

Pickens County, South Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013

Prepared by:

Ralph Guarino, Finance Director for Pickens County

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR JUNE 30, 2013

Table of Contents

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

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Table of Contents – Continued

	<u>Exhibit</u>	<u>Page</u>
Statement of Net Position – Proprietary Funds	E	28
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	F	29
Statement of Cash Flows – Proprietary Funds	G	30
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	H	31
Notes to Financial Statements		32-56
Required Supplementary Information		
Schedule of Funding Progress – Other Postemployment Benefits (Required Supplemental Information)	I	57
	<u>Schedule</u>	<u>Page</u>
Other Supplementary Information:		
Budgetary Comparison Schedule – General Fund	1	58-60
Combining Balance Sheet – Major Fund – Fire Districts	2	61-62
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Major Fund – Fire Districts	3	63-64
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Easley Fire District Fund	4	65
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Liberty Fire District Fund	5	66
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Pumpkintown Fire District Fund	6	67
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Crosswell Fire District Fund	7	68
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Six Mile Fire District Fund	8	69
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Pickens Fire District Fund	9	70

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Table of Contents – Continued

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

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Table of Contents – Continued

	<u>Schedule</u>	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Victim Rights Fund	24	88
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Grants Fund	25	89
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Museum Restricted Resources Funds	26	90
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Accommodation Tax Fund	27	91
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Road Fee Fund	28	92
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Tourism Development Fee Fund	29	93
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Emergency Phone System Fund	30	94
Combining Schedules – Debt Service Fund		95
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	31	96
Combining Schedules – Agency Funds		97
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	32	98-99
Capital Assets Used in the Operation of Governmental Funds:		
Schedule of Capital Assets by Function	33	100
Schedule of Changes in Capital Assets by Function	34	101

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Part III – Statistical Section

Net Position by Component (Accrual Basis of Accounting)	102
Changes in Net Position (Accrual Basis of Accounting)	103-105
Fund Balances – Governmental Funds (Modified Accrual Basis of Accounting)	106
Changes in Fund Balances – Governmental Funds (Modified Accrual Basis of Accounting)	107
Assessed Value and Estimated Actual Value of Taxable Property	108
Property Tax Rates – Direct and Overlapping Rates	109
Principal Property Taxpayers	110
County Property Tax Levy and Collections	111
Ratios of Outstanding Debt by Type	112
Ratios of General Bonded Debt Outstanding	113
Computation of Legal Debt Margin	114
Pledged Revenue Coverage	115
Demographic and Economic Statistics	116
Principal Employers	117
Authorized County Employee Positions by Function	118
Operating Indicators by Function/Program	119
Capital Asset Statistics by Function/Program	120

PICKENS COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Part IV – Single Audit Section

Independent Auditor's Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	121-122
Independent Auditor's Report on Compliance for Each Major Program And on Internal Control over Compliance Required by OMB Circular A-133	123-124
Schedule of Findings and Questioned Costs	125-127
Schedule of Expenditures of Federal Awards	128
Note to Schedule of Expenditures of Federal Awards	129

Part V – Compliance Section

Supplementary Information Required by State of South Carolina Schedule of Assessments for Victim Services	130
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INTRODUCTORY SECTION

COUNTY OF PICKENS

www.co.pickens.sc.us



COUNCIL MEMBERS

G. NEIL SMITH, CHAIRMAN
TOM PONDER, VICE CHAIRMAN
JENNIFER H. WILLIS, VICE CHAIRMAN. PRO-TEM
JEFF MARTIN
TREY WHITEHURST
RANDY CRENSHAW

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

December 10, 2013

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, 2013, is hereby submitted pursuant to South Carolina Code Title 4 Chapter 9 Section 150 of the South Carolina Code of Laws. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures rests with the County. The staff of the Finance Department compiled this report in close cooperation with the external auditors. It represents the official report of the County's financial operations and condition to the citizens, County Council, County management, rating agencies and other interested persons.

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

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

In compliance with the laws of the State of South Carolina, the County's financial statements have been audited by Cherry Bekaert LLP, 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, 2013. 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 unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The Independent Auditor's report is presented in the Financial Section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter transmittal is designed to complement the MD&A and should be read in conjunction with it. Pickens County's 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 discretely presented component unit is presented in addition to the primary government. The Economic Development Alliance of Pickens County (the "Alliance") was established in 2005 to aggressively promote and preserve job opportunities and increase per capita income through high quality, environmentally sound recruitment and expansion of existing business and industry of Pickens County. A thirteen member Board of Directors, six of which are appointed to staggered terms by County Council, governs the Alliance.

BUDGETARY CONTROLS

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

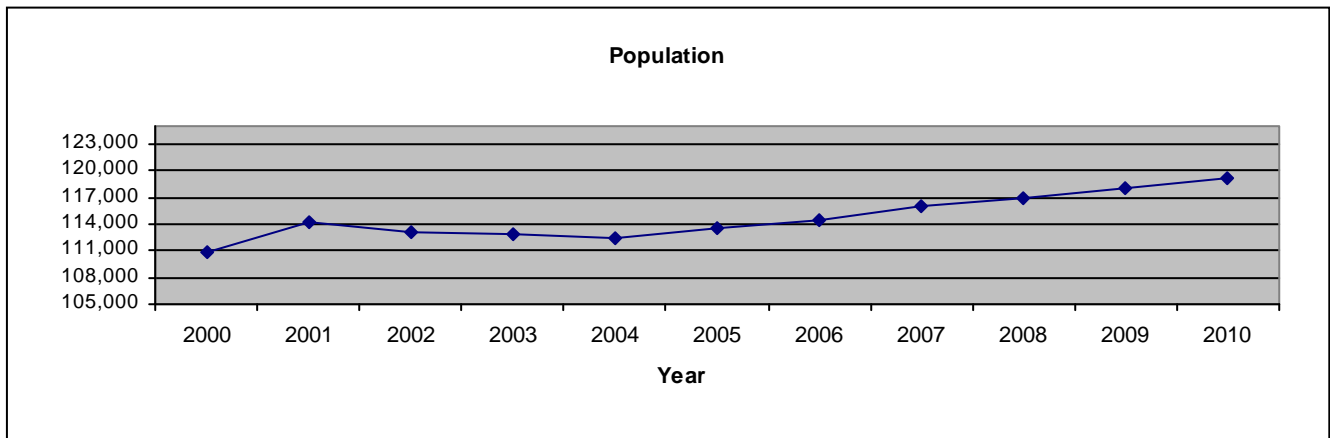
Local Economy

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

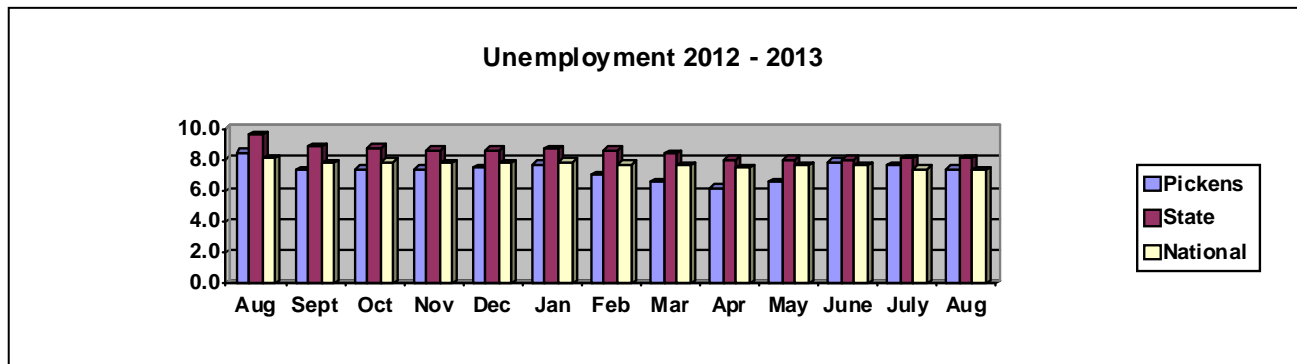
The County population grew 7.6% between the 2000 and 2010 censuses with average annual growth of .76% for the period. This has resulted in Pickens County lagging behind in the South Carolina Upstate region, which experienced an 11.2% population growth between censuses. The State of South Carolina experienced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

Expected Growth

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



According to the South Carolina Employment Security Commission, unemployment increased in August (latest available numbers) from the previous year figure of 7.3% to 7.4%. This is below the State of South Carolina unemployment rate of 8.1% but higher for the United States at 7.3% for August 2013.



Long-Term Financial Planning

The County entered FY 2013 with a strong financial position as noted with our credit rating with Moody’s of Aa2, Fitch Rating of AA- and Standard & Poor’s of AA-. Total fund balance and unassigned fund balance as of June 30, 2013, in the General Fund was \$28,635,249 and \$19,209,791 respectively. This represents 81% and 54% of expenditures, respectively.

As of the part of the Fiscal Year 2014 budget, the County is expanding fire protection for several rural districts. The Liberty Rural Fire District will begin construction of a second fire station in the fall of 2013. This will allow the district to provide fire protection to citizens within 5 miles of one of the two stations. The County is constructing three new fire stations in the Pickens Rural Fire District. Currently the County contracts with the City of Pickens for fire protections in the unincorporated area surrounding the City of Pickens. The County has chosen to build the new stations and staff the building with County employees and equipment. Other plans could possibly include a substation in the Crosswell and Pumpkintown fire area.

In regards to Recreation the County will be constructing a new Amphitheater at Hagood Mill. The facility will be approximately 7,200 square feet and house a stage for entertainers to perform at events sponsored the County and other organizations. The building will have seating capacity of 296 and should be ready by the spring of 2014. Also the County is exploring the option of adding to the facilities at Mile Creek Park. Currently the Park has capacity for recreational vehicle and primitive camping sites. The County plans on constructing roughly 10 cabins at the Park and will be paid through a grant from Duke Energy.

Risk Management

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

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

Pension Plans

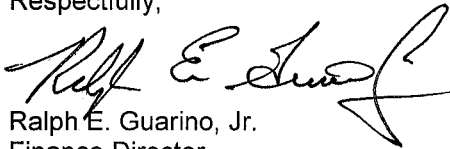
Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Retirement System (PORS), both of which are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board.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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickens County for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully,

A handwritten signature in black ink, appearing to read "Ralph E. Guarino, Jr.", written in a cursive style.

Ralph E. Guarino, Jr.
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

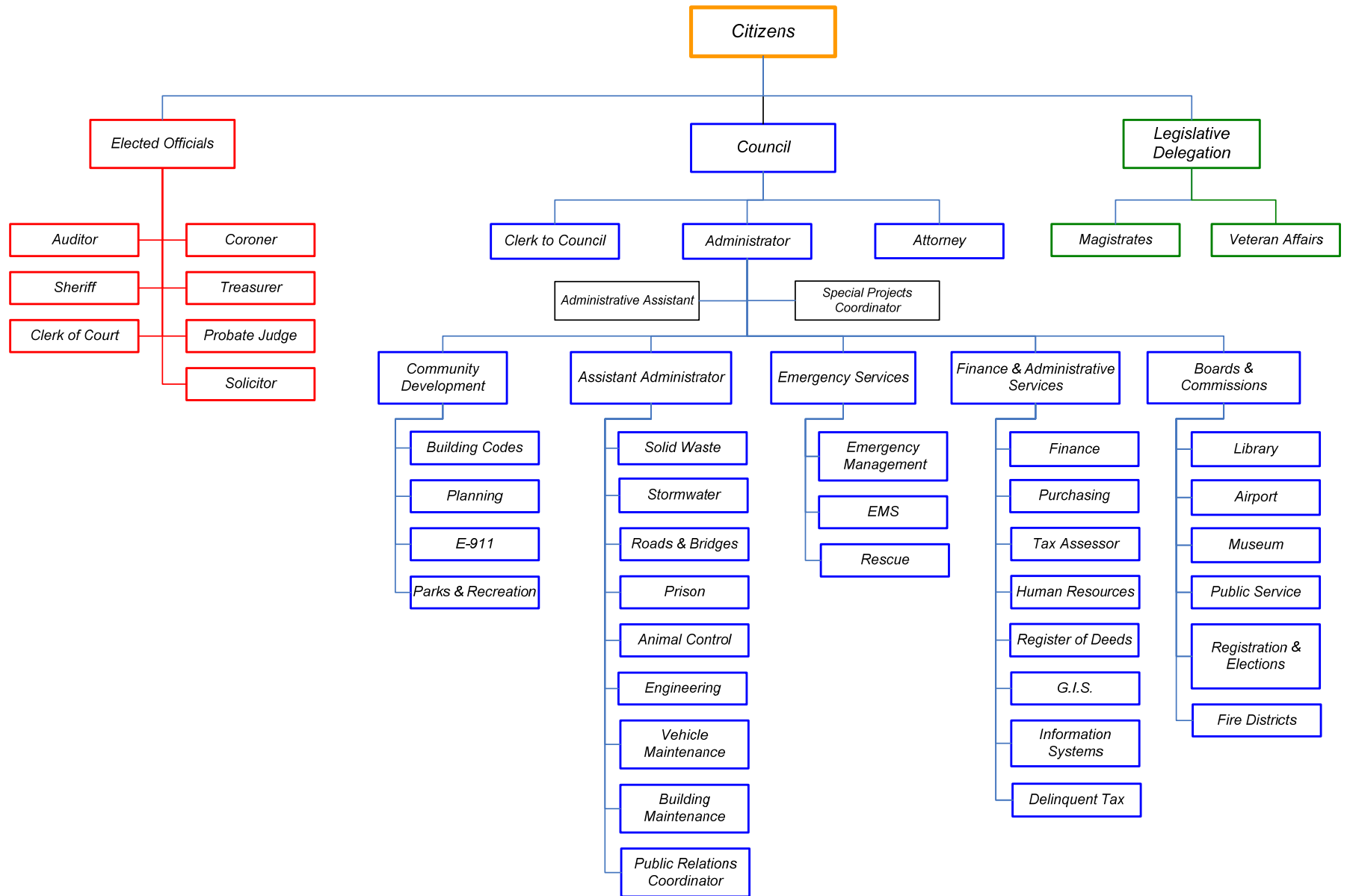
**Pickens County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Pickens County



PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2013

MEMBERS OF COUNTY COUNCIL

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

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

FINANCIAL SECTION

Report of Independent Auditor

Pickens County Council
Pickens, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the Economic Development Alliance of Pickens County (the "Alliance"), a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina (the "County"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the Alliance, a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Fire District Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 19 and the Schedule of Funding Progress – Other Postemployment Benefits on page 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section and statistical section 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 financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory, statistical, compliance and other required supplementary information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Greenville, South Carolina
December 10, 2013

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, 2013. 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

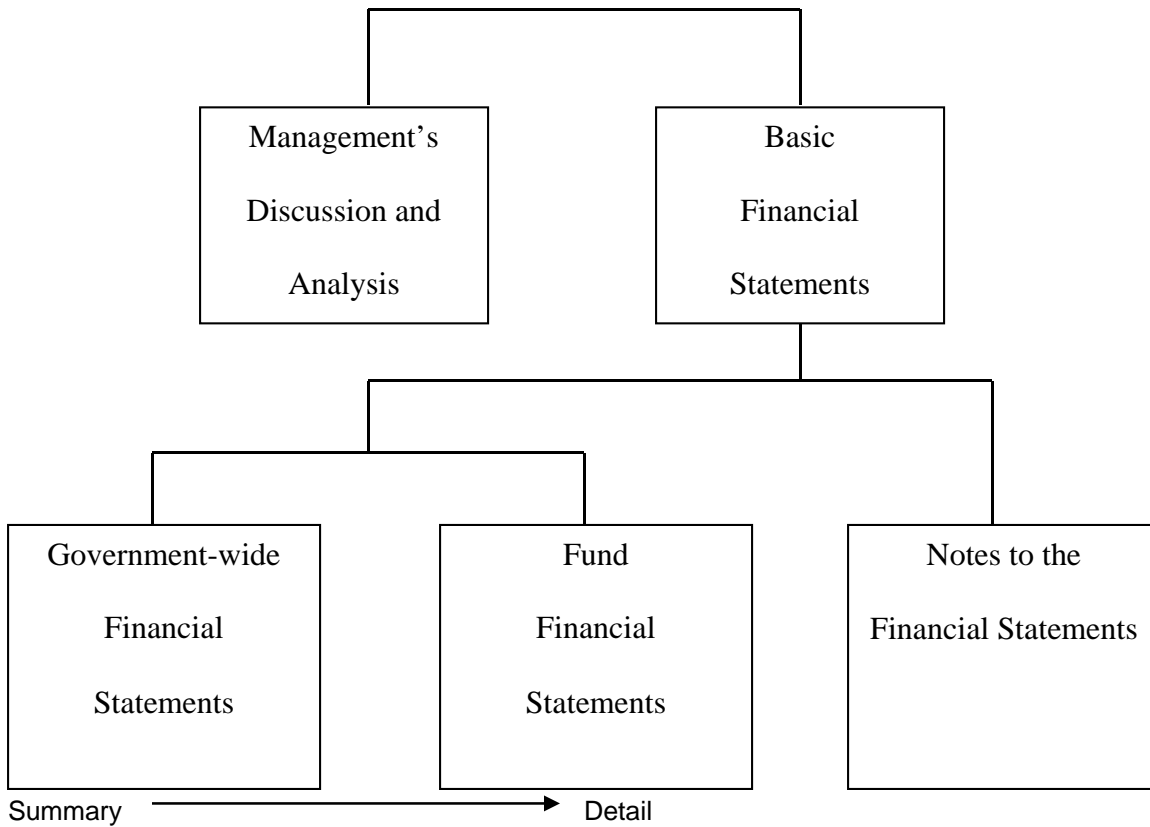
- The assets of Pickens County exceeded its liabilities at the close of the fiscal year by \$111,879,874. Of this amount \$37,920,479 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$856,412, several elements of this increase were due to the conservative approach Council makes toward estimating revenues for the budget, attrition of County employees and deferral of acquisitions of capital items.
- The County's unassigned General Fund balance decreased by \$306,815 during the 2013 fiscal year due to a planned use of fund balance during the FY 2013 budget process. Council allotted \$885,000 for several projects including the consolidation of four Magistrate Office's in Pickens County, testing for PCB at the 12 Mile River, and \$350,000 for a new economic development office in the Commerce Park. Subsequently Council approved an additional \$1,450,442 for construction costs for the Magistrate Offices and additional costs for the Pickens Alliance Building
- The County had \$51,934,983 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$15,473,752 of these expenses. General revenues (primarily taxes and unrestricted grants) and net position of \$37,957,449 provided the remaining funding for these programs.
- As of the close of the current fiscal year, Pickens County's governmental funds reported combined ending fund balances of \$39,947,607, a decrease of \$733,779 in comparison with the prior year. Approximately 76.4% of this total amount, or \$27,541,892, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19,209,791 or 54.4% of total general fund expenditures for the fiscal year.
- During the 2013 fiscal year, the County's governmental fund type revenues were \$53,729,942 compared to \$52,463,320 in the prior year.
- The total long-term liabilities of the governmental-type activities decreased by \$2,418,940 (13.7%). The primary reason for this decrease was the principal repayment on long-term debt and no additional debt issues during FY 2013. The total long-term liabilities of the business-type activities decreased by \$117,160 (1.7%). The primary reason for this decrease was the principal repayment on long-term debt and no additional debt issues during FY 2013.

Overview of the Financial Statements

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

Required Components of the Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities and 2) business-type activities and a component unit. 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 component unit includes one other entity in its report – Pickens Alliance. Although legally separate, this "component unit" is important because the County is financially accountable for this operation.

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

Fund Financial Statements

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

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

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

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

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

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

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

Government-Wide Financial Analysis

Pickens County’s Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	Total
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 48,412,055	\$48,651,344	\$ 2,243,019	\$ 2,739,189	\$ 50,655,074	\$ 51,390,533
Capital assets	60,005,765	59,517,112	35,867,985	36,616,136	95,873,750	96,133,248
Total assets	<u>108,417,820</u>	<u>108,168,456</u>	<u>38,111,004</u>	<u>39,355,325</u>	<u>146,528,824</u>	<u>147,523,781</u>
Long-term liabilities outstanding	19,985,024	21,913,221	6,609,381	6,731,891	26,594,405	28,645,112
Other liabilities	7,532,400	6,692,652	522,145	1,162,555	8,054,545	7,855,207
Total liabilities	<u>27,517,424</u>	<u>28,605,873</u>	<u>7,131,526</u>	<u>7,894,446</u>	<u>34,648,950</u>	<u>36,500,319</u>
Net position:						
Net investment in capital assets	44,803,759	41,896,168	29,155,636	29,786,626	73,959,395	71,682,794
Restricted	11,960,394	7,427,388	700,992	682,544	12,661,386	8,109,932
Unrestricted	24,136,243	30,239,027	1,122,850	991,709	25,259,093	31,230,736
Total net position	<u>\$ 80,900,396</u>	<u>\$79,562,583</u>	<u>\$30,979,478</u>	<u>\$ 31,460,879</u>	<u>\$111,879,874</u>	<u>\$111,023,462</u>

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets of Pickens County exceeded liabilities by \$111,879,874 as of June 30, 2013. The County’s net position increased by \$856,412 for the fiscal year ended June 30, 2013. The County’s investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt still outstanding that was issued to acquire those items accounts for the largest portion was \$73,959,395 (66.1% of total net position). Pickens County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Pickens County’s investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Pickens County’s net position of \$12,661,386 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$25,259,093 (22.6%) is unrestricted.

