</u> | <u>Loan Amount Outstanding</u> |
|---|----------------------------|-----------------------------|---------------------|-----------------------------|--------------------------------|
| <u>US Department of Transportation</u>  |                            |                             |                     |                             |                                |
| Federal Aviation Administration   | 20.106                     | 3-45-0047-14                | \$ -                | \$ 237,486                  | -                              |
| Airport Terminal Building   |                            |                             |                     |                             |                                |
| Passed through SC Department of Public Safety                                 | 20.600                     | 2H07010                     | -                   | 13,218                      | -                              |
| State and Community Highway Safety  |                            |                             |                     |                             |                                |
| Passed through SC Office of Adjutant General, Emergency Preparedness Division |                            |                             |                     |                             |                                |
| Hazardous Materials Emergency Planning 2007                                   | 20.703                     | HIMESC6042140               | -                   | 9                           | -                              |
|   |                            |                             | -                   | 250,713                     | -                              |
| <u>US Department of Agriculture</u>   |                            |                             |                     |                             |                                |
| Rural Development Loans   | 10.760                     |                             | -                   | -                           | 3,305,731                      |
| 18 Mile Creek Upper Project   | 10.760                     |                             | -                   | -                           | 1,822,757                      |
| 18 Mile Creek Middle Project  |                            |                             |                     |                             |                                |
| Passed through SC Forestry Commission   |                            |                             |                     |                             |                                |
| VFA National Fire Plan Dacusville Fire  | 10.664                     |                             | -                   | 1,500                       | -                              |
|   |                            |                             | -                   | 1,500                       | 5,128,488                      |
| <u>US Department of Justice</u>   |                            |                             |                     |                             |                                |
| Justice Assistance Grant 2006   | 16.738                     | 2006-DJ-BX-0139             | -                   | 198                         | -                              |
| Justice Assistance Grant 2007   | 16.738                     | 2007-DJ-BX-0923             | -                   | 19,763                      | -                              |
| Passed through SC Department of Public Safety                                 |                            |                             |                     |                             |                                |
| JAIBG Youth Court   | 16.523                     | 1JS05001                    | -                   | 908                         | -                              |
| VAWA Domestic Investigator/Advocate   | 16.588                     | 1K06012                     | -                   | 18,350                      | -                              |
| VAWA Domestic Investigator/Advocate   | 16.588                     | 1K07011                     | -                   | 51,635                      | -                              |
|   |                            |                             | -                   | 90,854                      | -                              |

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2008

| Federal Grantor / Program Title   | Federal CFDA Number | Grant / Award Number | Award Amount | Federal Expenditures | Loan Amount Outstanding |
|---|---------------------|----------------------|--------------|----------------------|-------------------------|
| <u>US Department of Homeland Security</u><br>Assistance to Firefighters Dacusville Fire District  | 97.044              | EMW-2006-FG-03815    | \$ -         | \$ 26,124            | \$ -                    |
| Passed through SC Office of Adjutant General,<br>Emergency Preparedness Division                  | 97.036              | FEMA-1625-DR-SC      | -            | 4,341                | -                       |
| FEMA Public Assistance Grant-Ice Storm  | 97.042              | 7EMPG01              | -            | 2,735                | -                       |
| Emergency Management Performance Grant-2007   | 97.042              | 8EMPG01              | -            | 4,560                | -                       |
| Emergency Management Performance Grant-2008   | 97.067              | 6CCP01               | -            | 1,549                | -                       |
| Citizen's Corps-2006  |                     |                      |              |                      |                         |
| Passed through SC Law Enforcement Division  | 97.067              | 6SHSP28              | -            | 29,064               | -                       |
| 2006 State Homeland Security  |                     |                      |              |                      |                         |
| Passed through SC Department of Natural Resources   | 97.029              | EMA-2007-FM-E006     | -            | 50,121               | -                       |
| Flood Mitigation Assistance Program   |                     |                      |              |                      |                         |
|   |                     |                      | -            | 118,494              | -                       |
| <u>US Department of Housing and Urban Development</u><br>Passed through SC Department of Commerce | 14.228              | 4-CI-05-010          | -            | 106,358              | -                       |
| Arial Mill Sewer/Community Development Block Grant  | 14.228              | 4-CI-06-006          | -            | 478,362              | -                       |
| Cateechee Village/Community Development Block Grant   |                     |                      | -            | 584,720              | -                       |
| <u>National Endowment for the Arts</u><br>Passed through SC Arts Commission                       | 45.025              | LTO-08-0061          | -            | 16,935               | -                       |
| Promotion of the Humanities Federal/State Partnership   |                     |                      |              |                      |                         |
|   |                     |                      | \$ -         | \$ 1,063,216         | \$ 5,128,488            |

See accompanying note to Schedule of Expenditures of Federal Awards.

PICKENS COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2008

**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:
  - Community Development Block Grants/State's Program CFDA # 14.228
  - Airport Improvement Program CFDA # 20.106
6. The threshold amount to distinguish between Type A and Type B Programs was \$300,000.
7. Pickens County, South Carolina 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

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## **COMPLIANCE SECTION**

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**Pickens County  
Victim Services  
Supplementary Schedule of Assessments**

Schedule 33

**Clerk of Court Collections**

|                                  |         |
|----------------------------------|---------|
| Fines and fees                   | 467,182 |
| Assessments                      | 70,962  |
| Surcharges                       | 109,542 |
| Total Clerk of Court Collections | 647,686 |

**Magistrate Court Collections**

|   |           |
|---|-----------|
| Fines and fees  | 543,410   |
| Assessments   | 409,016   |
| Surcharges  | 242,108   |
| Total Collections for Magistrate Court                    | 1,194,534 |
| Total Collections for Clerk of Court and Magistrate Court | 1,842,220 |

**Clerk of Court Retainage**

|                                |         |
|--------------------------------|---------|
| Fines and fees                 | 201,821 |
| Assessments                    | 23,272  |
| Surcharges                     | 71,107  |
| Total Clerk of Court Retainage | 296,200 |

**Magistrate Court Retainage**

|   |         |
|---|---------|
| Fines and fees  | 543,410 |
| Assessments   | 41,310  |
| Surcharges  | 26,789  |
| Total Magistrate Court Retainage                        | 611,509 |
| Total Retainage for Clerk of Court and Magistrate Court | 907,709 |

**Amount Remitted to State Treasurer**

|                       |         |
|-----------------------|---------|
| Fines and Assessments | 934,511 |
|-----------------------|---------|

**Amount of Funds Allocated to Victim Services by Fund Source**

|                                 |         |
|---------------------------------|---------|
| From Assessments and Surcharges | 162,478 |
|                                 | 162,478 |

|   |        |
|---|--------|
| <b><u>Funds Carried Forward to Fiscal Year 2009 Designated as Victim Services Funds</u></b> | 81,352 |
|---|--------|