Pickens County's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 10,584,926	\$ 10,339,899	\$ 1,806,206	\$ 1,757,237	\$ 12,391,132	\$ 12,097,136
Operating grants and contributions	4,741,551	4,710,501	-	-	4,741,551	4,710,501
Capital grants and contributions	147,275	113,796	1,200,981	2,002,428	1,348,256	2,116,224
General revenues:						
Property taxes	24,673,429	24,129,897	-	-	24,673,429	24,129,897
Other taxes	7,933,295	7,517,014	-	-	7,933,295	7,517,014
Grants and contributions not restricted to specific programs	4,887,962	4,132,297	-	-	4,887,962	4,132,297
Other	462,762	486,269	-	-	462,762	486,269
Total revenues	<u>53,431,200</u>	<u>51,429,673</u>	<u>3,007,187</u>	<u>3,759,665</u>	<u>56,438,387</u>	<u>55,189,338</u>
Expenses:						
General government	11,088,305	10,988,712	-	-	11,088,305	10,988,712
Public safety	21,850,514	20,300,914	-	-	21,850,514	20,300,914
Public works	11,256,677	10,590,594	-	-	11,256,677	10,590,594
Health and welfare	864,265	1,188,284	-	-	864,265	1,188,284
Culture and recreation	4,246,760	4,401,712	-	-	4,246,760	4,401,712
Economic development	665,236	762,985	-	-	665,236	762,985
Assistance to other agencies	1,350,409	1,051,982	-	-	1,350,409	1,051,982
Unallocated interest expense and fees	612,817	732,303	-	-	612,817	732,303
Public service commission	-	-	2,699,977	2,563,062	2,699,977	2,563,062
Airport	-	-	947,016	983,591	947,016	983,591
Total expenses	<u>51,934,983</u>	<u>50,017,486</u>	<u>3,646,993</u>	<u>3,546,653</u>	<u>55,581,976</u>	<u>53,564,139</u>
Increase (decrease) in net position before transfers	1,496,217	1,412,187	(639,806)	213,012	856,411	1,625,199
Transfers	(158,405)	(166,735)	158,405	166,735	-	-
Increase (decrease) in net position	1,337,812	1,245,452	(481,401)	379,747	856,411	1,625,199
Net position, beginning	79,562,583	78,317,131	31,460,879	31,081,132	111,023,462	109,398,263
Net position, ending	<u>\$ 80,900,395</u>	<u>\$ 79,562,583</u>	<u>\$ 30,979,478</u>	<u>\$ 31,460,879</u>	<u>\$ 111,879,873</u>	<u>\$ 111,023,462</u>

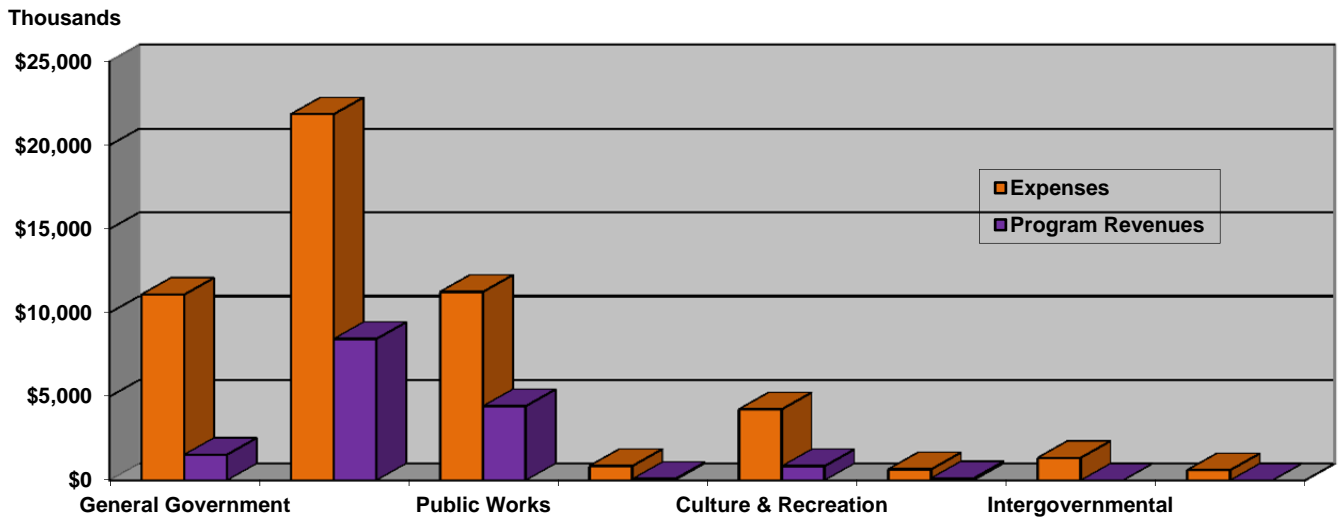
Changes in net position. The County total revenues increased from the prior year by \$1.25 million, or 2.3% (See figure 3 above) Property taxes accounts and program revenues (charges for services and restricted operating and capital grants) accounts for 43.7% and 33% of the County's revenues, respectively. Contributions and donation, other taxes, franchise fees and interest income account for the remainder of the revenue.

The total cost of all programs increased \$2 million, or 3.8%, which includes depreciation for all capital assets as required under Governmental Accounting Standards Board Statement under number 34.

Governmental activities – Governmental activities increased the County’s net position by \$1,337,813. Several particular aspects of the County’s financial operations positively influenced the total governmental activities:

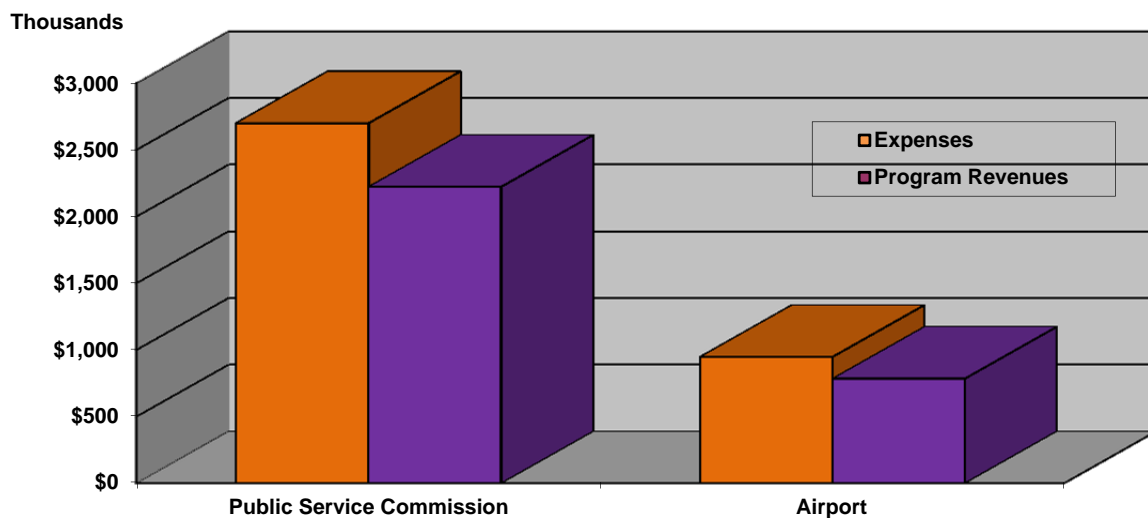
- After the budget was approved for FY 2013 the General Assembly increased the funding for State Aid to Subdivision by approximately \$650,000. The funding was approved as one time funding and was not a part of the recurring revenue the State designated to local governments each year. Through attrition the County saved an additional \$415,000.

Expenses and Program Revenues - Governmental Activities



Business-type activities – Business-type activities decreased Pickens County’s net position by a modest \$481,401. This was attributable to the County receiving a capital grant in FY 2012 for land acquisition at the Airport. This will allow the County to expand the runway in the future and also add additional box hangars.

Expenses and Program Revenues - Business Activities



Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Pickens County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$19,209,791, while total fund balance reached \$28,635,249. Several items contributed to this increase in fund balance: vehicles taxes were higher by \$120,000; however, delinquent tax revenues were \$450,000 lower than budgeted, health insurance came in lower than a estimated cost of a 8%, a refund from workers compensation of \$73,000, and a \$415,000 savings in vacant positions attributed to the net position of the general fund. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 54.4% of total General Fund expenditures, while total fund balance represents 81% of that same amount.

At June 30, 2013, the governmental funds of Pickens County reported a combined fund balance of \$39,947,607, a 1.8% decrease over last year.

General Fund Budgetary Highlights – During the fiscal year, the County revised the budget on one occasion. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted expenditures by \$856,256.

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 position of the Wastewater Treatment Fund at the end of the fiscal year amounted to \$1,122,647 and those for the airport equaled \$203. The total change in net position for Public Service Commission and the Airport was \$(376,468) and \$(104,933), 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, 2013 totaled \$95,873,750 (net of accumulated depreciation). This is a net decrease of \$259,498 or .27%. These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, construction-in-progress and vehicles.

Major capital asset transactions during the year include:

- Purchased various type of new equipment for Sheriff's Office, Solid Waste, Roads & Bridges and Emergency Medical Service Department
- Constructed a Fire Training Facility for the fire departments
- Constructed a Fire Station for the Six Mile Rural Fire District
- Purchased land for the Airport for future development
- Purchased land for future fire stations for the Pickens Rural Fire District

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

Figure 4

	Governmental Activities		Business-type Activities		Total	Total
	2013	2012	2013	2012	2013	2012
Land	\$ 7,081,256	\$ 7,016,365	\$ 1,799,434	\$ 1,799,434	\$ 8,880,690	\$ 8,815,799
Buildings	22,889,950	22,352,221	1,944,734	2,093,200	24,834,684	24,445,421
Improvements and infrastructure	19,081,576	19,488,043	31,628,953	29,286,409	50,710,529	48,774,452
Machinery and equipment	9,851,775	9,939,629	272,622	133,595	10,124,397	10,073,224
Construction in progress	1,101,208	720,854	222,242	3,303,498	1,323,450	4,024,352
Total	\$ 60,005,765	\$ 59,517,112	\$ 35,867,985	\$ 36,616,136	\$ 95,873,750	\$ 96,133,248

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, 2013, Pickens County had total bonded debt outstanding of \$10,112,744, part of which is debt backed by the full faith and credit of the County.

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

Figure 5

	Governmental Activities	
	2013	2012
General obligation bonds	\$ 10,112,744	\$ 11,891,027

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 \$29,125,537. The County has \$7,025,234 in bonds and notes authorized at June 30, 2013, which are 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.

With Clemson University located in Pickens County and its focus on academics and applied research, Pickens County has been a major draw for industry. The community's economic diversity stems in large part from the university's support of industries through applied programs, groundbreaking research and development and by supplying a skilled work force.

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

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

Budget Highlights for the Fiscal Year Ending June 30, 2014

The budget will remain relatively same for fiscal year 2014. The total expenditures for fiscal year 2014 will be \$54,567,373 compared to \$54,897,373 for fiscal year 2013 which is a decrease of .6%. The budget includes a 3% one-time pay adjustment for employees, capital equipment replacement of \$2,079,734, and health insurance increase of 5%. The largest portion of the General Fund expenditures is personnel services which account for 66.98% of the budget. The largest portion on the revenue side is taxes and this accounts for 65.6% of the revenue. Taxes are made up of property taxes and sales and use taxes and account for 70% and 30% of all taxes in the General Fund, respectively.

Requests for Information

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION

Exhibit A

JUNE 30, 2013

	Governmental Activities	Business Type Activities	Total Primary Government	Alliance Pickens	Total Reporting Unit
ASSETS					
Current assets:					
Cash and investments	\$ 40,803,477	\$ 1,848,698	\$ 42,652,175	\$ 334,310	\$ 42,986,485
Property taxes receivable	2,664,401	-	2,664,401	-	2,664,401
Accounts receivable - other	1,220,094	125,441	1,345,535	125	1,345,660
Due from other governments	1,997,238	275,354	2,272,592	-	2,272,592
Note receivable	22,349	-	22,349	-	22,349
Inventories	241,854	43,377	285,231	-	285,231
Prepaid items	133,512	-	133,512	3,342	136,854
Total current assets	<u>47,082,925</u>	<u>2,292,870</u>	<u>49,375,795</u>	<u>337,777</u>	<u>49,713,572</u>
Non-current assets:					
Land held for resale	1,192,836	-	1,192,836	-	1,192,836
Deferred charges - issuance costs	86,443	-	86,443	-	86,443
Capital assets, not being depreciated	8,182,464	2,021,676	10,204,140	-	10,204,140
Capital assets, net of accumulated depreciation	51,823,301	33,846,309	85,669,610	-	85,669,610
Total non-current assets	<u>61,285,044</u>	<u>35,867,985</u>	<u>97,153,029</u>	<u>-</u>	<u>97,153,029</u>
Total assets	<u>108,367,969</u>	<u>38,160,855</u>	<u>146,528,824</u>	<u>337,777</u>	<u>146,866,601</u>
LIABILITIES					
Current liabilities:					
Accounts payable	4,288,246	350,992	4,639,238	13,289	4,652,527
Accrued payroll	474,347	9,709	484,056	4,441	488,497
Accrued interest payable	121,789	-	121,789	-	121,789
Current portion, long-term debt	2,616,141	126,237	2,742,378	-	2,742,378
Unearned revenue	31,877	35,207	67,084	150,713	217,797
Total current liabilities	<u>7,482,549</u>	<u>571,996</u>	<u>8,054,545</u>	<u>168,443</u>	<u>8,222,988</u>
Non-current liabilities:					
Landfill closure and postclosure	2,677,502	-	2,677,502	-	2,677,502
Capital leases	430,556	-	430,556	-	430,556
Notes payable	4,115,131	-	4,115,131	-	4,115,131
General obligation bonds	8,257,678	-	8,257,678	-	8,257,678
Revenue bonds	-	6,586,313	6,586,313	-	6,586,313
Accrued compensated absences	767,573	23,068	790,641	-	790,641
Net OPEB obligation	3,736,584	-	3,736,584	-	3,736,584
Total non-current liabilities	<u>19,985,024</u>	<u>6,609,381</u>	<u>26,594,405</u>	<u>-</u>	<u>26,594,405</u>
Total liabilities	<u>27,467,573</u>	<u>7,181,377</u>	<u>34,648,950</u>	<u>168,443</u>	<u>34,817,393</u>
NET POSITION					
Net investment in capital assets	44,803,759	29,155,636	73,959,395	-	73,959,395
Restricted for:					
Capital projects	1,142,627	-	1,142,627	-	1,142,627
Debt service	683,588	-	683,588	-	683,588
Public works	3,912,737	-	3,912,737	-	3,912,737
Public safety	3,837,124	-	3,837,124	-	3,837,124
Cultural and recreation	2,109,449	-	2,109,449	-	2,109,449
Intergovernmental	274,869	-	274,869	-	274,869
USDA bonds	-	700,992	700,992	-	700,992
Net position, unrestricted	24,136,243	1,122,850	25,259,093	169,334	25,428,427
Total net position	<u>\$ 80,900,396</u>	<u>\$ 30,979,478</u>	<u>\$ 111,879,874</u>	<u>\$ 169,334</u>	<u>\$ 112,049,208</u>

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES

Exhibit B

YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit	Total Reporting Unit
					Governmental Activities	Business-Type Activities	Total Primary Government	Alliance Pickens	
Governmental activities:									
General government	\$ 11,088,305	\$ 1,301,297	\$ 232,534	\$ -	\$ (9,554,474)	\$ -	\$ (9,554,474)	\$ -	\$ (9,554,474)
Public safety	21,850,514	7,719,457	708,428	12,390	(13,410,239)	-	(13,410,239)	-	(13,410,239)
Public works	11,256,677	999,045	3,434,355	-	(6,823,277)	-	(6,823,277)	-	(6,823,277)
Health and welfare	864,265	4,426	78,887	-	(780,952)	-	(780,952)	-	(780,952)
Cultural and recreation	4,246,759	560,701	287,347	-	(3,398,711)	-	(3,398,711)	-	(3,398,711)
Economic development	665,236	-	-	134,885	(530,351)	-	(530,351)	-	(530,351)
Assistance to other agencies	1,350,409	-	-	-	(1,350,409)	-	(1,350,409)	-	(1,350,409)
Debt service - other	612,817	-	-	-	(612,817)	-	(612,817)	-	(612,817)
Total governmental activities	<u>51,934,982</u>	<u>10,584,926</u>	<u>4,741,551</u>	<u>147,275</u>	<u>(36,461,230)</u>	<u>-</u>	<u>(36,461,230)</u>	<u>-</u>	<u>(36,461,230)</u>
Business-type activities:									
Public Service Commission	2,699,977	1,255,385	-	967,601	-	(476,991)	(476,991)	-	(476,991)
Airport	947,016	550,821	-	233,380	-	(162,815)	(162,815)	-	(162,815)
Total business-type activities	<u>3,646,993</u>	<u>1,806,206</u>	<u>-</u>	<u>1,200,981</u>	<u>-</u>	<u>(639,806)</u>	<u>(639,806)</u>	<u>-</u>	<u>(639,806)</u>
Total primary government	<u>\$ 55,581,975</u>	<u>\$ 12,391,132</u>	<u>\$ 4,741,551</u>	<u>\$ 1,348,256</u>	<u>\$ (36,461,230)</u>	<u>\$ (639,806)</u>	<u>\$ (37,101,036)</u>	<u>\$ -</u>	<u>\$ (37,101,036)</u>
Component unit:									
Alliance Pickens	\$ 794,974	\$ -	\$ 232,887	\$ -	\$ -	\$ -	\$ -	\$ (562,087)	\$ (562,087)
Total component units	<u>\$ 794,974</u>	<u>\$ -</u>	<u>\$ 232,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (562,087)</u>	<u>\$ (562,087)</u>
General revenues:									
Property taxes					\$ 24,673,429	\$ -	\$ 24,673,429	\$ -	\$ 24,673,429
Sales taxes					7,564,710	-	7,564,710	-	7,564,710
Franchise taxes					368,585	-	368,585	-	368,585
Grants and contributions not restricted to specific programs					4,887,962	-	4,887,962	-	4,887,962
Investment earnings					108,448	-	108,448	666	109,114
Gain on sale of capital assets					19,351	-	19,351	-	19,351
Miscellaneous					334,963	-	334,963	442,050	777,013
Transfers					(158,405)	158,405	-	-	-
Total general revenues and transfers					<u>37,799,043</u>	<u>158,405</u>	<u>37,957,448</u>	<u>442,716</u>	<u>38,400,164</u>
Change in net assets					1,337,813	(481,401)	856,412	(119,371)	737,041
Net position - beginning					79,562,583	31,460,879	111,023,462	288,705	111,312,167
Net position - ending					<u>\$ 80,900,396</u>	<u>\$ 30,979,478</u>	<u>\$ 111,879,874</u>	<u>\$ 169,334</u>	<u>\$ 112,049,208</u>

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

PICKENS COUNTY, SOUTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS

Exhibit C-1

JUNE 30, 2013

	General Fund	Fire Districts	State Road C-Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 26,974,612	\$ 3,033,723	\$ 4,320,450	\$ 6,474,692	\$ 40,803,477
Property taxes receivable	1,521,320	606,179	-	536,902	2,664,401
Accounts receivable - EMS	907,009	-	-	-	907,009
Accounts receivable - other	234,487	4,456	7,166	66,976	313,085
Due from other governments	1,534,267	-	125,114	337,857	1,997,238
Note receivable	22,349	-	-	-	22,349
Advances to other funds	1,553,126	-	-	-	1,553,126
Inventories	241,854	-	-	-	241,854
Prepaid items	131,619	1,668	-	225	133,512
Land held for resale	1,192,836	-	-	-	1,192,836
Total assets	<u>\$ 34,313,479</u>	<u>\$ 3,646,026</u>	<u>\$ 4,452,730</u>	<u>\$ 7,416,652</u>	<u>\$ 49,828,887</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,933,032	\$ 102,661	\$ 862,667	\$ 389,886	\$ 4,288,246
Accrued payroll	406,210	21,890	-	46,247	474,347
Advances from general fund	-	1,498,393	-	4,882	1,503,275
Deferred revenue	2,338,988	554,025	-	722,399	3,615,412
Total liabilities	<u>5,678,230</u>	<u>2,176,969</u>	<u>862,667</u>	<u>1,163,414</u>	<u>9,881,280</u>
Fund balances:					
Nonspendable:					
Prepaid items	131,619	1,668	-	225	133,512
Inventories	241,855	-	-	-	241,855
Land held for resale	1,192,836	-	-	-	1,192,836
Restricted	-	2,110,745	3,590,063	5,116,961	10,817,769
Committed	-	-	-	1,142,637	1,142,637
Assigned	7,839,405	-	-	-	7,839,405
Unassigned	19,229,534	(643,356)	-	(6,585)	18,579,593
Total fund balances	<u>28,635,249</u>	<u>1,469,057</u>	<u>3,590,063</u>	<u>6,253,238</u>	<u>39,947,607</u>
Total liabilities and fund balances	<u>\$ 34,313,479</u>	<u>\$ 3,646,026</u>	<u>\$ 4,452,730</u>	<u>\$ 7,416,652</u>	<u>\$ 49,828,887</u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit C-2

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2013

Total Governmental Fund Balances \$ 39,947,607

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 60,005,765

Other long-term assets are not available to pay for current-period expenditures and therefore are not deferred in the funds:

 Deferred charges - issuance cost 86,443

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. 3,583,535

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

 Landfill closure and postclosure (2,795,000)

 Capital leases (550,518)

 Notes payable (4,538,744)

 General obligation bonds (10,112,746)

 Accrued compensated absences (867,573)

 Net OPEB obligation (3,736,584)

 Accrued interest payable (121,789)

Net Position of Governmental Activities \$ 80,900,396

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-1

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2013

	General Fund	Fire Districts	State Road C-Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 24,141,404	\$ 1,463,518	\$ -	\$ 6,730,091	\$ 32,335,013
Intergovernmental	4,999,754	1,700	1,441,112	1,159,502	7,602,068
Fees, licenses and permits	661,268	2,715,981	-	2,721,083	6,098,332
Charges for services	6,103,475	-	-	165,925	6,269,400
Fines and forfeitures	565,302	-	-	191,986	757,288
Investment income	169,841	1,082	7,428	-	178,351
Rental income	66,518	-	-	-	66,518
Contributions	6,765	5,763	-	363	12,891
Miscellaneous	406,774	3,242	-	65	410,081
Total revenues	<u>37,121,101</u>	<u>4,191,286</u>	<u>1,448,540</u>	<u>10,969,015</u>	<u>53,729,942</u>
Expenditures					
Current:					
General government	9,792,705	-	-	203,996	9,996,701
Public safety	16,166,213	3,387,477	-	933,315	20,487,005
Public works	5,441,619	-	2,714,687	1,896,216	10,052,522
Health and welfare	824,990	-	-	-	824,990
Culture and recreation	672,486	-	-	3,248,851	3,921,337
Economic development and assistance	583,753	-	-	2,250	586,003
Other	320,641	-	-	1,036,754	1,357,395
Intergovernmental	103,512	-	-	-	103,512
Capital outlay	1,430,073	854,365	220,815	1,427,475	3,932,728
Debt service:					
Principal retirement	-	204,982	-	2,213,957	2,418,939
Interest and fiscal charges	-	96,777	-	527,407	624,184
Total expenditures	<u>35,335,992</u>	<u>4,543,601</u>	<u>2,935,502</u>	<u>11,490,221</u>	<u>54,305,316</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,785,109</u>	<u>(352,315)</u>	<u>(1,486,962)</u>	<u>(521,206)</u>	<u>(575,374)</u>
Other financing sources (uses)					
Transfers in (out)	(2,091,924)	-	-	1,933,519	(158,405)
Total other financing sources (uses)	<u>(2,091,924)</u>	<u>-</u>	<u>-</u>	<u>1,933,519</u>	<u>(158,405)</u>
Net change in fund balances	(306,815)	(352,315)	(1,486,962)	1,412,313	(733,779)
Fund balance - beginning	28,942,064	1,821,372	5,077,025	4,840,925	40,681,386
Fund balance - ending	<u>\$ 28,635,249</u>	<u>\$ 1,469,057</u>	<u>\$ 3,590,063</u>	<u>\$ 6,253,238</u>	<u>\$ 39,947,607</u>

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

Net Change in Fund Balances - Total Governmental Funds \$ (733,779)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$4,070,619 exceeded depreciation expense of \$3,507,256 in the current period.	563,363
Net gain on disposal of assets not recorded in funds.	19,351
Proceeds of sales not recorded in governmental activities	(94,061)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	(361,923)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,418,939
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due.	18,571
Compensated absences that have not matured, together with expenditures associated with changes in compensated absence accruals, are not reported at the fund level.	86,241
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Landfill closure and postclosure costs	79,063
Change in net OPEB obligation	(650,748)
Amortization expense	(7,204)
Change in net assets of governmental activities	<u>\$ 1,337,813</u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-3

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 23,937,252	\$ 23,937,252	\$ 24,141,404	\$ 204,152
Intergovernmental	4,404,543	4,421,147	4,999,754	578,607
Fees, licenses and permits	577,500	577,500	661,268	83,768
Charges for services	6,056,460	6,136,460	6,103,475	(32,985)
Fines and forfeitures	635,000	635,000	565,302	(69,698)
Investment income	181,394	181,394	169,841	(11,553)
Rental income	21,060	21,060	66,518	45,458
Contributions	-	-	6,765	6,765
Miscellaneous	91,000	91,000	406,774	315,774
Total revenues	<u>35,904,209</u>	<u>36,000,813</u>	<u>37,121,101</u>	<u>1,120,288</u>
Expenditures				
Current:				
General government	10,236,615	10,623,907	9,792,705	831,202
Public safety	16,146,434	16,298,583	16,166,213	132,370
Public works	5,770,549	5,794,907	5,441,619	353,288
Health and welfare	856,582	865,111	824,990	40,121
Culture and recreation	734,721	919,618	672,486	247,132
Economic development and assistance	-	141,683	583,753	(442,070)
Other	451,918	448,667	320,641	128,026
Intergovernmental	269,025	95,735	103,512	(7,777)
Capital outlay	1,532,420	1,666,309	1,430,073	236,236
Total expenditures	<u>35,998,264</u>	<u>36,854,520</u>	<u>35,335,992</u>	<u>1,518,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,055)</u>	<u>(853,707)</u>	<u>1,785,109</u>	<u>2,638,816</u>
Other financing sources (uses)				
Transfers in (out)	(830,945)	(2,431,387)	(2,091,924)	339,463
Total other financing uses	<u>(830,945)</u>	<u>(2,431,387)</u>	<u>(2,091,924)</u>	<u>339,463</u>
Net change in fund balances	<u>\$ (925,000)</u>	<u>\$ (3,285,094)</u>	(306,815)	<u>\$ 2,978,279</u>
Fund balance - beginning			<u>28,942,064</u>	
Fund balance - ending			<u>\$ 28,635,249</u>	

PICKENS COUNTY, SOUTH CAROLINA

Exhibit D-4

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FIRE DISTRICTS**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,394,020	\$ 1,394,020	\$ 1,463,518	\$ 69,498
Intergovernmental	-	24,975	1,700	(23,275)
Fees, licenses and permits	2,698,784	2,698,784	2,715,981	17,197
Investment income	5,600	5,600	1,082	(4,518)
Contributions	-	-	5,763	5,763
Miscellaneous	2,300	2,300	3,242	942
Total revenues	<u>4,100,704</u>	<u>4,125,679</u>	<u>4,191,286</u>	<u>65,607</u>
Expenditures				
Current:				
Public safety	3,468,685	3,500,158	3,387,477	112,681
Capital outlay	1,115,000	1,523,538	854,365	669,173
Debt service:				
Principal retirement	340,441	340,441	204,982	135,459
Interest and fiscal charges	118,727	118,727	96,777	21,950
Total expenditures	<u>5,042,853</u>	<u>5,482,864</u>	<u>4,543,601</u>	<u>939,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(942,149)</u>	<u>(1,357,185)</u>	<u>(352,315)</u>	<u>1,004,870</u>
Net change in fund balances	<u>\$ (942,149)</u>	<u>\$ (1,357,185)</u>	<u>(352,315)</u>	<u>\$ 1,004,870</u>
Fund balance - beginning			<u>1,821,372</u>	
Fund balance - ending			<u>\$ 1,469,057</u>	

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS

Exhibit E

JUNE 30, 2013

	Enterprise Funds		
	Public Service Commission	Airport	Total
	Commission	Airport	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,848,598	\$ 100	\$ 1,848,698
Accounts receivable - other	125,056	385	125,441
Due from other governments	40,860	234,494	275,354
Inventories	-	43,377	43,377
Total current assets	<u>2,014,514</u>	<u>278,356</u>	<u>2,292,870</u>
Capital assets:			
Land	336,166	1,463,268	1,799,434
Construction in process	4,200	218,042	222,242
Capacity	5,938,636	-	5,938,636
Buildings	372,442	2,797,136	3,169,578
Improvements other than buildings	33,356,434	4,615,366	37,971,800
Machinery and equipment	420,894	390,688	811,582
Less accumulated depreciation	<u>(10,136,250)</u>	<u>(3,909,037)</u>	<u>(14,045,287)</u>
Total noncurrent assets	<u>30,292,522</u>	<u>5,575,463</u>	<u>35,867,985</u>
Total assets	<u>32,307,036</u>	<u>5,853,819</u>	<u>38,160,855</u>
LIABILITIES			
Current liabilities:			
Accounts payable	127,370	223,622	350,992
Accrued payroll	7,881	1,828	9,709
Advances from general fund	-	49,851	49,851
Unearned revenue	35,207	-	35,207
Current portion of long-term debt	126,237	-	126,237
Total current liabilities	<u>296,695</u>	<u>275,301</u>	<u>571,996</u>
Long-term liabilities:			
Revenue bonds	6,586,313	-	6,586,313
Accrued compensated absences	20,216	2,852	23,068
Total noncurrent liabilities	<u>6,606,529</u>	<u>2,852</u>	<u>6,609,381</u>
Total liabilities	<u>6,903,224</u>	<u>278,153</u>	<u>7,181,377</u>
NET POSITION			
Net investment in capital assets	23,580,173	5,575,463	29,155,636
Restricted for USDA	700,992	-	700,992
Unrestricted	1,122,647	203	1,122,850
Total net position	<u>\$ 25,403,812</u>	<u>\$ 5,575,666</u>	<u>\$ 30,979,478</u>

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

PICKENS COUNTY, SOUTH CAROLINA

Exhibit F

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITON -
PROPRIETARY FUNDS**

YEAR ENDED JUNE 30, 2013

	Enterprise Funds		
	Public Service Commission	Airport	Total
		<u> </u>	<u> </u>
Operating revenues			
Charges for services	\$ 1,255,381	\$ 550,821	\$ 1,806,202
Miscellaneous	4	-	4
Total operating revenues	<u>1,255,385</u>	<u>550,821</u>	<u>1,806,206</u>
Operating expenses			
Salaries and benefits	440,939	120,001	560,940
Depreciation	1,059,927	378,655	1,438,582
Other expenses	923,463	448,360	1,371,823
Total operating expenses	<u>2,424,329</u>	<u>947,016</u>	<u>3,371,345</u>
Operating loss	<u>(1,168,944)</u>	<u>(396,195)</u>	<u>(1,565,139)</u>
Nonoperating expense			
Interest and fiscal charges	(275,648)	-	(275,648)
Total nonoperating expense	<u>(275,648)</u>	<u>-</u>	<u>(275,648)</u>
Loss before transfers and contributions	(1,444,592)	(396,195)	(1,840,787)
Transfers in	100,523	57,882	158,405
Capital contributions	967,601	233,380	1,200,981
Change in net assets	<u>(376,468)</u>	<u>(104,933)</u>	<u>(481,401)</u>
Total net position - beginning	<u>25,780,280</u>	<u>5,680,599</u>	<u>31,460,879</u>
Total net position - ending	<u>\$ 25,403,812</u>	<u>\$ 5,575,666</u>	<u>\$ 30,979,478</u>

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Exhibit G

YEAR ENDED JUNE 30, 2013

	Enterprise Funds		
	Public Service Commission	Airport	Total
Operating activities			
Receipts from customers and users	\$ 1,423,458	\$ 877,744	\$ 2,301,202
Payments to suppliers	(1,140,274)	(226,549)	(1,366,823)
Payments to employees	(440,668)	(120,221)	(560,889)
Other receipts	4	-	4
Net cash provided by (used in) operating activities	<u>(157,480)</u>	<u>530,974</u>	<u>373,494</u>
Noncapital financing activities			
Transfers from other funds	100,523	57,882	158,405
Net cash provided by noncapital financing activities	<u>100,523</u>	<u>57,882</u>	<u>158,405</u>
Capital and related financing activities			
Capital contributions	967,601	233,380	1,200,981
Capital transfers from other funds	(22,064)	(571,118)	(593,182)
Acquisition and construction of capital assets	(417,149)	(251,218)	(668,367)
Acquisition of capital debt	-	-	-
Principal paid on capital debt	(117,160)	-	(117,160)
Interest paid on capital debt	(275,648)	-	(275,648)
Net cash provided by (used in) capital and related financing activities	<u>135,580</u>	<u>(588,956)</u>	<u>(453,376)</u>
Net increase (decrease) in cash and cash equivalents/investments	78,623	(100)	78,523
Cash and investments			
Beginning of year	1,769,975	200	1,770,175
End of year	<u>\$ 1,848,598</u>	<u>\$ 100</u>	<u>\$ 1,848,698</u>
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	\$ (1,168,944)	\$ (396,195)	\$ (1,565,139)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	1,059,927	378,655	1,438,582
Change in assets and liabilities			
Increase in accounts receivable - other and due from other governments	183,043	326,923	509,966
Increase in inventories	-	13,751	13,751
(Increase) decrease in prepaid expenses	-	1,125	1,125
(Decrease) increase in accounts payable and accrued expenses	(216,540)	206,715	(9,825)
Decrease in unearned revenue	(14,966)	-	(14,966)
Total adjustments	<u>1,011,464</u>	<u>927,169</u>	<u>1,938,633</u>
Net cash provided by (used in) operating activities	<u>\$ (157,480)</u>	<u>\$ 530,974</u>	<u>\$ 373,494</u>

PICKENS COUNTY, SOUTH CAROLINA

Exhibit H

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

JUNE 30, 2013

	Total Agency Funds
ASSETS	
Cash and investments	\$ 26,019,484
Accounts receivable - other	1,364
Property taxes receivable	6,132,793
Total assets	<u>\$ 32,153,641</u>
LIABILITIES	
Accounts payable	\$ 87,662
Due to others	32,065,979
Total liabilities	<u>\$ 32,153,641</u>

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 – Summary of significant accounting policies

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

Reporting Entity

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

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

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

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

Basis of Presentation

The County’s basic financial statements consist of government-wide statements, including a statement of net position 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

JUNE 30, 2013

Note 1 – Summary of significant accounting policies – continued

Basis of Presentation – continued

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

The major funds types are as follows:

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.

Fire District Fund – This special revenue fund is used to account for the County's fire district operations. Revenues are generated by a fire fee for ten of the thirteen fire districts and a millage rate is imposed on the other three fire districts. The fire fees and millage rates vary by district depending on the operations of the district.

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 – Summary of significant accounting policies – continued

Basis of Presentation – continued

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 – Summary of significant accounting policies – continued

Measurement Focus and Basis of Accounting – continued

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

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. Under this method, the accrual basis of accounting is utilized. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net position 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.

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

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities and Equity

Cash and Investments

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

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 – Summary of significant accounting policies – continued

Assets, Liabilities and Equity – continued

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

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

Receivables and Payables

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

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

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

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

Due from Other Governments

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

Note Receivable

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

Inventories and Prepaid Items

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

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

Land Held for Resale

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 – Summary of significant accounting policies – continued

Assets, Liabilities and Equity – continued

Capital Assets and Depreciation

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

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

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

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

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Deferred refunding costs represent the difference between the reacquisition price and the net carrying value of the refunded debt.

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

Compensated Absences

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

Landfill Closure and Postclosure Care Costs

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 – Summary of significant accounting policies – continued

Assets, Liabilities and Equity – continued

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

Net Position and Fund Balances

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

Under Governmental Accounting Standards Board (“GASB”) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the County classifies fund balances as follows:

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

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

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

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

Unassigned – All amounts not included in other spendable classifications.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 – Summary of significant accounting policies – continued

Assets, Liabilities and Equity – continued

At June 30, 2013, the County’s governmental fund balances were classified as follows:

	General Fund	Fire Districts	State Road C-Fund	Other Governmental Funds	Total Governmental Funds
Net position					
Nonspendable					
Prepaid items	\$ 131,619	\$ 1,668	\$ -	\$ 225	\$ 153,255
Inventories	241,855	-	-	-	241,855
Land held for resale	1,192,836	-	-	-	1,192,836
Total nonspendable	<u>1,566,310</u>	<u>1,668</u>	<u>-</u>	<u>225</u>	<u>1,568,203</u>
Restricted					
Tri-County Tech	-	-	-	274,869	274,869
Fixed nuclear	-	-	-	48,586	48,586
Law enforcement	-	-	-	401,421	401,421
Library	-	-	-	1,456,113	1,456,113
Culture and recreation	-	-	-	653,337	653,337
Transportation roads	-	-	3,590,063	322,675	3,912,738
Emergency phone system	-	-	-	1,276,373	1,276,373
Debt service	-	-	-	683,587	683,587
Fire rescue	-	2,110,745	-	-	2,110,745
Total restricted	<u>-</u>	<u>2,110,745</u>	<u>3,590,063</u>	<u>5,116,961</u>	<u>10,817,769</u>
Committed					
Capital projects	-	-	-	1,142,637	1,142,637
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,142,637</u>	<u>1,142,637</u>
Assigned					
Culture and recreation	1,701,022	-	-	-	1,701,022
Capital projects	6,138,383	-	-	-	6,138,383
Total assigned	<u>7,839,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,839,405</u>
Unassigned	19,229,534	(643,356)	-	(6,585)	18,579,593
Total fund balances	<u>\$ 28,635,249</u>	<u>\$ 1,469,057</u>	<u>\$ 3,590,063</u>	<u>\$ 6,253,238</u>	<u>\$ 39,947,607</u>

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

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

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 1 – Summary of significant accounting policies – continued

New Pronouncements

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, effective for periods beginning after June 15, 2012, modifies certain requirements for inclusion and blending of component units and adds clarification for misleading to exclude criterion. Under this standard, entities included as component units due to meeting fiscal dependency criteria must also provide a financial benefit or burden to continue such reporting. Entities blended due to meeting substantially the same governing body criteria will also be required to either provide a financial benefit or burden or be subject to operational responsibility by management of the primary government. The standard also redefines major discretely presented component units and provides certain clarifications as to when it is misleading to exclude an entity as component unit. Adoption of this standard in 2013 had no impact on the financial statements.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, effective for periods beginning after December 15, 2011, codifies all sources of generally accepted accounting principles for state and local governments so they are derived from a single source. The standard also supersedes GASB Statement No. 20, eliminating the election to apply and subsequent disclosure of FASB Statements and Interpretations. All FASB and AICPA pronouncements issued after November 30, 1989 have become non-authoritative literature. In addition, the standard clarifies interest should be capitalized on assets acquired for others, clarifies that interest need not be imputed on low interest loans and clarifies the operating cycle should not be used to classify current assets and liabilities. Adoption of this standard in 2013 had no impact on the financial statements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for periods beginning after December 15, 2011, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources requiring segregation of deferred outflows and inflows from assets and liabilities for both governmental financial statements and accrual basis financial statements. The standard amends the net asset reporting requirements in GASB 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. Adoption of this standard in 2013 had no impact on the financial statements, other than renaming net assets as net position.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for periods beginning after December 15, 2012, identifies deferred outflows and inflows that are to be separated from assets and liabilities under GASB Statement No. 63 and provides for immediate recognition of certain costs and fees. This standard also provides financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014, replaces the requirements of Statement No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The standard requires government employers to recognize as a liability, for the first time, their long-term obligation for pension benefits. The employer liability is to be measured as the difference between the present value of projected benefit payments to be provided through the pension plan for past periods of service less the amount of the pension plan's fiduciary net position, with obligations for employers with cost sharing plans based on their proportionate share of contributions to the pension plan. The standard also requires more immediate recognition of annual service cost, interest and changes in benefits for

PICKENS COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

pension expense, specifies requirements for discount rates and actuarial methods and changes disclosure requirements.

Note 1 – Summary of significant accounting policies – continued

Risk Management

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

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

Estimates

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

Note 2 – Stewardship, compliance and accountability

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with GAAP for the general fund and certain special revenue funds including Tri-County Tech Fund, Library Fund, Victim Rights Fund, Emergency Phone System Fund, the fire district funds, Accommodation Tax Fund, Tourism Development Fee Fund, Fixed Nuclear Fund, Grants Fund, Road Fee Fund, Museum Restricted Resources 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, 2013, the Liberty Fire District Fund, the Six Mile Fire District Fund, and the Victim Rights Fund had an unassigned deficit of \$218,430, \$422,258, and \$6,585 respectively. The special revenue fund deficits will be replenished over the next 7 years as the fire districts pay the County for an advancement on the construction of new stations.

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

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund, special revenue fund and capital projects fund. Restricted, committed, and assigned fund balances include encumbrances at June 30, 2013, as follows:

General Fund	\$	418,350
Fire Districts		1,000
State Road C-Funds		293,971
Other Governmental Funds		<u>421,855</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

\$ 1,135,176

Note 3 – Deposits and investments

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

Deposits for the Authority

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

The County places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts. The County from time to time may have amounts on deposit in excess of the insured limits. The County's deposits had a carrying value of \$68,671,659 and the bank balance was \$67,810,424, of which \$15,750,000 was covered by FDIC insurance and \$52,060,424 was collateralized by securities held by the pledging bank's trust department or agent in the County's name.

Deposits for the Alliance

At June 30, 2013, the Alliance's deposits had a carrying value of \$334,310 and a bank balance of \$313,131. Of this bank balance, \$250,000 was covered by FDIC insurance and \$63,131 was in excess of federal and state depository insurance limits and was uncollateralized.

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

Unrestricted cash, including time deposits	\$ 42,652,175
Agency fund cash (not included in government-wide statement)	<u>26,019,484</u>
	<u>\$ 68,671,659</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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 4 – Property taxes

The County's property taxes are levied each September (except vehicles which are annually assessed on the first day of the month the vehicles are registered) on the assessed value as of the prior December 31 for all real and personal property located in the County. Assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates ranging from 4 to 10.5 percent of the estimated market value. The assessed value as of June 30, 2013 was \$443,424,318. The estimated market value was \$8,163,501,070 making the assessed value approximately 5.4 percent of the estimated market value.

The County is permitted under South Carolina law to levy property taxes for general governmental services and principal and interest on long-term debt. The combined tax rate to finance general government services and principal and interest on long-term debt for the year ended June 30, 2013 was \$65.60 per \$100 of assessed value.

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

Property taxes receivable and allowances for doubtful accounts at June 30, 2013, are summarized as follows:

	<u>General Fund</u>	<u>Fire Districts</u>	<u>Other Governmental Funds</u>	<u>Total Government Funds</u>	<u>Agency Funds</u>
Gross receivables	\$ 1,601,390	\$ 638,699	\$ 564,545	\$ 2,804,634	\$ 6,455,572
Allowance for doubtful accounts	(80,070)	(32,520)	(27,643)	(140,233)	(322,779)
	<u>\$ 1,521,320</u>	<u>\$ 606,179</u>	<u>\$ 536,902</u>	<u>\$ 2,664,401</u>	<u>\$ 6,132,793</u>

Note 5 – Accounts receivable

Accounts receivable at June 30, 2013 are summarized as follows:

	<u>Fund Wide Statements</u>					<u>Total</u>	<u>Government Wide Statements</u>	<u>Agency Funds</u>
	<u>General Fund</u>	<u>Fire Districts</u>	<u>State Road C-Fund</u>	<u>Other Governmental Funds</u>				
EMS fees	\$ 9,070,095	\$ -	\$ -	\$ -	\$ 9,070,095	\$ 9,070,095	\$ -	
Less allowance for doubtful accounts	(8,163,086)	-	-	-	(8,163,086)	(8,163,086)	-	
	<u>907,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>907,009</u>	<u>907,009</u>	<u>-</u>	
Interest	94,406	4,456	7,166	-	106,028	106,028	1,364	
Landfill	24,786	-	-	-	24,786	24,786	-	
Other	115,295	-	-	66,976	182,271	182,271	-	
	<u>234,487</u>	<u>4,456</u>	<u>7,166</u>	<u>66,976</u>	<u>313,085</u>	<u>313,085</u>	<u>1,364</u>	
	<u>\$ 1,141,496</u>	<u>\$ 4,456</u>	<u>\$ 7,166</u>	<u>\$ 66,976</u>	<u>\$ 1,220,094</u>	<u>\$ 1,220,094</u>	<u>\$ 1,364</u>	

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 6 – Capital assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,016,365	\$ 64,891	\$ -	\$ 7,081,256
Construction in progress	720,854	1,790,272	(1,409,918)	1,101,208
Total capital assets not being depreciated:	<u>7,737,219</u>	<u>1,855,163</u>	<u>(1,409,918)</u>	<u>8,182,464</u>
Capital assets being depreciated:				
Buildings	34,109,673	1,435,382	-	35,545,055
Improvements and infrastructure	29,862,523	397,369	-	30,259,892
Machinery and equipment	27,125,955	1,814,687	(1,052,288)	27,888,354
Total capital assets being depreciated	<u>91,098,151</u>	<u>3,647,438</u>	<u>(1,052,288)</u>	<u>93,693,301</u>
Less accumulated depreciation:				
Buildings	(11,757,452)	(897,653)	-	(12,655,105)
Improvements and infrastructure	(10,374,480)	(803,836)	-	(11,178,316)
Machinery and equipment	(17,186,326)	(1,827,831)	977,578	(18,036,579)
Total accumulated depreciation	<u>(39,318,258)</u>	<u>(3,529,320)</u>	<u>977,578</u>	<u>(41,870,000)</u>
Total capital assets being depreciated, net	<u>51,779,893</u>	<u>118,118</u>	<u>(74,710)</u>	<u>51,823,301</u>
Governmental activities capital assets, net	<u>\$ 59,517,112</u>	<u>\$ 1,973,281</u>	<u>\$ (1,484,628)</u>	<u>\$ 60,005,765</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,799,434	\$ -	\$ -	\$ 1,799,434
Construction in progress	3,303,498	218,042	(3,299,298)	222,242
Total capital assets not being depreciated:	<u>5,102,932</u>	<u>218,042</u>	<u>(3,299,298)</u>	<u>2,021,676</u>
Capital assets being depreciated:				
Capacity	5,938,636	-	-	5,938,636
Buildings	3,169,578	-	-	3,169,578
Improvements and infrastructure	34,370,517	3,601,283	-	37,971,799
Machinery and equipment	663,243	170,403	(22,064)	811,583
Total capital assets being depreciated	<u>44,141,974</u>	<u>3,771,686</u>	<u>(22,064)</u>	<u>47,891,596</u>
Less accumulated depreciation:				
Capacity	(605,707)	(82,767)	-	(688,474)
Buildings	(1,076,378)	(148,466)	-	(1,224,844)
Improvements and infrastructure	(10,417,037)	(1,175,971)	-	(11,593,008)
Machinery and equipment	(529,648)	(31,377)	22,064	(538,961)
Total accumulated depreciation	<u>(12,628,770)</u>	<u>(1,438,581)</u>	<u>22,064</u>	<u>(14,045,287)</u>
Total capital assets being depreciated, net	<u>31,513,204</u>	<u>2,333,105</u>	<u>-</u>	<u>33,846,309</u>
Business-type activities capital assets, net	<u>\$ 36,616,136</u>	<u>\$ 2,551,147</u>	<u>\$ (3,299,298)</u>	<u>\$ 35,867,985</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 6 – Capital assets – continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 396,278
Public Safety	1,336,526
Public Works	1,283,482
Health and Welfare	43,028
Cultural and Recreation	330,102
Economic Development	79,233
Intergovernmental	60,671
Total	<u>\$ 3,529,320</u>

Construction in progress in the Governmental Activities as of June 30, 2013 represents costs incurred to date on the Fire Training Facility, Dacusville Building, Liberty Building, Six Mile Fire District Building, Pickens Alliance Building, Liberty Fire District Building, Adger Road Bridge, Hagood Mill Amphitheatre, City Lake Bridge, Golden Creek Road Bridge and the Rock Art Center. Construction in progress in the Business-type Activities as of June 30, 2013 represents costs of construction for the Installation of Perimeter Security Fencing at the Airport and for the Runway 5 Phase I Project.

Note 7 – Long-term debt

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	\$ 11,891,027	\$ -	\$ 1,778,283	\$ 10,112,744	\$ 1,855,066				
Capital leases	780,652	-	230,135	550,518	119,962				
Notes payable	4,949,266	-	410,522	4,538,744	423,613				
Compensated absences	953,814	19,134	105,372	867,576	100,000				
Net OPEB obligation	3,085,836	650,748	-	3,736,584	-				
Landfill closure & postclosure	2,874,065	-	79,065	2,795,000	117,500				
Total	<u>\$ 24,534,660</u>	<u>\$ 669,882</u>	<u>\$ 2,603,377</u>	<u>\$ 22,601,165</u>	<u>\$ 2,616,141</u>				

Funds used in prior years to liquidate the net other postemployment benefit obligation were from the general fund.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

General obligation (general purpose) bonds payable at June 30, 2013, are comprised of the following individual issues:

\$6,665,000 2003 general obligation bond used for the construction of the Easley Library; due in annual installments of \$125,000 to \$1,300,000 through March 1, 2016; interest at 3.00% to 5.00%	3,775,000
\$1,100,000 2004 general obligation bond used for the Vineyard Building project and purchase of fire trucks; due in annual installments of \$40,000 to \$102,000 through March 1, 2019; interest at 4.134%	545,000
\$1,024,709 2008 general obligation bond used for the Cramer Upgrade project; due in quarterly installments of principal and interest of \$16,416 through October 1, 2027; interest at 2.25%	798,625
\$3,266,039 2008 general obligation bond used for the Roper Upgrade project; due in quarterly installments of principal and interest of \$51,732 through May 1, 2028; interest at 2.25%	2,628,196
\$197,000 2008 general obligation bond used for the purchase of fire trucks; due in semi-annual installments of principal and interest of \$395 to \$20,790 through April 23, 2023; interest at 3.95%	150,000
\$1,800,000 2008 general obligation bond used for the Springs Building project and purchase of a fire truck; due in annual installments of principal and interest of \$112,571 to \$145,901 through March 1, 2023; interest at 4.03%	1,335,924
\$800,000 2004 general obligation bond used for the Shady Grove Building project and purchase of fire trucks; due in annual installments of \$65,000 to \$95,000 through March 1, 2015; interest at 3.130%	185,000
\$950,000 2010 general obligation bond used to fund multiple fire districts throughout Pickens County; due in semi-annual installments of principal and interest of \$145,000 to \$149,000 through July 1, 2017; interest of 2.28%.	695,000
	<u>10,112,744</u>
Less current portion	1,855,066
Long-term portion outstanding	\$ <u><u>8,257,678</u></u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2013, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2014	\$ 1,855,066	\$ 306,759	\$ 2,161,825
2015	1,899,996	244,945	2,144,941
2016	1,875,076	181,644	2,056,720
2017	591,312	122,156	713,468
2018	607,705	104,412	712,117
2019 to 2023	2,042,185	309,813	2,351,998
2024 to 2028	1,241,404	72,306	1,313,710
	<u>\$ 10,112,744</u>	<u>\$ 1,342,035</u>	<u>\$ 11,454,779</u>

Capital leases payable at June 30, 2013, are comprised of the following individual leases:

\$284,300 capital lease to a bank used for the purchase of a fire truck; payable in annual installments of principal and interest of \$34,374 through June 2015 at 3.610%; collateralized by equipment	\$ 65,198
\$222,725 capital lease to a bank used for the purchase of a fire truck; payable in annual installments of principal and interest of \$27,459 through March 2016 at 3.999%; collateralized by equipment	76,202
\$360,000 capital lease to a bank used for the purchase of a fire truck; payable in annual installments of principal and interest of \$43,221 through May 2018 at 3.47%; collateralized by equipment	195,313
\$289,000 capital lease to a bank used for the purchase of a fire truck; payable in annual installments of principal and interest of \$35,596 through April 2020 at 3.980%; collateralized by equipment	<u>213,805</u>
Less current portion	<u>550,518</u>
Long-term portion outstanding	<u>\$ 119,962</u>
	<u>\$ 430,555</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 7 – Long-term debt – continued

Governmental Activities Debt – continued

Annual requirements to amortize all capital leases outstanding as of June 30, 2013 are as follows:

Year Ending June 30	Principal	Interest	Totals
2014	\$ 119,962	\$ 20,688	\$ 140,650
2015	124,437	16,213	140,650
2016	94,705	11,571	106,276
2017	70,822	7,995	78,817
2018	73,435	5,382	78,817
2019 to 2023	67,157	4,035	71,192
	<u>\$ 550,518</u>	<u>\$ 65,884</u>	<u>\$ 616,402</u>

As of June 30, 2013, the County had assets under capital leases with a total cost of \$1,156,025.

Notes payable at June 30, 2013 are comprised of the following individual notes:

\$3,256,865 note to the SC Water Pollution Control Revolving Fund used for the 18-Mile Creek Sewer project; payable in quarterly installments of principal and interest of \$59,336 through October 2019 at 4.0%	\$ 1,288,510
\$3,112,288 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority used for the Georges Creek (Capacity) Project; payable in monthly installments of principal and interest of \$18,860 through October 2023 at 4.0%	2,047,584
\$1,988,315 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority used for the Georges Creek (Trunk Line) project; payable in monthly installments of principal and interest of \$10,500 through September 2024 at 3.75%	1,202,650
	<u>4,538,744</u>
Less current portion	423,613
Long-term portion outstanding	<u>\$ 4,115,131</u>

Annual requirements to amortize all notes payable outstanding as of June 30, 2013 are as follows:

Year Ending June 30	Principal	Interest	Totals
2014	\$ 423,613	\$ 150,281	\$ 573,894
2015	437,153	136,741	573,894
2016	451,157	122,738	573,895
2017	465,641	108,253	573,894
2018	480,624	93,270	573,894
2019 to 2023	1,782,160	256,404	2,038,564
2024 to 2028	498,396	15,502	513,898
	<u>\$ 4,538,744</u>	<u>\$ 883,189</u>	<u>\$ 5,421,933</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 7 – Long-term debt – continued

Business-Type Activities Debt

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

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 6,829,510	\$ -	\$ 117,160	\$ 6,712,350	\$ 126,037
Compensated absences	23,343	939	1,014	23,268	200
Total	<u>\$ 6,852,853</u>	<u>\$ 939</u>	<u>\$ 118,174</u>	<u>\$ 6,735,618</u>	<u>\$ 126,237</u>

Revenue bonds payable recorded in the Public Service Commission Enterprise Fund at June 30, 2013 are comprised of the following individual issues:

\$1,988,200 USDA Rural Development revenue bond used for the Middle Plant expansion; due in monthly installments of principal and interest of \$9,345 through September 2039 at 4.75%. At June 30, 2013, pledged revenue was \$112,140.	\$ 1,678,830
\$3,605,700 USDA Rural Development revenue bond used for the Upper Plant expansion; due in monthly installments of principal and interest of \$16,947 through September 2039 at 4.75%. At June 30, 2013, pledged revenue was \$203,364.	3,044,772
\$352,000 USDA Rural Development revenue bond used for the Central-North Waste Water Treatment Plant Project; due in monthly installments of principal and interest of \$1,116 through January 2052 at 2.25%. At June 30, 2013, pledged revenue was zero for the Central-North Waste Water Treatment bond.	344,288
\$1,680,000 USDA Rural Development revenue bond used for the Central-North Waste Water Treatment Plant Project; due in monthly installments of principal and interest of \$5,326 through January 2052 at 2.25%. At June 30, 2013, pledged revenue was \$8,880 for the Central-North Waste Water Treatment bond.	1,644,460
	<u>6,712,350</u>
Less current portion	126,037
Long-term portion outstanding	<u>\$ 6,586,313</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 7 – Long-term debt – continued

Business-Type Activities Debt – continued

Annual requirements to amortize all revenue bonds outstanding as of June 30, 2013 are as follows:

Year Ending June 30	Principal	Interest	Totals
2014	\$ 126,037	\$ 266,771	\$ 392,808
2015	131,307	261,501	392,808
2016	136,696	256,112	392,808
2017	142,563	250,245	392,808
2018	148,577	244,231	392,808
2019 to 2023	842,914	1,121,126	1,964,040
2024 to 2028	1,039,712	924,328	1,964,040
2029 to 2033	1,285,961	678,082	1,964,043
2034 to 2038	1,594,141	369,899	1,964,040
2039 to 2043	667,886	95,979	763,865
2044 to 2048	337,670	48,850	386,520
2049 to 2053	258,886	10,530	269,416
	<u>\$ 6,712,350</u>	<u>4,527,654</u>	<u>11,240,004</u>

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, 2013, management of the Public Service Commission believes they are in compliance with the following reserve requirements:

Reserved for debt services	\$ 324,384
Reserved for depreciation funding	218,856
Reserved for contingency fund	157,752
Total	<u>\$ 700,992</u>

Note 8 – Inter-fund receivables, payables and transfers inter-fund receivables and payables

	Advance Receivable	Advance Payable
Major Governmental Fund:		
General Fund	\$ 1,557,492	\$ -
Fire Districts		1,498,392
Non-major Governmental Funds	-	9,249
	-	-
Major Enterprise Funds:		
Airport	-	49,851
	<u>\$ 1,557,492</u>	<u>\$ 1,557,492</u>

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 8 – Inter-fund receivables, payables and transfers – continued

Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Fund:		
General Fund	\$ 376,698	\$ 2,468,622
Non-major Governmental Funds	2,287,617	354,098
Major Enterprise Funds:		
Public Service Commission Fund	100,523	-
Airport	57,882	-
	<u>\$ 2,822,720</u>	<u>\$ 2,822,720</u>

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

Note 9 – Employee pension plans

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

SCRS and PORS Class II plan members are required to contribute 7.00% 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 10.60% and 12.30% 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.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 9 – Employee pension plans – continued

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

Year Ended June 30,	Employer			
	SCRS	Percent of Covered Payroll	PORS	Percent of Covered Payroll
2013	\$ 1,464,897	10.60%	\$ 800,549	12.30%
2012	\$ 1,317,178	9.54%	\$ 780,925	11.76%
2011	\$ 1,236,724	9.39%	\$ 705,155	11.53%

Year Ended June 30,	Employee			
	SCRS	Percent of Covered Payroll	PORS	Percent of Covered Payroll
2013	\$ 967,652	7.00%	\$ 455,597	7.00%
2012	\$ 898,023	6.50%	\$ 431,525	6.50%
2011	\$ 859,228	6.50%	\$ 402,606	6.50%

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

Note 10 – Post retirement health care and life insurance benefits

Plan Summary

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

As of year-end, there were 21 employees retired and under the age of 65 that were receiving insurance benefits. For the year ended June 30, 2013, the County incurred net expenditures for the plan of approximately \$122,644 financed on a pay-as-you-go basis.

Medical/Prescription Drug

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

Dental

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 10 – Post retirement health care and life insurance benefits – continued

Required Monthly Contributions

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

	Medical Economy Plan	Medical Base Plan	Medical Buy-Up Plan	Dental
Employee Only	-0-	\$40.52	\$73.45	-0-
Employee + Spouse	\$649.32	\$697.23	\$772.98	\$51.15
Employee + Child(ren)	\$358.72	\$394.13	\$450.11	\$62.30
Employee + Family	\$891.50	\$949.80	\$1,042.04	\$63.84

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

Funding Policy and Annual OPEB Cost

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

Annual required contribution	\$ 906,358
Interest on OPEB obligation	138,863
Adjustment to ARC	<u>(185,305)</u>
Annual OPEB cost, end of year	859,916
Net estimated employer contributions	<u>(209,168)</u>
Increase in net OPEB obligation	650,748
Net OPEB obligation as of beginning of the year	3,085,836
Net OPEB obligation as of end of year	<u>\$ 3,736,584</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 10 – Post retirement health care and life insurance benefits – continued

Funding Policy and Annual OPEB Cost – Continued

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending June 30, 2013 and the preceding two fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$ 1,116,373	\$ 247,020	22.1%	\$ 2,265,081
June 30, 2012	\$ 1,103,289	\$ 282,534	25.6%	\$ 3,085,836
June 30, 2013	\$ 859,916	\$ 209,168	24.3%	\$ 3,736,584

Funding Status and Funding Progress

The funded status of Pickens County's retiree health care plan, under GASB Statement No. 45, as of June 30, 2013, is as follows:

<u>Actuarial Valuation Date as of June 30</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (d)</u>	<u>Ratio of UAAL to Annual Covered Payroll (b-a)/d</u>
2012	\$ -	\$ 7,989,143	\$ 7,989,143	0.0%	\$ 20,605,809	38.8%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial Methods and Assumptions

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

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 10 – Post retirement health care and life insurance benefits – continued

Actuarial Methods and Assumptions

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of Pickens County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Note 11 – Closure and post closure care costs for solid waste landfills

On October 9, 1991, federal regulations issued by the Environmental Protection agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills as well as post closure maintenance for a period of 30 years after closure. The \$2.8 million liability reported as landfill closure and post closure represents total costs to date, as of June 30, 2013 based on 100% use of all landfills. Actual cost for closure and postclosure care may vary due to inflation, developments in technology or changes in laws and regulations.

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

<u>Landfill</u>	<u>Post Closure Years Remaining</u>	<u>Percent Used</u>	<u>Open/ Close Year</u>	<u>Closure/ Post Closure Costs</u>
Easley	19	100%	2003	\$ 1,127,000
Central	9	100%	1994	286,500
C & D	20	84%	1998	1,381,500
				<u>\$ 2,795,000</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

Note 12 – Commitments and contingencies

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

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

PICKENS COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS

JUNE 30, 2013

Fiscal Year Ended June 30	Actuarial Valuation Date As of June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (d)	Ratio of UAAL To Annual Covered Payroll (b-a)/d
2011	2010	\$ -	\$ 9,239,019	\$ 9,239,019	0%	\$ 19,815,268	47%
2012	2010	-	9,239,019	9,239,019	0%	19,950,505	46%
2013	2012	-	7,989,143	7,989,143	0%	20,605,809	39%

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 23,937,252	\$ 23,937,252	\$ 24,141,404	\$ 204,152
Intergovernmental	4,404,543	4,421,147	4,999,754	578,607
Fees, licenses and permits	577,500	577,500	661,268	83,768
Charges for services	6,056,460	6,136,460	6,103,903	(32,557)
Fines and forfeitures	635,000	635,000	564,874	(70,126)
Investment income	181,394	181,394	169,841	(11,553)
Rental income	21,060	21,060	66,518	45,458
Contributions	-	-	6,765	6,765
Miscellaneous	91,000	91,000	406,774	315,774
Total revenues	35,904,209	36,000,813	37,121,101	1,120,288
Expenditures				
Current				
General government				
County council	222,831	228,956	214,961	13,995
County attorney	93,000	318,000	267,895	50,105
State solicitor	776,679	780,279	776,524	3,755
Public defender	95,941	96,241	93,734	2,507
Probate judge	278,702	285,553	285,213	340
Register of deeds	251,698	371,398	251,257	120,141
Clerk of court	622,365	629,189	622,550	6,639
Administrator	354,564	286,000	274,913	11,087
Purchasing	85,184	86,072	61,398	24,674
Finance	468,604	471,668	468,961	2,707
Building maintenance	1,815,859	1,671,409	1,406,608	264,801
Human resources	199,706	201,410	141,804	59,606
Delinquent tax	278,477	279,377	226,611	52,766
Circuit judge	4,205	6,105	6,102	3
Treasurer	443,110	446,111	444,261	1,850
Auditor	336,730	339,201	335,475	3,726
Tax assessor	730,705	756,806	731,624	25,182
Board of appeals	4,000	4,000	2,170	1,830
GIS mapping	309,577	317,426	304,604	12,822
Registration and elections	277,691	337,859	336,256	1,603
Planning commission	160,014	242,031	264,717	(22,686)
Information services	1,070,809	1,096,081	999,934	96,147
County magistrates	614,610	622,796	594,221	28,575
Vehicle maintenance	558,254	561,176	534,577	26,599
Public relations	28,800	34,263	30,201	4,062
Retiree health and dental	154,500	154,500	116,134	38,366
	10,236,615	10,623,907	9,792,705	831,202

PICKENS COUNTY, SOUTH CAROLINA

Schedule 1 - continued

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Public safety				
Sheriff's department	\$ 9,201,606	\$ 9,259,495	\$ 9,180,957	\$ 78,538
Emergency management	391,505	403,492	398,600	4,892
County coroner	201,195	202,747	224,216	(21,469)
Prison camp	1,261,185	1,267,318	1,114,312	153,006
Emergency medical services	4,632,176	4,704,396	4,795,115	(90,719)
Building codes	320,661	322,429	315,440	6,989
County radio system	26,760	26,760	26,458	302
E-911	111,346	111,946	111,115	831
	<u>16,146,434</u>	<u>16,298,583</u>	<u>16,166,213</u>	<u>132,370</u>
Public works				
Roads and bridges	2,326,713	2,337,773	2,246,122	91,651
Solid waste department	3,342,779	3,355,652	3,094,019	261,633
Engineering	101,057	101,482	101,478	4
	<u>5,770,549</u>	<u>5,794,907</u>	<u>5,441,619</u>	<u>353,288</u>
Health and welfare				
Health department	51,011	51,011	42,922	8,089
Animal control	423,049	424,999	408,249	16,750
Humane society	70,000	70,000	70,000	-
Veterans affairs	102,025	106,943	105,286	1,657
Storm water management	183,497	185,158	171,533	13,625
Pickens County health partners	22,000	22,000	22,000	-
Meals on Wheels	5,000	5,000	5,000	-
	<u>856,582</u>	<u>865,111</u>	<u>824,990</u>	<u>40,121</u>
Culture and recreation				
Cultural commission	540,681	724,828	481,299	243,529
Parks department	194,040	194,790	191,187	3,603
	<u>734,721</u>	<u>919,618</u>	<u>672,486</u>	<u>247,132</u>
Economic development	-	141,683	583,753	(442,070)
Intergovernmental				
Legislative delegation	20,424	20,574	19,193	1,381
Seniors unlimited	5,000	5,000	5,000	-
Department of social services	78,733	78,733	65,064	13,669
Medically indigent fund	245,000	241,353	128,426	112,927
SC Appalachian Council of Governments	45,593	45,593	45,593	-
Clemson extension	56,868	57,114	57,065	49
Soil and water conservation	300	300	300	-
	<u>451,918</u>	<u>448,667</u>	<u>320,641</u>	<u>128,026</u>

PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Schedule 1 - continued

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Other				
Contingency	\$ 250,000	\$ 36,230	\$ 49,660	\$ (13,430)
SCAC	19,025	59,505	53,852	5,653
	<u>269,025</u>	<u>95,735</u>	<u>103,512</u>	<u>(7,777)</u>
Capital outlay	<u>1,532,420</u>	<u>1,666,309</u>	<u>1,430,073</u>	<u>236,236</u>
Total expenditures	<u>35,998,264</u>	<u>36,854,520</u>	<u>35,335,992</u>	<u>1,518,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,055)</u>	<u>(853,707)</u>	<u>1,785,109</u>	<u>2,638,816</u>
Other financing sources (uses)				
Transfers in (out)	<u>(830,945)</u>	<u>(2,431,387)</u>	<u>(2,091,924)</u>	<u>(339,463)</u>
Total other financing uses	<u>(830,945)</u>	<u>(2,431,387)</u>	<u>(2,091,924)</u>	<u>(339,463)</u>
Net change in fund balances	<u>\$ (925,000)</u>	<u>\$ (3,285,094)</u>	<u>(306,815)</u>	<u>\$ 2,978,279</u>
Fund balance - beginning			<u>28,942,064</u>	
Fund balance - ending			<u>\$ 28,635,249</u>	

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

PICKENS COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET - MAJOR FUND - FIRE DISTRICTS

JUNE 30, 2013

	<u>Easley</u>	<u>Liberty</u>	<u>Pumpkintown</u>	<u>Crosswell</u>	<u>Six Mile</u>	<u>Pickens</u>	<u>Dacusville</u>
ASSETS							
Cash and investments	\$ 108,057	\$ 288,015	\$ 69,980	\$ 807,373	\$ 54,781	\$ 265,690	\$ 204,353
Property taxes receivable	89,197	91,142	18,638	110,015	34,787	74,324	40,635
Accounts receivable - other	-	4,293	-	143	-	20	-
Prepaid items	-	1,668	-	-	-	-	-
Total assets	<u>\$ 197,254</u>	<u>\$ 385,118</u>	<u>\$ 88,618</u>	<u>\$ 917,531</u>	<u>\$ 89,568</u>	<u>\$ 340,034</u>	<u>\$ 244,988</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 8,020	\$ 9,097	\$ 7,901	\$ 11,532	\$ 5,676	\$ 5,000	\$ 1,541
Accrued payroll	-	-	-	5,948	1,173	-	1,196
Advances from general fund	-	512,153	-	512,153	474,087	-	-
Unearned revenue	81,805	82,298	16,291	102,622	30,890	68,217	36,611
Total liabilities	<u>89,825</u>	<u>603,548</u>	<u>24,192</u>	<u>632,255</u>	<u>511,826</u>	<u>73,217</u>	<u>39,348</u>
Fund balances:							
Nonspendable							
Prepaid items	-	1,668	-	-	-	-	-
Restricted	107,429	1,000	64,426	285,276	-	266,817	205,640
Unassigned	-	(221,098)	-	-	(422,258)	-	-
Total fund balances	<u>107,429</u>	<u>(218,430)</u>	<u>64,426</u>	<u>285,276</u>	<u>(422,258)</u>	<u>266,817</u>	<u>205,640</u>
Total liabilities and fund balances	<u>\$ 197,254</u>	<u>\$ 385,118</u>	<u>\$ 88,618</u>	<u>\$ 917,531</u>	<u>\$ 89,568</u>	<u>\$ 340,034</u>	<u>\$ 244,988</u>

PICKENS COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET - MAJOR FUND - FIRE DISTRICTS

JUNE 30, 2013

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
ASSETS							
Cash and investments	\$ 84,656	\$ 149,751	\$ 296,175	\$ 14,530	\$ 252,420	\$ 437,942	\$ 3,033,723
Property taxes receivable	12,903	19,202	2,911	131	60,085	52,209	606,179
Accounts receivable - other	-	-	-	-	-	-	4,456
Prepaid items	-	-	-	-	-	-	1,668
Total assets	<u>\$ 97,559</u>	<u>\$ 168,953</u>	<u>\$ 299,086</u>	<u>\$ 14,661</u>	<u>\$ 312,505</u>	<u>\$ 490,151</u>	<u>\$ 3,646,026</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 369	\$ 19,150	\$ 2,460	\$ 214	\$ 9,053	\$ 22,648	\$ 102,661
Accrued payroll	-	-	-	-	13,573	-	21,890
Advances from general fund	-	-	-	-	-	-	1,498,393
Unearned revenue	11,695	18,242	2,656	131	64,036	38,531	554,025
Total liabilities	<u>12,064</u>	<u>37,392</u>	<u>5,116</u>	<u>345</u>	<u>86,662</u>	<u>61,179</u>	<u>2,176,969</u>
Fund balances:							
Nonspendable							
Prepaid items	-	-	-	-	-	-	1,668
Restricted	85,495	131,561	293,970	14,316	225,843	428,972	2,110,745
Unassigned	-	-	-	-	-	-	(643,356)
Total fund balances	<u>85,495</u>	<u>131,561</u>	<u>293,970</u>	<u>14,316</u>	<u>225,843</u>	<u>428,972</u>	<u>1,469,057</u>
Total liabilities and fund balances	<u>\$ 97,559</u>	<u>\$ 168,953</u>	<u>\$ 299,086</u>	<u>\$ 14,661</u>	<u>\$ 312,505</u>	<u>\$ 490,151</u>	<u>\$ 3,646,026</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 3

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR FUND - FIRE DISTRICTS

YEAR ENDED JUNE 30, 2013

	<u>Easley</u>	<u>Liberty</u>	<u>Pumpkintown</u>	<u>Crosswell</u>	<u>Six Mile</u>	<u>Pickens</u>	<u>Dacusville</u>
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	1,700
Fees, licenses and permits	464,944	531,631	127,290	596,593	186,331	450,728	195,840
Investment income	-	-	-	417	-	665	-
Contributions	-	200	250	250	4,313	-	250
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>464,944</u>	<u>531,831</u>	<u>127,540</u>	<u>597,260</u>	<u>190,644</u>	<u>451,393</u>	<u>197,790</u>
Expenditures							
Current:							
Personnel services	-	-	-	368,209	72,263	-	64,567
Supplies	-	3,850	15,436	8,723	4,646	-	63,012
Contractual services	468,253	207,368	600	857	723	315,000	8,459
Utilities	-	7,674	8,590	10,243	11,342	-	12,152
Repairs and maintenance	-	14,311	17,645	6,905	6,867	-	10,444
Fuel and oil	-	-	9,362	9,468	5,091	-	6,944
Furniture, machinery and equipment	-	11,851	10,018	4,231	61,089	-	1,151
Insurance, bonds and licenses	-	4,839	8,665	7,058	5,983	-	5,470
Rent	-	-	-	-	-	-	-
Other	-	5,771	7,744	25,841	19,157	-	19,502
Contingency	-	14	566	-	-	-	-
Capital outlay	-	345,787	-	35,004	446,838	64,891	-
Debt service:							
Principal retirement	-	-	50,534	74,020	-	-	30,905
Interest and fiscal charges	-	21,947	5,099	35,229	17,500	-	3,470
Total expenditures	<u>468,253</u>	<u>623,412</u>	<u>134,259</u>	<u>585,788</u>	<u>651,499</u>	<u>379,891</u>	<u>226,076</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,309)</u>	<u>(91,581)</u>	<u>(6,719)</u>	<u>11,472</u>	<u>(460,855)</u>	<u>71,502</u>	<u>(28,286)</u>
Other financing sources (uses)							
Transfers (out) in	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	<u>(3,309)</u>	<u>(91,581)</u>	<u>(6,719)</u>	<u>11,472</u>	<u>(460,855)</u>	<u>71,502</u>	<u>(28,286)</u>
Fund balance - beginning	<u>110,738</u>	<u>(126,849)</u>	<u>71,145</u>	<u>273,804</u>	<u>38,597</u>	<u>195,315</u>	<u>233,926</u>
Fund balance - ending	<u>\$ 107,429</u>	<u>\$ (218,430)</u>	<u>\$ 64,426</u>	<u>\$ 285,276</u>	<u>\$ (422,258)</u>	<u>\$ 266,817</u>	<u>\$ 205,640</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 3 - continued

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR FUND - FIRE DISTRICTS

YEAR ENDED JUNE 30, 2013

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
Revenues							
Taxes	\$ -	\$ -	\$ 263,101	\$ -	\$ 646,064	\$ 554,353	\$ 1,463,518
Intergovernmental	-	-	-	-	-	-	1,700
Fees, licenses and permits	59,897	174,975	-	3,090	-	-	2,791,319
Investment income	-	-	-	-	-	-	1,082
Contributions	250	-	-	-	250	-	5,763
Miscellaneous	2,243	-	41,302	-	-	-	43,545
Total revenues	62,390	174,975	304,403	3,090	646,314	554,353	4,306,927
Expenditures							
Current:							
Personnel services	-	1,800	-	-	825,599	-	1,332,438
Supplies	2,850	3,898	1,128	-	20,079	24,798	148,420
Contractual services	2,085	94,213	225,696	2,242	6,898	5,335	1,337,729
Utilities	5,510	3,609	275	-	20,197	11,835	91,427
Repairs and maintenance	730	1,655	2,122	214	23,213	17,585	101,691
Fuel and oil	1,052	2,340	-	-	11,613	4,898	50,768
Furniture, machinery and equipment	16,999	20,956	5,008	-	13,505	10,504	155,312
Insurance, bonds and licenses	2,993	5,390	3,359	308	14,477	4,690	63,232
Rent	80	-	-	-	64	-	144
Other	156	1,848	-	-	12,496	13,221	105,736
Contingency	-	-	-	-	-	-	580
Capital outlay	37,183	-	40,303	-	-	-	970,006
Debt service:							
Principal retirement	23,473	26,050	-	-	-	-	204,982
Interest and fiscal charges	3,986	9,546	-	-	-	-	96,777
Total expenditures	97,097	171,305	277,891	2,764	948,141	92,866	4,659,242
Excess (deficiency) of revenues over (under) expenditures	(34,707)	3,670	26,512	326	(301,827)	461,487	(352,315)
Other financing sources (uses)							
Transfers (out) in	-	-	-	-	325,154	(325,154)	-
Total other financing sources (uses)	-	-	-	-	325,154	(325,154)	-
Net change in fund balances	(34,707)	3,670	26,512	326	23,327	136,333	(352,315)
Fund balance - beginning	120,202	127,891	267,458	13,990	202,516	292,639	1,821,372
Fund balance - ending	\$ 85,495	\$ 131,561	\$ 293,970	\$ 14,316	\$ 225,843	\$ 428,972	\$ 1,469,057

PICKENS COUNTY, SOUTH CAROLINA

Schedule 4

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - EASLEY FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 449,959	\$ 449,959	\$ 464,944	\$ 14,985
Total revenues	<u>449,959</u>	<u>449,959</u>	<u>464,944</u>	<u>14,985</u>
Expenditures				
Current:				
Contractual services	<u>450,247</u>	<u>450,247</u>	<u>468,253</u>	<u>(18,006)</u>
Total expenditures	<u>450,247</u>	<u>450,247</u>	<u>468,253</u>	<u>(18,006)</u>
Deficiency of revenues under expenditures	<u>(288)</u>	<u>(288)</u>	<u>(3,309)</u>	<u>(3,021)</u>
Net change in fund balances	<u>\$ (288)</u>	<u>\$ (288)</u>	<u>(3,309)</u>	<u>\$ (3,021)</u>
Fund balance - beginning			<u>110,738</u>	
Fund balance - ending			<u>\$ 107,429</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 5

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGT AND ACTUAL - LIBERTY FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 455,000	\$ 455,000	\$ 531,631	\$ 76,631
Investment income	500	500	-	(500)
Contributions	-	-	200	200
Total revenues	<u>455,500</u>	<u>455,500</u>	<u>531,831</u>	<u>76,331</u>
Expenditures				
Current:				
Supplies	4,100	4,100	3,850	250
Contractual services	211,700	211,700	207,368	4,332
Utilities	24,000	24,000	7,674	16,326
Repairs and maintenance	23,000	23,000	14,311	8,689
Furniture, machinery and equipment	29,000	29,000	11,851	17,149
Insurance, bonds and licenses	10,000	10,000	4,839	5,161
Other	9,000	9,000	5,771	3,229
Contingency	27,776	27,776	14	27,762
Capital outlay	900,000	900,000	345,787	554,213
Debt service:				
Principal retirement	73,030	73,030	-	73,030
Interest and fiscal charges	43,894	43,894	21,947	21,947
Total expenditures	<u>1,355,500</u>	<u>1,355,500</u>	<u>623,412</u>	<u>732,088</u>
Deficiency of revenues under expenditures	<u>(900,000)</u>	<u>(900,000)</u>	<u>(91,581)</u>	<u>808,419</u>
Net change in fund balances	<u>\$ (900,000)</u>	<u>\$ (900,000)</u>	(91,581)	<u>\$ 808,419</u>
Fund balance - beginning			<u>(126,849)</u>	
Fund balance - ending			<u>\$ (218,430)</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, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 127,494	\$ 127,494	\$ 127,290	\$ (204)
Contributions	-	-	250	250
Total revenues	<u>127,494</u>	<u>127,494</u>	<u>127,540</u>	<u>46</u>
Expenditures				
Current:				
Supplies	14,915	14,915	15,436	(521)
Contractual services	3,520	3,520	600	2,920
Utilities	11,550	11,550	8,590	2,960
Repairs and maintenance	10,500	10,500	17,645	(7,145)
Fuel and oil	4,500	4,500	9,362	(4,862)
Furniture, machinery and equipment	6,000	6,000	10,018	(4,018)
Insurance, bonds and licenses	18,900	18,900	8,665	10,235
Other	5,835	5,835	7,744	(1,909)
Contingency	3,000	3,000	566	2,434
Debt service:				
Principal retirement	50,535	50,535	50,534	1
Interest and fiscal charges	5,100	5,100	5,099	1
Total expenditures	<u>134,355</u>	<u>134,355</u>	<u>134,259</u>	<u>96</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,861)</u>	<u>(6,861)</u>	<u>(6,719)</u>	<u>142</u>
Net change in fund balances	<u>\$ (6,861)</u>	<u>\$ (6,861)</u>	<u>(6,719)</u>	<u>\$ 142</u>
Fund balance - beginning			<u>71,145</u>	
Fund balance - ending			<u>\$ 64,426</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 7

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - CROSSWELL FIRE DISTRICT FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 608,000	\$ 608,000	\$ 596,593	\$ (11,407)
Investment income	2,500	2,500	417	(2,083)
Contributions	-	-	250	250
Total revenues	<u>610,500</u>	<u>610,500</u>	<u>597,260</u>	<u>(13,240)</u>
Expenditures				
Current:				
Personnel services	364,150	364,150	368,209	(4,059)
Supplies	11,450	10,493	8,723	1,770
Contractual services	2,200	1,889	857	1,032
Utilities	10,818	10,818	10,243	575
Repairs and maintenance	9,800	8,736	6,905	1,831
Fuel and oil	7,000	9,000	9,468	(468)
Furniture, machinery and equipment	6,000	6,870	4,231	2,639
Insurance, bonds and licenses	6,419	6,419	7,058	(639)
Other	37,400	36,858	25,841	11,017
Contingency	9,496	9,496	-	9,496
Capital outlay	35,000	35,004	35,004	-
Debt service:				
Principal retirement	110,536	110,536	74,020	36,516
Interest and fiscal charges	35,231	35,231	35,229	2
Total expenditures	<u>645,500</u>	<u>645,500</u>	<u>585,788</u>	<u>59,712</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(35,000)</u>	<u>(35,000)</u>	<u>11,472</u>	<u>46,472</u>
Net change in fund balances	<u>\$ (35,000)</u>	<u>\$ (35,000)</u>	<u>11,472</u>	<u>\$ 46,472</u>
Fund balance - beginning			<u>273,804</u>	
Fund balance - ending			<u>\$ 285,276</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 8

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - SIX MILE FIRE DISTRICT FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 185,000	\$ 185,000	\$ 186,331	\$ 1,331
Contributions	-	-	4,313	4,313
Total revenues	<u>185,000</u>	<u>185,000</u>	<u>190,644</u>	<u>5,644</u>
Expenditures				
Current:				
Personnel services	71,117	71,117	72,263	(1,146)
Supplies	6,200	6,200	4,646	1,554
Contractual services	200	200	723	(523)
Utilities	17,070	17,070	11,342	5,728
Repairs and maintenance	10,000	10,000	6,867	3,133
Fuel and oil	6,500	6,500	5,091	1,409
Furniture, machinery and equipment	10,000	10,000	61,089	(51,089)
Insurance, bonds and licenses	6,000	6,000	5,983	17
Rent	-	-	-	-
Other	4,500	4,500	19,157	(14,657)
Capital outlay	-	-	446,838	(446,838)
Debt service				
Principal retirement	25,913	25,913	-	25,913
Interest and fiscal charges	17,500	17,500	17,500	-
Total expenditures	<u>175,000</u>	<u>175,000</u>	<u>651,499</u>	<u>(476,499)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,000</u>	<u>10,000</u>	<u>(460,855)</u>	<u>(470,855)</u>
Net change in fund balances	<u>\$ 10,000</u>	<u>\$ 10,000</u>	(460,855)	<u>\$ (470,855)</u>
Fund balance - beginning			<u>38,597</u>	
Fund balance - ending			<u>\$ (422,258)</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 9

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - PICKENS FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 452,262	\$ 452,262	\$ 450,728	\$ (1,534)
Investment income	1,000	1,000	665	(335)
Total revenues	<u>453,262</u>	<u>453,262</u>	<u>451,393</u>	<u>(1,869)</u>
Expenditures				
Current:				
Contractual services	310,000	310,000	315,000	(5,000)
Contingency	3,262	3,262	-	3,262
Capital outlay	140,000	140,000	64,891	75,109
Total expenditures	<u>453,262</u>	<u>453,262</u>	<u>379,891</u>	<u>73,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>71,502</u>	<u>71,502</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>71,502</u>	<u>\$ 71,502</u>
Fund balance - beginning			<u>195,315</u>	
Fund balance - ending			<u>\$ 266,817</u>	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DACUSVILLE FIRE DISTRICT FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 24,975	\$ 1,700	\$ (23,275)
Fees, licenses and permits	190,135	190,135	195,840	5,705
Investment income	1,000	1,000	-	(1,000)
Contributions	-	-	250	250
Total revenues	<u>191,135</u>	<u>216,110</u>	<u>197,790</u>	<u>(18,320)</u>
Expenditures				
Current:				
Personnel services	64,680	64,680	64,567	113
Supplies	23,000	23,000	63,012	(40,012)
Contractual services	1,500	1,500	8,459	(6,959)
Utilities	10,700	10,700	12,152	(1,452)
Repairs and maintenance	10,750	10,750	10,444	306
Fuel and oil	5,000	5,000	6,944	(1,944)
Furniture, machinery and equipment	3,000	3,000	1,151	1,849
Insurance, bonds and licenses	18,130	18,130	5,470	12,660
Other	20,000	47,900	19,502	28,398
Debt service:				
Principal retirement	30,905	30,905	30,905	-
Interest and fiscal charges	3,470	3,470	3,470	-
Total expenditures	<u>191,135</u>	<u>219,035</u>	<u>226,076</u>	<u>(7,041)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,925)</u>	<u>(28,286)</u>	<u>(25,361)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (2,925)</u>	<u>(28,286)</u>	<u>\$ (25,361)</u>
Fund balance - beginning			<u>233,926</u>	
Fund balance - ending			<u>\$ 205,640</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 11

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - HOLLY SPRINGS FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 60,290	\$ 60,290	\$ 59,897	\$ (393)
Investment income	200	200	-	(200)
Contributions	-	-	250	250
Miscellaneous	2,300	2,300	2,243	(57)
Total revenues	<u>62,790</u>	<u>62,790</u>	<u>62,390</u>	<u>(400)</u>
Expenditures				
Current:				
Personnel services	500	500	-	500
Supplies	11,541	11,541	2,850	8,691
Contractual services	1,300	1,300	2,085	(785)
Utilities	6,500	6,500	5,510	990
Repairs and maintenance	4,500	4,500	730	3,770
Fuel and oil	2,000	2,000	1,052	948
Furniture, machinery and equipment	200	200	16,999	(16,799)
Insurance, bonds and licenses	3,000	3,000	2,993	7
Rent	-	-	80	(80)
Other	3,000	3,000	156	2,844
Contingency	2,790	2,790	-	2,790
Capital outlay	-	-	37,183	(37,183)
Debt service:				
Principal retirement	23,473	23,473	23,473	-
Interest and fiscal charges	3,986	3,986	3,986	-
Total expenditures	<u>62,790</u>	<u>62,790</u>	<u>97,097</u>	<u>(34,307)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(34,707)</u>	<u>(34,707)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(34,707)</u>	<u>\$ (34,707)</u>
Fund balance - beginning			<u>120,202</u>	
Fund balance - ending			<u>\$ 85,495</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 12

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - CENTRAL FIRE DISTRICT FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 167,184	\$ 167,184	\$ 174,975	\$ 7,791
Investment income	200	200	-	(200)
Total revenues	<u>167,384</u>	<u>167,384</u>	<u>174,975</u>	<u>7,591</u>
Expenditures				
Current:				
Personnel services	-	-	1,800	(1,800)
Supplies	8,750	8,750	3,898	4,852
Contractual services	75,652	75,652	94,213	(18,561)
Utilities	3,880	3,880	3,609	271
Repairs and maintenance	6,000	6,000	1,655	4,345
Fuel and oil	2,500	2,500	2,340	160
Furniture, machinery and equipment	22,701	22,701	20,956	1,745
Insurance, bonds and licenses	4,537	4,537	5,390	(853)
Other	3,825	3,825	1,848	1,977
Contingency	3,944	3,944	-	3,944
Debt service:				
Principal retirement	26,049	26,049	26,050	(1)
Interest and fiscal charges	9,546	9,546	9,546	-
Total expenditures	<u>167,384</u>	<u>167,384</u>	<u>171,305</u>	<u>(3,921)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>3,670</u>	<u>3,670</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>3,670</u>	<u>\$ 3,670</u>
Fund balance - beginning			<u>127,891</u>	
Fund balance - ending			<u>\$ 131,561</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 13

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SHADY GROVE FIRE DISTRICT FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 259,850	\$ 259,850	\$ 263,101	\$ 3,251
Investment income	150	150	-	(150)
Miscellaneous	-	-	41,302	41,302
Total revenues	<u>260,000</u>	<u>260,000</u>	<u>304,403</u>	<u>44,403</u>
Expenditures				
Current:				
Supplies	300	377	1,128	(751)
Contractual services	224,900	224,900	225,696	(796)
Utilities	-	-	275	(275)
Repairs and maintenance	2,000	2,000	2,122	(122)
Furniture, machinery and equipment	-	3,499	5,008	(1,509)
Insurance, bonds and licenses	7,000	7,000	3,359	3,641
Contingency	25,800	25,800	-	25,800
Capital outlay	40,000	40,000	40,303	(303)
Total expenditures	<u>300,000</u>	<u>303,577</u>	<u>277,891</u>	<u>25,686</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(43,577)</u>	<u>26,512</u>	<u>70,089</u>
 Net change in fund balances	 <u>\$ (40,000)</u>	 <u>\$ (43,577)</u>	 26,512	 <u>\$ 70,089</u>
Fund balance - beginning			<u>267,458</u>	
Fund balance - ending			<u>\$ 293,970</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 14

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - ROCKY BOTTOM FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 3,460	\$ 3,460	\$ 3,090	\$ (370)
Total revenues	<u>3,460</u>	<u>3,460</u>	<u>3,090</u>	<u>(370)</u>
Expenditures				
Current:				
Supplies	530	530	-	530
Contractual services	2,930	2,930	2,242	688
Repairs and maintenance	-	-	214	(214)
Insurance, bonds and licenses	-	-	308	(308)
Total expenditures	<u>3,460</u>	<u>3,460</u>	<u>2,764</u>	<u>696</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>326</u>	<u>326</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	326	<u>\$ 326</u>
Fund balance - beginning			<u>13,990</u>	
Fund balance - ending			<u>\$ 14,316</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 15

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - VINEYARDS FIRE DISTRICT FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 655,103	\$ 655,103	\$ 646,064	\$ (9,039)
Investment income	50	50	-	(50)
Contributions	-	-	250	250
Total revenues	<u>655,153</u>	<u>655,153</u>	<u>646,314</u>	<u>(8,839)</u>
Expenditures				
Current:				
Personnel services	796,970	796,970	825,599	(28,629)
Supplies	22,200	23,200	20,079	3,121
Contractual services	5,700	5,700	6,898	(1,198)
Utilities	22,500	22,500	20,197	2,303
Repairs and maintenance	17,000	26,000	23,213	2,787
Fuel and oil	9,000	9,000	11,613	(2,613)
Furniture, machinery and equipment	19,000	19,000	13,505	5,495
Insurance, bonds and licenses	14,872	14,872	14,477	395
Rent	300	300	64	236
Other	15,500	15,500	12,496	3,004
Contingency	17,265	7,265	-	7,265
Total expenditures	<u>940,307</u>	<u>940,307</u>	<u>948,141</u>	<u>(7,834)</u>
Deficiency of revenues under expenditures	<u>(285,154)</u>	<u>(285,154)</u>	<u>(301,827)</u>	<u>(16,673)</u>
Other financing sources (uses)				
Transfers (out) in	325,154	325,154	325,154	-
Total other financing sources (uses)	<u>325,154</u>	<u>325,154</u>	<u>325,154</u>	<u>-</u>
Net change in fund balances	<u>\$ 40,000</u>	<u>\$ 40,000</u>	23,327	<u>\$ (16,673)</u>
Fund balance - beginning			<u>202,516</u>	
Fund balance - ending			<u>\$ 225,843</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 16

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - SPRINGS FIRE DISTRICT FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 479,067	\$ 479,067	\$ 554,353	\$ 75,286
Total revenues	<u>479,067</u>	<u>479,067</u>	<u>554,353</u>	<u>75,286</u>
Expenditures				
Current:				
Supplies	42,600	38,100	24,798	13,302
Contractual services	15,963	15,963	5,335	10,628
Utilities	17,000	17,000	11,835	5,165
Repairs and maintenance	24,000	24,000	17,585	6,415
Fuel and oil	8,000	8,000	4,898	3,102
Furniture, machinery and equipment	17,200	21,700	10,504	11,196
Insurance, bonds and licenses	5,600	5,600	4,690	910
Rent	750	750	-	750
Other	22,800	22,800	13,221	9,579
Total expenditures	<u>153,913</u>	<u>153,913</u>	<u>92,866</u>	<u>61,047</u>
Excess of revenues over expenditures	<u>325,154</u>	<u>325,154</u>	<u>461,487</u>	<u>136,333</u>
Other financing sources (uses)				
Transfers (out) in	<u>(325,154)</u>	<u>(325,154)</u>	<u>(325,154)</u>	<u>-</u>
Total other financing sources (uses)	<u>(325,154)</u>	<u>(325,154)</u>	<u>(325,154)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	136,333	<u>\$ 136,333</u>
Fund balance - beginning			<u>292,639</u>	
Fund balance - ending			<u>\$ 428,972</u>	

PICKENS COUNTY, SOUTH CAROLINA

COMBINING SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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.

PICKENS COUNTY, SOUTH CAROLINA

Schedule 17

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,362,216	\$ 663,501	\$ 1,448,975	\$ 6,474,692
Property taxes receivable	314,665	222,237	-	536,902
Accounts receivable - other	66,976	-	-	66,976
Due from other governments	337,857	-	-	337,857
Prepaid items	225	-	-	225
Total assets	<u>\$ 5,081,939</u>	<u>\$ 885,738</u>	<u>\$ 1,448,975</u>	<u>\$ 7,416,652</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 83,548	\$ -	\$ 306,338	\$ 389,886
Accrued payroll	46,247	-	-	46,247
Advances from general fund	4,882	-	-	4,882
Deferred revenue	520,248	202,151	-	722,399
Total liabilities	<u>654,925</u>	<u>202,151</u>	<u>306,338</u>	<u>1,163,414</u>
Fund balances:				
Prepaid items	225	-	-	225
Restricted	4,433,374	683,587	-	5,116,961
Committed	-	-	1,142,637	1,142,637
Total fund balances	<u>4,427,014</u>	<u>683,587</u>	<u>1,142,637</u>	<u>6,253,238</u>
 Total liabilities and fund balances	 <u>\$ 5,081,939</u>	 <u>\$ 885,738</u>	 <u>\$ 1,448,975</u>	 <u>\$ 7,416,652</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 18

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2013

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 3,913,847	\$ 2,816,244	\$ -	\$ 6,730,091
Intergovernmental	1,024,617	-	134,885	1,159,502
Fees, licenses and permits	2,721,083	-	-	2,721,083
Charges for services	165,925	-	-	165,925
Fines and forfeitures	191,986	-	-	191,986
Investment income	-	-	-	-
Contributions	363	-	-	363
Miscellaneous	65	-	-	65
Total revenues	<u>8,017,886</u>	<u>2,816,244</u>	<u>134,885</u>	<u>10,969,015</u>
Expenditures				
Current:				
General government	203,996	-	-	203,996
Public safety	933,315	-	-	933,315
Public works	1,896,216	-	-	1,896,216
Culture and recreation	3,248,851	-	-	3,248,851
Economic development and assistance	2,250	-	-	2,250
Other	1,036,754	-	-	1,036,754
Capital outlay	277,082	-	1,150,393	1,427,475
Debt service:				
Principal retirement	96,348	2,117,609	-	2,213,957
Interest and fiscal charges	3,652	523,755	-	527,407
Total expenditures	<u>7,698,464</u>	<u>2,641,364</u>	<u>1,150,393</u>	<u>11,490,221</u>
Excsss (deficiency) of revenues over (under) expenditures	<u>319,422</u>	<u>174,880</u>	<u>(1,015,508)</u>	<u>(521,206)</u>
Other financing sources (uses)				
Transfers in (out)	(16,923)	-	1,950,442	1,933,519
Total other financing sources (uses)	<u>(16,923)</u>	<u>-</u>	<u>1,950,442</u>	<u>1,933,519</u>
Net change in fund balances	302,499	174,880	934,934	1,412,313
Fund balance - beginning	<u>4,124,515</u>	<u>508,707</u>	<u>207,703</u>	<u>4,840,925</u>
Fund balance - ending	<u>\$ 4,427,014</u>	<u>\$ 683,587</u>	<u>\$ 1,142,637</u>	<u>\$ 6,253,238</u>

PICKENS COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2013

	<u>Tri-County Tech</u>	<u>Fixed Nuclear</u>	<u>Sheriff Special</u>	<u>Library</u>	<u>Victim Rights</u>	<u>Grants</u>
ASSETS						
Cash and investments	\$ 267,567	\$ 52,352	\$ 401,381	\$ 1,519,954	\$ -	\$ 96,798
Property taxes receivable	93,841	-	-	220,824	-	-
Accounts receivable - other	-	-	78	-	-	-
Due from other governments	-	-	-	-	-	148,424
Prepaid items	-	-	-	190	-	-
Total assets	<u>\$ 361,408</u>	<u>\$ 52,352</u>	<u>\$ 401,459</u>	<u>\$ 1,740,968</u>	<u>\$ -</u>	<u>\$ 245,222</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 2,780	\$ 38	\$ 47,048	\$ 81	\$ 10,982
Accrued payroll	-	986	-	34,283	1,622	3,865
Advances from general fund	-	-	-	-	4,882	-
Deferred revenue	86,539	-	-	203,334	-	230,375
Total liabilities	<u>86,539</u>	<u>3,766</u>	<u>38</u>	<u>284,665</u>	<u>6,585</u>	<u>245,222</u>
Fund balances:						
Nonspendable:						
Prepaid items	-	-	-	190	-	-
Restricted	274,869	48,586	401,421	1,456,113	-	-
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	(6,585)	-
Total fund balances	<u>274,869</u>	<u>48,586</u>	<u>401,421</u>	<u>1,456,303</u>	<u>(6,585)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 361,408</u>	<u>\$ 52,352</u>	<u>\$ 401,459</u>	<u>\$ 1,740,968</u>	<u>\$ -</u>	<u>\$ 245,222</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 19 - continued

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2013

	Law Enforcement Block Grants	Museum Restricted Resources	Accomodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Total Nonmajor Special Revenue Funds
Assets							
Cash and investments	\$ -	\$ 168,140	\$ 18,501	\$ 329,715	\$ 427,119	\$ 1,080,689	\$ 4,362,216
Property taxes receivable	-	-	-	-	-	-	314,665
Accounts receivable - other	-	-	-	-	26,719	40,179	66,976
Due from other governments	-	-	19,240	-	-	170,193	337,857
Prepaid items	-	35	-	-	-	-	225
Total assets	<u>\$ -</u>	<u>\$ 168,175</u>	<u>\$ 37,741</u>	<u>\$ 329,715</u>	<u>\$ 453,838</u>	<u>\$ 1,291,061</u>	<u>\$ 5,081,939</u>
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$ -	\$ 2,504	\$ -	\$ 6,639	\$ 1,835	\$ 11,641	\$ 83,548
Accrued payroll	-	513	-	401	1,530	3,047	46,247
Advances from general fund	-	-	-	-	-	-	4,882
Deferred revenue	-	-	-	-	-	-	520,248
Total liabilities	<u>-</u>	<u>3,017</u>	<u>-</u>	<u>7,040</u>	<u>3,365</u>	<u>14,688</u>	<u>654,925</u>
Fund balances:							
Nonspendable:							
Prepaid items	-	35	-	-	-	-	225
Restricted	-	165,123	37,741	322,675	450,473	1,276,373	4,433,374
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(6,585)
Total fund balances	<u>-</u>	<u>165,158</u>	<u>37,741</u>	<u>322,675</u>	<u>450,473</u>	<u>1,276,373</u>	<u>4,427,014</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 168,175</u>	<u>\$ 37,741</u>	<u>\$ 329,715</u>	<u>\$ 453,838</u>	<u>\$ 1,291,061</u>	<u>\$ 5,081,939</u>

PICKENS COUNTY, SOUTH CAROLINA

COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2013

	<u>Tri-County Tech</u>	<u>Fixed Nuclear</u>	<u>Sheriff Special</u>	<u>Library</u>	<u>Victim Rights</u>	<u>Grants</u>
Revenues						
Taxes	\$ 1,155,270	\$ -	\$ -	\$ 2,758,577	\$ -	\$ -
Intergovernmental	-	86,440	-	136,961	-	477,309
Fees, licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	113,296	-	-
Fines and forfeitures	-	-	93,447	-	98,539	-
Investment income	-	-	-	-	-	-
Contributions	-	-	(37,247)	12,143	-	-
Miscellaneous	-	-	-	65	-	-
Total revenues	<u>1,155,270</u>	<u>86,440</u>	<u>56,200</u>	<u>3,021,042</u>	<u>98,539</u>	<u>477,309</u>
Expenditures						
Current:						
General government	-	-	-	-	-	203,996
Public safety	-	90,446	74,296	-	109,773	130,014
Public works	-	-	-	-	-	50,278
Culture and recreation	-	-	-	2,895,966	-	750
Economic development and assistance	-	-	-	-	-	2,250
Other	1,036,754	-	-	-	-	-
Capital outlay	-	-	-	36,559	-	90,020
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,036,754</u>	<u>90,446</u>	<u>74,296</u>	<u>2,932,525</u>	<u>109,773</u>	<u>477,308</u>
Excess (deficiency) of revenues over (under) expenditures	<u>118,516</u>	<u>(4,006)</u>	<u>(18,096)</u>	<u>88,517</u>	<u>(11,234)</u>	<u>1</u>
Other financing sources (uses)						
Transfers in (out)	-	12,021	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>12,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>118,516</u>	<u>8,015</u>	<u>(18,096)</u>	<u>88,517</u>	<u>(11,234)</u>	<u>1</u>
Fund balance - beginning	<u>156,353</u>	<u>40,571</u>	<u>419,517</u>	<u>1,367,786</u>	<u>4,649</u>	<u>(1)</u>
Fund balance - ending	<u>\$ 274,869</u>	<u>\$ 48,586</u>	<u>\$ 401,421</u>	<u>\$ 1,456,303</u>	<u>\$ (6,585)</u>	<u>\$ -</u>

PICKENS COUNTY, SOUTH CAROLINA

Schedule 20 - continued

COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2013

	Enforcement Block Grants	Museum Restricted Resources	Accomodations Tax	Road Fee	Tourism Development Fee	Emergency Phone System	Nonmajor Revenue Funds
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,913,847
Intergovernmental	16,296	-	103,889	-	-	203,722	1,024,617
Fees, licenses and permits	-	-	-	1,985,815	279,537	455,731	2,721,083
Charges for services	-	52,629	-	-	-	-	165,925
Fines and forfeitures	-	-	-	-	-	-	191,986
Investment income	-	-	-	-	-	-	-
Contributions	-	25,467	-	-	-	-	363
Miscellaneous	-	-	-	-	-	-	65
Total revenues	<u>16,296</u>	<u>78,096</u>	<u>103,889</u>	<u>1,985,815</u>	<u>279,537</u>	<u>659,453</u>	<u>8,017,886</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	203,996
Public safety	16,296	-	-	-	-	512,490	933,315
Public works	-	-	-	1,845,938	-	-	1,896,216
Culture and recreation	-	88,637	75,000	-	188,498	-	3,248,851
Economic development and assistance	-	-	-	-	-	-	2,250
Other	-	-	-	-	-	-	1,036,754
Capital outlay	-	26,809	-	119,970	1,716	2,008	277,082
Debt service:							
Principal retirement	-	-	-	-	96,348	-	96,348
Interest and fiscal charges	-	-	-	-	3,652	-	3,652
Total expenditures	<u>16,296</u>	<u>115,446</u>	<u>75,000</u>	<u>1,965,908</u>	<u>290,214</u>	<u>514,498</u>	<u>7,698,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(37,350)</u>	<u>28,889</u>	<u>19,907</u>	<u>(10,677)</u>	<u>144,955</u>	<u>319,422</u>
Other financing sources (uses)							
Transfers in (out)	-	-	(28,944)	-	-	-	(16,923)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(28,944)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,923)</u>
Net change in fund balances	<u>-</u>	<u>(37,350)</u>	<u>(55)</u>	<u>19,907</u>	<u>(10,677)</u>	<u>144,955</u>	<u>302,499</u>
Fund balance - beginning	<u>-</u>	<u>202,508</u>	<u>37,796</u>	<u>302,768</u>	<u>461,150</u>	<u>1,131,418</u>	<u>4,124,515</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 165,158</u>	<u>\$ 37,741</u>	<u>\$ 322,675</u>	<u>\$ 450,473</u>	<u>\$ 1,276,373</u>	<u>\$ 4,427,014</u>

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - TRI-COUNTY TECH FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,165,000	\$ 1,165,000	\$ 1,155,270	\$ (9,730)
Total revenues	<u>1,165,000</u>	<u>1,165,000</u>	<u>1,155,270</u>	<u>(9,730)</u>
Expenditures				
Current:				
Other	1,165,000	1,165,000	1,036,754	128,246
Total expenditures	<u>1,165,000</u>	<u>1,165,000</u>	<u>1,036,754</u>	<u>128,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>118,516</u>	<u>118,516</u>
 Net change in fund balances	 <u>\$ -</u>	 <u>\$ -</u>	 <u>118,516</u>	 <u>\$ 118,516</u>
Fund balance - beginning			<u>156,353</u>	
Fund balance - ending			<u>\$ 274,869</u>	

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - FIXED NUCLEAR FUND**

YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 74,797	\$ 74,797	\$ 86,440	\$ 11,643
Total revenues	<u>74,797</u>	<u>74,797</u>	<u>86,440</u>	<u>11,643</u>
Expenditures				
Current:				
Public safety	85,702	85,702	90,446	(4,744)
Total expenditures	<u>85,702</u>	<u>85,702</u>	<u>90,446</u>	<u>(4,744)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,905)</u>	<u>(10,905)</u>	<u>(4,006)</u>	<u>6,899</u>
Other financing sources (uses)				
Transfers (out) in	10,905	10,905	12,021	1,116
Total other financing sources (uses)	<u>10,905</u>	<u>10,905</u>	<u>12,021</u>	<u>1,116</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	8,015	<u>\$ 8,015</u>
Fund balance - beginning			<u>40,571</u>	
Fund balance - ending			<u>\$ 48,586</u>	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - LIBRARY FUND

YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Operations</u>	<u>State Aid</u>	<u>Totals</u>	<u>Variance With Final Positive (Negative)</u>
Revenues						
Taxes	\$ 2,738,495	\$ 2,738,495	\$ 2,758,577	\$ -	\$ 2,758,577	\$ 20,082
Intergovernmental	120,000	120,000	17,737	119,224	136,961	16,961
Charges for services	125,000	125,000	113,296	-	113,296	(11,704)
Investment income	3,000	3,000	-	-	-	(3,000)
Contributions	8,000	8,000	12,143	-	12,143	4,143
Miscellaneous	-	-	65	-	65	65
Total revenues	<u>2,994,495</u>	<u>2,994,495</u>	<u>2,901,818</u>	<u>119,224</u>	<u>3,021,042</u>	<u>26,547</u>
Expenditures						
Current:						
Personnel services	2,146,868	2,146,868	2,086,632	-	2,086,632	60,236
Library collections	268,205	268,205	155,701	107,002	262,703	5,502
Supplies	58,600	58,600	65,291	-	65,291	(6,691)
Contractual services	121,278	121,278	102,849	-	102,849	18,429
Utilities	165,444	165,444	154,566	-	154,566	10,878
Repairs and maintenance	60,490	60,490	81,113	-	81,113	(20,623)
Fuel and oil	3,000	3,000	2,517	-	2,517	483
Furniture, machinery and equipment	50,927	50,927	38,321	-	38,321	12,606
Insurance, bonds and licenses	36,678	36,678	39,602	-	39,602	(2,924)
Rent	44,450	44,450	30,485	-	30,485	13,965
Retiree health and dental	12,180	12,180	6,510	-	6,510	5,670
Other	26,375	26,375	25,377	-	25,377	998
Capital outlay	-	-	36,559	-	36,559	(36,559)
Total expenditures	<u>2,994,495</u>	<u>2,994,495</u>	<u>2,825,523</u>	<u>107,002</u>	<u>2,932,525</u>	<u>61,970</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>76,295</u>	<u>12,222</u>	<u>88,517</u>	<u>88,517</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>76,295</u>	<u>12,222</u>	<u>88,517</u>	<u>\$ 88,517</u>
Fund balance - beginning			<u>1,367,786</u>	<u>-</u>	<u>1,367,786</u>	
Fund balance - ending			<u>\$ 1,444,081</u>	<u>\$ 12,222</u>	<u>\$ 1,456,303</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 24

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - VICTIM RIGHTS FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fines and forfeitures	\$ 124,000	\$ 124,000	\$ 98,539	\$ (25,461)
Total revenues	<u>124,000</u>	<u>124,000</u>	<u>98,539</u>	<u>(25,461)</u>
Expenditures				
Current:				
Personnel services	91,343	91,343	96,322	(4,979)
Supplies	3,485	3,485	2,080	1,405
Contractual services	1,225	1,225	908	317
Utilities	3,424	3,424	2,758	666
Repairs and maintenance	850	850	1,875	(1,025)
Fuel and oil	2,784	2,784	4,121	(1,337)
Insurance, bonds and licenses	1,866	1,866	1,709	157
Other	100	100	-	100
Total expenditures	<u>105,077</u>	<u>105,077</u>	<u>109,773</u>	<u>(4,696)</u>
Excess of revenues over expenditures	<u>18,923</u>	<u>18,923</u>	<u>(11,234)</u>	<u>(30,157)</u>
Net change in fund balances	<u>\$ 18,923</u>	<u>\$ 18,923</u>	<u>(11,234)</u>	<u>\$ (30,157)</u>
Fund balance - beginning			<u>4,649</u>	
Fund balance - ending			<u>\$ (6,585)</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 25

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GRANTS FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ 36,800	\$ 840,122	\$ 477,309	\$ (362,813)
Total revenues	<u>36,800</u>	<u>840,122</u>	<u>477,309</u>	<u>(362,813)</u>
Expenditures				
Current:				
General government	-	390,583	203,996	186,587
Public safety	-	143,867	130,014	13,853
Public works	-	98,172	50,278	47,894
Health and welfare	-	1,000	-	1,000
Culture and recreation	-	15,300	750	14,550
Economic development and assistance	-	100,000	2,250	97,750
Capital outlay	-	91,200	90,020	1,180
Total expenditures	<u>-</u>	<u>840,122</u>	<u>477,308</u>	<u>362,814</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,800</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balances	<u>\$ 36,800</u>	<u>\$ -</u>	<u>1</u>	<u>\$ 1</u>
Fund balance - beginning			<u>(1)</u>	
Fund balance - ending			<u>\$ -</u>	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - MUSEUM RESTRICTED RESOURCES FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Charges for services	\$ 55,000	\$ 55,000	\$ 52,629	\$ (2,371)
Contributions	5,000	5,000	25,467	20,467
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>78,096</u>	<u>18,096</u>
Expenditures				
Current:				
Culture and recreation	213,568	220,568	88,637	131,931
Capital outlay	-	40,377	26,809	13,568
Total expenditures	<u>213,568</u>	<u>260,945</u>	<u>115,446</u>	<u>145,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(153,568)</u>	<u>(200,945)</u>	<u>(37,350)</u>	<u>163,595</u>
Net change in fund balances	<u>\$ (153,568)</u>	<u>\$ (200,945)</u>	(37,350)	<u>\$ 163,595</u>
Fund balance - beginning			<u>202,508</u>	
Fund balance - ending			<u>\$ 165,158</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 27

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - ACCOMMODATION TAX FUNDS**

YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 103,889	\$ (11,111)
Total revenues	<u>115,000</u>	<u>115,000</u>	<u>103,889</u>	<u>(11,111)</u>
Expenditures				
Current:				
Direct assistance	85,500	102,507	75,000	27,507
Total expenditures	<u>85,500</u>	<u>102,507</u>	<u>75,000</u>	<u>27,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,500</u>	<u>12,493</u>	<u>28,889</u>	<u>16,396</u>
Other financing uses				
Transfers (out) in	<u>(29,500)</u>	<u>(29,500)</u>	<u>(28,944)</u>	<u>556</u>
Total other financing uses	<u>(29,500)</u>	<u>(29,500)</u>	<u>(28,944)</u>	<u>556</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (17,007)</u>	<u>(55)</u>	<u>\$ 16,952</u>
Fund balance - beginning			<u>37,796</u>	
Fund balance - ending			<u>\$ 37,741</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 28

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - ROAD FEE FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 1,975,000	\$ 1,975,000	\$ 1,985,815	\$ 10,815
Total revenues	<u>1,975,000</u>	<u>1,975,000</u>	<u>1,985,815</u>	<u>10,815</u>
Expenditures				
Current:				
Public works	1,841,250	1,841,250	1,845,938	(4,688)
Capital outlay	170,932	191,524	119,970	71,554
Total expenditures	<u>2,012,182</u>	<u>2,032,774</u>	<u>1,965,908</u>	<u>66,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,182)</u>	<u>(57,774)</u>	<u>19,907</u>	<u>77,681</u>
Net change in fund balances	<u>\$ (37,182)</u>	<u>\$ (57,774)</u>	19,907	<u>\$ 77,681</u>
Fund balance - beginning			<u>302,768</u>	
Fund balance - ending			<u>\$ 322,675</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 29

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - TOURISM DEVELOPMENT FEE FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 235,000	\$ 235,000	\$ 279,537	\$ 44,537
Total revenues	<u>235,000</u>	<u>235,000</u>	<u>279,537</u>	<u>44,537</u>
Expenditures				
Current:				
Personnel services	88,746	88,746	87,905	841
Supplies	14,000	14,000	12,679	1,321
Contractual services	600	600	300	300
Repairs and maintenance	-	-	229	(229)
Furniture, machinery and equipment	-	-	30	(30)
Direct assistance	-	-	75,000	(75,000)
Grant match	-	-	12,355	(12,355)
Capital outlay	312,500	317,750	1,716	316,034
Debt service:				
Principal retirement	96,348	96,348	96,348	-
Interest and fiscal charges	3,652	3,652	3,652	-
Total expenditures	<u>515,846</u>	<u>521,096</u>	<u>290,214</u>	<u>230,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(280,846)</u>	<u>(286,096)</u>	<u>(10,677)</u>	<u>275,419</u>
Net change in fund balances	<u>\$ (280,846)</u>	<u>\$ (286,096)</u>	<u>(10,677)</u>	<u>\$ 275,419</u>
Fund balance - beginning			<u>461,150</u>	
Fund balance - ending			<u>\$ 450,473</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule 30

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - EMERGENCY PHONE SYSTEM FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ 144,313	\$ 144,313	\$ 203,722	\$ 59,409
Fees, licenses and permits	500,000	500,000	455,731	(44,269)
Total revenues	<u>644,313</u>	<u>644,313</u>	<u>659,453</u>	<u>15,140</u>
Expenditures				
Current:				
Personnel services	67,541	67,541	69,099	(1,558)
Supplies	5,656	5,656	2,595	3,061
Contractual services	85,625	85,625	79,906	5,719
Utilities	222,470	220,470	195,956	24,514
Repairs and maintenance	1,400	1,400	131	1,269
Fuel and oil	1,840	1,840	1,294	546
Furniture, machinery and equipment	203,800	203,800	141,313	62,487
Insurance, bonds and licenses	4,129	4,129	6,470	(2,341)
Other	14,750	16,750	15,726	1,024
Capital outlay	-	-	2,008	(2,008)
Total expenditures	<u>607,211</u>	<u>607,211</u>	<u>514,498</u>	<u>92,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,102</u>	<u>37,102</u>	<u>144,955</u>	<u>107,853</u>
Net change in fund balances	<u>\$ 37,102</u>	<u>\$ 37,102</u>	144,955	<u>\$ 107,853</u>
Fund balance - beginning			<u>1,131,418</u>	
Fund balance - ending			<u>\$ 1,276,373</u>	

PICKENS COUNTY, SOUTH CAROLINA
COMBINING SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

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

PICKENS COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUND**

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 2,640,365	\$ 2,640,365	\$ 2,816,244	\$ 175,879
Total revenues	<u>2,640,365</u>	<u>2,640,365</u>	<u>2,816,244</u>	<u>175,879</u>
Expenditures				
Current:				
Debt service:				
Principal retirement	2,117,609	2,117,609	2,117,609	-
Interest and fiscal charges	<u>522,756</u>	<u>522,756</u>	<u>523,755</u>	<u>(999)</u>
Total expenditures	<u>2,640,365</u>	<u>2,640,365</u>	<u>2,641,364</u>	<u>(999)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>174,880</u>	<u>174,880</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>174,880</u>	<u>\$ 174,880</u>
Fund balance - beginning			<u>508,707</u>	
Fund balance - ending			<u>\$ 683,587</u>	

PICKENS COUNTY, SOUTH CAROLINA
COMBINING SCHEDULES

AGENCY FUNDS

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

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

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND
LIABILITIES - AGENCY FUNDS

YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
School District Fund				
Assets				
Cash	\$ 25,228,131	\$ 156,893,027	\$ 157,384,882	\$ 24,736,276
Accounts receivable - other	4,483	1,364	4,483	1,364
Property taxes receivable, net	5,337,578	1,477	29,551	5,309,504
	<u>\$ 30,570,192</u>	<u>\$ 156,895,868</u>	<u>\$ 157,418,916</u>	<u>\$ 30,047,144</u>
Liabilities				
Due to others	\$ 30,570,192	\$ 156,895,868	\$ 157,418,916	\$ 30,047,144
	<u>\$ 30,570,192</u>	<u>\$ 156,895,868</u>	<u>\$ 157,418,916</u>	<u>\$ 30,047,144</u>
Municipal Fund				
Assets				
Cash	\$ 100,659	\$ 9,378,218	\$ 9,391,214	\$ 87,663
Property taxes receivable, net	758,340	68,367	3,418	823,289
	<u>\$ 858,999</u>	<u>\$ 9,446,585</u>	<u>\$ 9,394,632</u>	<u>\$ 910,952</u>
Liabilities				
Accounts payable	\$ 100,659	\$ 9,212,392	\$ 9,225,389	\$ 87,662
Due to others	758,340	234,193	169,243	823,290
	<u>\$ 858,999</u>	<u>\$ 9,446,585</u>	<u>\$ 9,394,632</u>	<u>\$ 910,952</u>
Mini-bottle Fund				
Assets				
Cash	\$ -	\$ 181,127	\$ 181,127	\$ -
Liabilities				
Due to others	\$ -	\$ 181,127	\$ 181,127	\$ -
Fire District Fund				
Assets				
Cash	\$ -	\$ 206,204	\$ 206,204	\$ -
Liabilities				
Due to others	\$ -	\$ 206,204	\$ 206,204	\$ -
Magistrates' Fund				
Assets				
Cash	\$ 97,456	\$ 954,068	\$ 990,397	\$ 61,127
Liabilities				
Due to others	\$ 97,456	\$ 954,068	\$ 990,397	\$ 61,127

PICKENS COUNTY, SOUTH CAROLINA

Schedule 32 - continued

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND
LIABILITIES - AGENCY FUNDS

YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
Family Court Fund				
Assets				
Cash and investments	\$ 20,394	\$ 6,706,503	\$ 6,708,498	\$ 18,399
Liabilities				
Due to others	\$ 20,394	\$ 6,706,503	\$ 6,708,498	\$ 18,399
Clerk of Court Fund				
Assets				
Cash and investments	\$ 1,119,320	\$ 832,711	\$ 905,427	\$ 1,046,604
Liabilities				
Due to others	\$ 1,119,320	\$ 832,711	\$ 905,427	\$ 1,046,604
Prison				
Assets				
Cash and investments	\$ 1,050	\$ 80,145	\$ 75,523	\$ 5,672
Liabilities				
Due to others	\$ 1,050	\$ 80,145	\$ 75,523	\$ 5,672
Museum				
Assets				
Cash and investments	\$ 2,757	\$ -	\$ -	\$ 2,757
Liabilities				
Due to others	\$ 2,757	\$ -	\$ -	\$ 2,757
Library Foundation				
Assets				
Cash and investments	\$ 64,931	\$ 159	\$ 4,104	\$ 60,986
Liabilities				
Due to others	\$ 64,931	\$ 159	\$ 4,104	\$ 60,986
Total of all Agency Funds				
Assets				
Cash and investments	\$ 26,634,698	\$ 175,232,162	\$ 175,847,376	\$ 26,019,484
Accounts receivable - other	4,483	1,364	4,483	1,364
Property taxes receivable	6,095,918	69,844	32,969	6,132,793
Total assets	<u>\$ 32,735,099</u>	<u>\$ 175,303,370</u>	<u>\$ 175,884,828</u>	<u>\$ 32,153,641</u>
Liabilities				
Accounts payable	\$ 100,659	\$ 9,212,392	\$ 9,225,389	\$ 87,662
Due to others	32,634,440	166,090,978	166,659,439	32,065,979
Total liabilities	<u>\$ 32,735,099</u>	<u>\$ 175,303,370</u>	<u>\$ 175,884,828</u>	<u>\$ 32,153,641</u>

PICKENS COUNTY, SOUTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE OF CAPITAL ASSETS
BY FUNCTION**

JUNE 30, 2013

Function	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Improvements and Infrastructure	Total
General government	\$ 1,778,247	\$ 120,756	\$ 10,892,543	\$ 1,801,102	\$ -	\$ 14,592,648
Public safety	397,283	16,700	9,500,350	14,703,988	92,751	24,711,072
Public works	1,088,914	135,091	1,308,565	10,234,079	28,018,556	40,785,205
Public health and welfare	26,902	-	998,301	308,095	-	1,333,298
Culture and recreation	778,549	3,216	10,977,991	841,090	230,552	12,831,398
Economic development	3,011,361	825,445	683,555	-	1,918,034	6,438,395
Intergovernmental	-	-	1,183,749	-	-	1,183,749
Total governmental funds capital assets	\$ 7,081,256	\$ 1,101,208	\$ 35,545,054	\$ 27,888,354	\$ 30,259,893	\$ 101,875,765

PICKENS COUNTY, SOUTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION

JUNE 30, 2013

Function	Beginning of Year	Additions	Deletions	Transfers		End of Year
				In	Out	
General government administration	\$ 14,412,788	\$ 284,376	\$ 128,601	\$ 24,085	\$ -	\$ 14,592,648
Public safety	23,163,396	1,780,551	232,875	10,907	10,907	24,711,072
Public works	40,565,744	899,948	656,402	42,394	66,479	40,785,205
Public health and welfare	1,337,125	7,415	11,242	-	-	1,333,298
Culture and recreation	12,559,618	294,948	23,168	-	-	12,831,398
Economic development	5,612,950	825,445	-	-	-	6,438,395
Intergovernmental	1,183,749	-	-	-	-	1,183,749
Total governmental funds capital assets	<u>\$ 98,835,370</u>	<u>\$ 4,092,683</u>	<u>\$ 1,052,288</u>	<u>\$ 77,386</u>	<u>\$ 77,386</u>	<u>\$ 101,875,765</u>

STATISTICAL SECTION

PICKENS COUNTY, SOUTH CAROLINA

NET POSITION BY COMPONENT - LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

June 30, 2013

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities										
Net investment in capital assets	\$ 5,432,002	\$ 13,090,011	\$ 18,309,975	\$ 38,341,795	\$ 41,537,095	\$ 33,371,208	\$ 35,269,425	\$ 34,058,641	\$ 41,896,168	\$ 44,803,759
Restricted	17,772,051	14,398,760	12,205,788	13,038,304	13,002,730	12,314,922	11,358,716	11,628,296	11,835,113	11,960,394
Unrestricted	7,576,829	10,188,977	16,849,075	15,010,111	15,754,877	22,977,434	25,011,349	32,630,194	25,831,302	24,136,243
Total governmental activities net position	<u>30,780,882</u>	<u>37,677,748</u>	<u>47,364,838</u>	<u>66,390,210</u>	<u>70,294,702</u>	<u>68,663,564</u>	<u>71,639,490</u>	<u>78,317,131</u>	<u>79,562,583</u>	<u>80,900,396</u>
Business-type Activities										
Invested in capital assets, net of related debt	21,954,538	23,508,097	22,851,882	23,533,189	27,584,777	28,137,870	28,304,398	29,301,120	29,786,626	29,155,636
Restricted	288,265	351,373	414,481	477,589	540,697	603,805	631,008	631,008	682,544	700,992
Unrestricted (Deficit)	524,982	(26,653)	215,564	(249,782)	324,284	2,155,050	2,012,819	1,149,004	929,489	1,122,850
Total business-type activities net position	<u>22,767,785</u>	<u>23,832,817</u>	<u>23,481,927</u>	<u>23,760,996</u>	<u>28,449,758</u>	<u>30,896,725</u>	<u>30,948,225</u>	<u>31,081,132</u>	<u>31,398,659</u>	<u>30,979,478</u>
Component Unit										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	337,586	373,588	320,221	288,705	169,334
Total component unit net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,586</u>	<u>373,588</u>	<u>320,221</u>	<u>288,705</u>	<u>169,334</u>
Primary Government										
Net investment in capital assets	27,386,540	36,598,108	41,161,857	61,874,984	69,121,872	61,509,078	63,573,823	63,359,761	71,682,794	73,959,395
Restricted	18,060,316	14,750,133	12,620,269	13,515,893	13,543,427	12,918,727	11,989,724	12,259,304	12,517,657	12,661,386
Unrestricted	8,101,811	10,162,324	17,064,639	14,760,329	14,760,329	25,470,070	27,397,756	34,099,419	27,049,496	25,428,427
Total primary government net position	<u>\$ 53,548,667</u>	<u>\$ 61,510,565</u>	<u>\$ 70,846,765</u>	<u>\$ 90,151,206</u>	<u>\$ 97,425,628</u>	<u>\$ 99,897,875</u>	<u>\$ 102,961,303</u>	<u>\$ 109,718,484</u>	<u>\$ 111,249,947</u>	<u>\$ 112,049,208</u>

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

June 30, 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
<u>Governmental activities:</u>										
General government	\$ 8,125,875	\$ 9,354,229	\$ 9,292,433	\$ 9,531,581	\$ 10,383,406	\$ 11,629,191	\$ 11,104,765	\$ 10,917,949	\$ 10,988,712	\$ 11,088,305
Public safety	13,822,142	14,377,237	17,028,781	17,381,994	18,701,286	20,164,030	20,917,120	20,465,118	20,300,914	21,850,514
Public works	10,379,251	9,324,127	10,061,181	10,182,540	11,342,672	12,499,271	10,179,397	9,094,190	10,590,594	11,256,677
Health and welfare	505,494	894,069	690,329	734,956	329,074	1,217,282	1,229,437	1,078,351	1,188,284	864,265
Cultural and recreation	2,445,278	3,334,446	3,615,200	4,168,650	4,197,104	5,433,793	5,206,481	5,520,862	5,415,087	4,246,759
Economic development	3,988,379	968,303	562,665	568,792	589,302	419,161	427,052	381,571	762,985	665,236
Intergovernmental	1,751,671	1,664,330	1,573,120	1,769,773	1,696,013	-	-	-	38,607	1,350,409
Capital outlay	1,395,421	-	-	-	-	-	-	-	-	-
Interest on long-term debt	352,715	551,100	483,791	423,517	432,473	140,600	94,907	92,815	-	-
Debt service - other	-	-	-	-	-	934,897	901,755	827,473	732,303	612,817
Total governmental activities expenses	<u>42,766,226</u>	<u>40,467,841</u>	<u>43,307,500</u>	<u>44,761,803</u>	<u>47,671,330</u>	<u>52,438,225</u>	<u>50,060,914</u>	<u>48,378,329</u>	<u>50,017,486</u>	<u>51,934,982</u>
<u>Business-type activities:</u>										
Public Service Commission	1,715,756	2,216,662	2,086,584	2,041,793	2,025,662	2,273,647	2,493,077	2,451,997	2,563,062	2,699,977
Airport	701,255	489,946	588,187	641,239	860,893	880,955	817,008	903,663	983,591	947,016
Total business-type activities expense	<u>2,417,011</u>	<u>2,706,608</u>	<u>2,674,771</u>	<u>2,683,032</u>	<u>2,886,555</u>	<u>3,154,602</u>	<u>3,310,085</u>	<u>3,355,660</u>	<u>3,546,653</u>	<u>3,646,993</u>
Total Primary Government Expenses	<u>45,183,237</u>	<u>43,174,449</u>	<u>45,982,271</u>	<u>47,444,835</u>	<u>50,557,885</u>	<u>55,592,827</u>	<u>53,370,999</u>	<u>51,733,989</u>	<u>53,564,139</u>	<u>55,581,975</u>
Component unit activities:										
Alliance Pickens	-	-	-	-	-	578,695	357,901	414,629	556,630	794,974
Total component unit expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>578,695</u>	<u>357,901</u>	<u>414,629</u>	<u>556,630</u>	<u>794,974</u>
Total expenses	<u>45,183,237</u>	<u>43,174,449</u>	<u>45,982,271</u>	<u>47,444,835</u>	<u>50,557,885</u>	<u>56,171,522</u>	<u>53,728,900</u>	<u>52,148,618</u>	<u>54,120,769</u>	<u>56,376,949</u>
Program Revenues										
<u>Governmental activities:</u>										
Charges for services										
General government	1,348,957	1,471,204	1,810,994	1,676,604	2,141,308	1,317,074	1,285,073	1,229,792	1,214,622	1,301,297
Public safety	5,110,166	5,375,064	6,666,736	6,833,609	6,738,601	6,833,279	7,042,849	7,295,934	7,355,656	7,719,457
Public works	1,144,015	1,360,549	1,236,061	3,281,515	3,355,920	1,189,219	1,135,204	1,242,067	1,236,597	999,045
Health and welfare	590	115	-	28,988	22,741	330	13,965	12,495	11,572	4,426
Cultural and recreation	316,517	292,931	379,457	551,901	592,737	416,725	440,966	519,084	521,452	560,701
Economic development	12,033	16,148	11,842	21,732	26,612	-	-	-	-	-
Operating grants and contributions	4,685,103	4,833,323	5,751,643	5,090,312	3,543,585	4,755,930	4,998,531	5,743,390	4,710,501	4,741,551
Capital grants and contributions	1,390,071	906,154	585,721	609,054	1,923,909	631,301	717,022	497,965	113,796	147,275
Total governmental activities program revenues	<u>14,007,452</u>	<u>14,255,488</u>	<u>16,442,454</u>	<u>18,093,715</u>	<u>18,345,413</u>	<u>15,143,858</u>	<u>15,633,610</u>	<u>16,540,727</u>	<u>15,164,196</u>	<u>15,473,752</u>

PICKENS COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

June 30, 2013

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Business-type activities:										
Charges for services										
Public Service Commission	981,678	1,118,346	1,248,421	1,111,067	1,195,127	949,682	1,223,966	1,228,583	1,186,460	1,255,385
Airport	346,733	147,886	253,965	287,119	413,056	474,368	433,935	507,926	570,777	550,821
Operating grants and contributions	900	-	10,672	-	69,971	884	-	-	-	-
Capital grants and contributions	2,029,225	1,983,498	110,896	710,863	1,170,716	2,088,611	1,179,087	1,023,482	1,940,208	1,200,981
Total business-type activities program revenues	<u>3,358,536</u>	<u>3,249,730</u>	<u>1,623,954</u>	<u>2,109,049</u>	<u>2,848,870</u>	<u>3,513,545</u>	<u>2,836,988</u>	<u>2,759,991</u>	<u>3,697,445</u>	<u>3,007,187</u>
Total Primary Government Program Revenues	<u>17,365,988</u>	<u>17,505,218</u>	<u>18,066,408</u>	<u>20,202,764</u>	<u>21,194,283</u>	<u>18,657,403</u>	<u>18,470,598</u>	<u>19,300,718</u>	<u>18,861,641</u>	<u>18,480,939</u>
Component unit activities:										
Alliance Pickens	-	-	-	-	-	192,613	393,903	19,104	172,887	232,887
Total component unit revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,613</u>	<u>393,903</u>	<u>19,104</u>	<u>172,887</u>	<u>232,887</u>
Total revenues	<u>17,365,988</u>	<u>17,505,218</u>	<u>18,066,408</u>	<u>20,202,764</u>	<u>21,194,283</u>	<u>18,850,016</u>	<u>18,864,501</u>	<u>19,319,822</u>	<u>19,034,528</u>	<u>18,713,826</u>
Net (Expense) Revenue										
Governmental activities	(28,758,774)	(26,212,353)	(26,865,046)	(26,668,088)	(29,325,917)	(37,294,367)	(34,427,304)	(31,837,602)	(34,853,290)	(36,461,230)
Business-type activities	941,525	543,122	(1,050,817)	(573,983)	(37,685)	358,943	(473,097)	(595,669)	150,792	(639,806)
Component unit activities	-	-	-	-	-	(386,082)	36,002	(395,525)	(383,743)	(562,087)
Total Primary Government	<u>(27,817,249)</u>	<u>(25,669,231)</u>	<u>(27,915,863)</u>	<u>(27,242,071)</u>	<u>(29,363,602)</u>	<u>(37,321,506)</u>	<u>(34,864,399)</u>	<u>(32,828,796)</u>	<u>(35,086,241)</u>	<u>(37,663,123)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes	22,431,734	25,261,022	28,051,248	28,144,246	29,960,665	31,541,678	32,288,793	32,953,640	31,646,911	32,606,724
Grants and contributions	5,217,805	5,271,087	5,495,186	6,139,217	6,774,688	6,626,329	5,592,546	4,664,736	4,132,297	4,887,962
Investment earnings	130,491	380,469	548,420	966,546	682,166	299,313	111,949	117,105	120,662	108,448
Fees, licenses, and permits	172,772	132,091	143,335	-	-	-	-	-	-	-
Miscellaneous	139,129	1,311,031	3,018,377	391,397	269,712	330,760	84,577	1,425,212	212,954	334,963
Gain on sale of capital assets	-	-	-	(509)	53,454	(323,162)	-	92,409	152,653	19,351
Transfer of Capital Asset	-	-	-	-	-	-	-	-	-	-
Transfers	(2,936,293)	(521,911)	(699,927)	(872,089)	(4,798,421)	(2,463,024)	(674,635)	(737,861)	(166,735)	(158,405)
Total governmental activities	<u>25,155,638</u>	<u>31,833,789</u>	<u>36,556,639</u>	<u>34,768,808</u>	<u>32,942,264</u>	<u>36,011,894</u>	<u>37,403,230</u>	<u>38,515,241</u>	<u>36,098,742</u>	<u>37,799,043</u>

PICKENS COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

June 30, 2013

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Business-type activities:										
Gain on sale of capital assets	-	-	-	-	-	-	-	(9,285)	-	-
Transfers	2,936,293	521,911	699,927	872,089	4,798,421	2,088,024	674,635	737,861	166,735	158,405
Total business-type activities	<u>2,936,293</u>	<u>521,911</u>	<u>699,927</u>	<u>872,089</u>	<u>4,798,421</u>	<u>2,088,024</u>	<u>674,635</u>	<u>728,576</u>	<u>166,735</u>	<u>158,405</u>
Total Primary Government	<u>28,091,931</u>	<u>32,355,700</u>	<u>37,256,566</u>	<u>35,640,897</u>	<u>37,740,685</u>	<u>38,099,918</u>	<u>38,077,865</u>	<u>39,243,817</u>	<u>36,265,477</u>	<u>37,957,448</u>
Component Unit Activities:										
Investment Earnings	-	-	-	-	-	-	-	2,158	1,590	666
Transfers	-	-	-	-	-	375,000	-	340,000	350,637	442,050
Total component unit activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>	<u>-</u>	<u>342,158</u>	<u>352,227</u>	<u>442,716</u>
Change in Net Position										
Governmental activities	(3,603,136)	5,621,436	9,691,593	8,100,720	3,616,347	(1,282,473)	2,975,926	6,677,639	1,245,452	1,337,813
Business-type activities	<u>3,877,818</u>	<u>1,065,033</u>	<u>(350,890)</u>	<u>298,106</u>	<u>4,760,736</u>	<u>2,446,967</u>	<u>201,538</u>	<u>132,907</u>	<u>317,527</u>	<u>(481,401)</u>
Total Primary Government	<u>274,682</u>	<u>6,686,469</u>	<u>9,340,703</u>	<u>8,398,826</u>	<u>8,377,083</u>	<u>1,164,494</u>	<u>3,177,464</u>	<u>6,810,546</u>	<u>1,562,979</u>	<u>856,412</u>
Component unit activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,082)</u>	<u>36,002</u>	<u>(53,367)</u>	<u>(31,516)</u>	<u>(119,371)</u>
Total Reporting Unit	<u>\$ 274,682</u>	<u>\$ 6,686,469</u>	<u>\$ 9,340,703</u>	<u>\$ 8,398,826</u>	<u>\$ 8,377,083</u>	<u>\$ 1,153,412</u>	<u>\$ 3,213,466</u>	<u>\$ 6,757,179</u>	<u>\$ 1,531,463</u>	<u>\$ 737,041</u>

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA

FUND BALANCES - GOVERNMENTAL FUNDS - LAST 10 FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

June 30, 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 2,201,434	\$ 1,914,549	\$ 1,784,717	\$ 1,597,235	\$ 2,455,301	\$ 3,713,840	\$ 3,045,149			
Unreserved	11,192,229	13,130,692	16,862,916	21,527,579	23,882,694	20,870,743	23,176,899			
Total General Fund	<u>13,393,663</u>	<u>15,045,241</u>	<u>18,647,633</u>	<u>23,124,814</u>	<u>26,337,995</u>	<u>24,584,583</u>	<u>26,222,048</u>			
All Other Governmental Funds										
Reserved										
Debt service	912,526	1,135,204	843,318	535,141	541,633	541,633	314,693			
Other reserves	3,887,756	1,057,463	328,664	620,352	2,000,027	558,733	1,417,705			
Unreserved, reported in:										
Special revenue funds	11,880,410	11,829,130	12,118,506	12,938,696	11,793,525	10,705,047	9,184,588			
Debt service funds	-	-	-	-	-	(102,627)	-			
Capital project funds	2,186,523	1,527,628	1,214,214	671,084	887,462	444,405	441,815			
Total All Other Governmental Funds	<u>18,867,215</u>	<u>15,549,425</u>	<u>14,504,702</u>	<u>14,765,273</u>	<u>15,222,647</u>	<u>12,147,191</u>	<u>11,358,801</u>			
Total Governmental Fund Balance	<u>\$ 32,260,878</u>	<u>\$ 30,594,666</u>	<u>\$ 33,152,335</u>	<u>\$ 37,890,087</u>	<u>\$ 41,560,642</u>	<u>\$ 36,731,774</u>	<u>\$ 37,580,849</u>			

General Fund										
Nonspendable								\$ 1,706,049	\$ 1,954,935	\$ 1,586,053
Restricted								-	-	-
Committed								1,594,752	2,846,104	3,199,414
Assigned								3,814,159	3,734,180	4,639,991
Unassigned								20,039,896	20,406,845	19,209,791
Total General Fund								<u>27,154,856</u>	<u>28,942,064</u>	<u>28,635,249</u>
All Other Governmental Funds										
Nonspendable								1,240	349	1,703
Restricted								11,791,094	11,562,227	8,348,634
Committed								426,766	207,703	3,604,377
Assigned								71,813	91,243	-
Unassigned								(235,865)	(122,200)	(642,356)
Total All Other Governmental Funds								<u>12,055,048</u>	<u>11,739,322</u>	<u>11,312,358</u>
Total Governmental Fund Balance								<u>\$ 39,209,904</u>	<u>\$ 40,681,386</u>	<u>\$ 39,947,607</u>

Source: Annual Financial Statements

The information, beginning with FY 2011, is presented differently due to the implementation of GASB 54.

PICKENS COUNTY, SOUTH CAROLINA

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

June 30, 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 22,507,766	\$ 25,315,693	\$ 27,909,119	\$ 27,883,001	\$ 29,593,673	\$ 29,907,909	\$ 31,463,280	\$ 31,809,502	\$ 31,964,892	\$ 32,335,013
Fees, licenses and permits	4,609,257	4,560,429	4,894,813	5,108,915	5,461,999	5,307,166	5,429,003	5,706,190	5,789,261	6,098,332
Intergovernmental	9,251,235	8,699,593	9,335,262	11,210,389	11,045,142	10,109,495	9,050,636	8,462,632	6,758,120	7,602,068
Charges for services	4,335,537	4,790,488	5,722,544	6,398,628	6,251,805	5,886,863	6,324,966	6,454,395	6,461,207	6,269,400
Fines and forfeitures	927,665	808,594	938,369	942,141	975,288	832,055	899,557	789,030	815,979	757,288
Investment income	251,702	593,511	1,024,978	1,520,297	1,176,242	451,499	179,095	173,499	174,974	178,351
Rental income						22,103	20,052	27,210	20,930	66,518
Contributions	12,257	255,299	115,668	74,446	148,642	21,720	15,136	290,243	48,630	12,891
Miscellaneous	137,773	651,182	705,252	159,906	190,062	1,522,903	114,601	1,545,885	429,327	410,081
Total Revenues	42,033,192	45,674,789	50,646,005	53,297,723	54,842,853	54,061,713	53,496,326	55,258,586	52,463,320	53,729,942
Expenditures										
General government	8,081,076	8,616,734	8,932,315	9,155,233	9,861,628	10,307,518	10,099,195	9,633,375	9,733,134	9,996,701
Public safety	14,389,530	14,971,515	17,207,330	16,249,967	17,453,255	19,122,790	19,700,901	19,265,676	19,010,099	20,487,005
Public works	9,569,400	8,858,010	10,324,117	8,939,715	9,914,630	11,877,268	9,375,375	8,100,479	9,140,139	10,052,522
Health and welfare	440,974	644,549	661,020	690,162	778,940	823,673	758,168	744,985	809,118	824,990
Culture and recreation	2,336,952	3,145,300	3,483,387	3,863,186	3,892,592	3,938,808	3,779,990	4,058,464	4,082,413	3,921,337
Economic development	3,876,989	904,739	1,050,117	548,535	570,531	397,421	397,622	2,173	365,817	586,003
Other	1,589,548	133,632	127,681	169,233	73,067	452,016	1,587,236	1,522,448	1,412,603	1,357,395
Intergovernmental	162,123	1,530,698	1,422,564	1,577,665	1,673,392	1,325,975	94,907	92,815	(306)	103,512
Capital outlay	6,389,198	6,218,964	959,939	3,930,308	4,120,698	7,085,512	3,672,026	7,116,474	2,872,562	3,932,728
Debt service										
Principal	1,489,332	2,007,512	2,810,309	1,767,801	1,767,006	2,135,545	2,018,689	2,132,390	2,324,544	2,418,939
Interest	679,553	928,310	982,353	845,923	790,629	902,872	896,901	832,393	724,331	624,184
Total Expenditures	49,004,675	47,959,963	47,961,132	47,737,728	50,896,368	58,369,398	52,381,010	53,501,672	50,474,454	54,305,316
Excess of Revenues Over (Under) Expenditures	(6,971,483)	(2,285,174)	2,684,873	5,559,995	3,946,485	(4,307,685)	1,115,316	1,756,914	1,988,866	(575,374)
Other Financing Sources (Uses)										
Proceeds from capital lease	2,965,781	284,300	572,725	-	360,000	490,510	408,394	-	-	-
Proceeds from notes payable	1,988,315	-	-	-	-	-	-	-	-	-
Proceeds from bond issuance	7,801,372	800,000	-	-	3,874,344	1,800,000	-	950,000	-	-
Sale of capital assets	135,138	56,566	-	-	-	-	-	-	-	-
Transfers in (out)	(2,936,293)	(521,911)	(699,927)	(872,089)	(4,798,421)	(2,463,024)	(674,635)	(1,077,861)	(166,735)	(158,405)
Transfers to Pickens Alliance	-	-	-	-	-	-	-	-	(350,649)	-
Total Other Financing Sources (Uses)	9,954,313	618,955	(127,202)	(872,089)	(564,077)	(172,514)	(266,241)	(127,861)	(517,384)	(158,405)
Net Change in Fund Balance	\$ 2,982,830	\$ (1,666,219)	\$ 2,557,671	\$ 4,687,906	\$ 3,382,408	\$ (4,480,199)	\$ 849,075	\$ 1,629,053	\$ 1,471,482	\$ (733,779)
Debt Service as a percentage of noncapital expenditures	5.09%	7.03%	8.07%	5.97%	5.47%	5.92%	5.99%	6.39%	6.40%	6.04%

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - LAST TEN FISCAL YEARS

June 30, 2013

Fiscal Year Ended June 30,	Tax Year	Real Property	Personal Property	Less: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2004	2003	\$ 191,866,823	\$ 124,008,174		\$ 315,874,997	67.70 \$	6,236,514,740	5.06%
2005	2004	203,068,376	115,654,380		318,722,756	74.80	6,206,812,380	5.14%
2006	2005	269,309,178	116,884,194		386,193,372	70.00	6,623,699,956	5.83%
2007	2006	282,718,664	113,649,991		396,368,655	69.10	6,870,455,103	5.77%
2008	2007	290,390,511	112,850,047		403,240,558	69.10	7,090,308,644	5.69%
2009	2008	310,458,774	110,238,582		420,697,356	69.10	7,423,479,505	5.67%
2010	2009	319,731,823	102,207,991		421,939,814	69.10	7,505,625,497	5.62%
2011	2010	341,121,845	100,901,520		442,023,365	65.60	7,956,831,166	5.56%
2012	2011	344,028,258	100,149,585		444,177,843	65.60	8,045,411,232	5.52%
2013	2012	346,468,573	105,416,061		451,884,634	65.60	8,178,289,922	5.53%

(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)

June 30, 2013

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
County Wide Tax Rates										
General County	60.3	65.9	60.9	60.0	60.0	60.0	60.0	57.1	57.1	57.1
Tri-County Technical	3.0	3.0	2.7	2.7	2.7	2.7	2.7	2.5	2.5	2.5
Library	4.4	5.9	6.4	6.4	6.4	6.4	6.4	6.0	6.0	6.0
Total Direct Rate	67.7	74.8	70.0	69.1	69.1	69.1	69.1	65.6	65.6	65.6
City Rates										
Easley	61.7	61.7	59.0	61.0	61.0	61.0	61.0	58.0	58.0	58.0
Liberty	77.0	87.0	77.5	77.5	77.5	77.5	77.5	74.0	80.0	80.0
Norris	75.0	75.0	77.2	77.2	77.2	77.2	77.2	72.2	72.2	72.2
Central	63.0	63.0	59.0	61.0	63.0	64.8	67.3	67.0	70.0	72.0
Clemson	81.6	81.6	76.9	77.9	79.5	81.0	81.0	78.6	83.4	83.4
Six Mile	37.0	37.0	36.0	36.0	36.0	36.0	36.0	35.8	35.8	31.8
Pickens	48.0	48.0	46.7	46.7	48.5	50.0	52.0	47.6	51.9	58.3
School District Rate	132.7	138.2	130.9	128.0	167.0	165.0	159.0	160.0	162.0	160.5
Special District Rates										
Keowee Vineyards	18.8	57.6	34.0	32.7	36.2	37.3	38.9	38.4	38.4	38.4
Pumpkintown	-	14.2	-	-	-	-	-	-	-	-
Shady Grove	-	26.8	19.0	14.5	12.9	12.0	11.5	11.3	11.6	11.6
County Sewer	2.7	1.6	0.5	0.5	1.5	1.5	1.5	1.9	1.9	1.9
Georges Creek	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5
Sedgewood	8.4	8.4	7.3	7.0	5.0	4.3	4.3	4.0	5.0	6.0
Saluda Lake	15.0	15.0	10.6	10.6	10.6	10.6	10.6	9.5	-	-

Note: Property was reassessed as of 1999-2000

Source: Pickens County Auditor's Office

PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS - CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

June 30, 2013

Taxpayer	2013		Taxpayer	2004	
	Taxable Assessed Value	Percent of Total Taxable Assessed Value		Taxable Assessed Value	Percent of Total Taxable Assessed Value
Duke Energy Corporation	\$ 18,157,230	4.02%	Duke Energy Corporation	\$ 15,045,070	4.76%
Blue Ridge Electric Coop., Inc	5,985,330	1.32%	Bellsouth Telecommunications	4,575,440	1.45%
Bellsouth Telecommunications	2,973,060	0.66%	Blue Ridge Electric Coop., Inc	4,493,240	1.42%
Keowee River Club LLC	1,742,707	0.39%	Alice Manufacturing Company	4,206,390	1.33%
Pacesetter Inc	1,674,135	0.37%	Keowee River Club LLC	2,966,470	0.94%
Reliable Automatic Sprinkler	1,636,386	0.36%	Honeywell Nylon Inc	2,453,379	0.78%
Chimney Ridge II LLC	1,404,190	0.31%	Champion Aerospace Inc	1,561,470	0.49%
Shaw Industries Group Inc	1,356,273	0.30%	Keowee Investment Group LLC	1,543,110	0.49%
Urbana Cliffs RE LLC	1,232,930	0.27%	Sauer Danfoss NA Company	1,520,759	0.48%
The Cliffs at Keowee Vineyards	1,107,300	0.25%	McKechnie Plastic Components	1,319,790	0.42%
Total	\$ 37,269,541	8.25%		\$ 39,685,118	12.56%

Source: Pickens County Auditor's Office

PICKENS COUNTY, SOUTH CAROLINA
COUNTY PROPERTY TAX LEVY AND COLLECTIONS - LAST TEN FISCAL YEARS

June 30, 2013

Fiscal Year Ended June 30,	Total Adjusted Levy (1)	Collected within the Fiscal Year of the Levy (2)		Receivable June 30, 2013	Estimated Tax Collections to Date (3)	
		Amount	Percentage of Adjusted Levy		Estimated Amount	Percentage of Adjusted Levy
2004	\$ 14,916,445	\$ 13,446,296	90.14%	\$ 42,322	\$ 14,874,123	99.72%
2005	16,375,917	14,769,963	90.19%	57,350	16,318,567	99.65%
2006	17,824,985	16,133,203	90.51%	59,262	17,765,723	99.67%
2007	17,398,589	15,977,443	91.83%	103,361	17,295,228	99.41%
2008	17,475,608	16,600,160	94.99%	111,734	17,363,874	99.36%
2009	18,379,527	17,426,581	94.82%	127,566	18,251,961	99.31%
2010	19,009,045	17,968,836	94.53%	164,905	18,844,140	99.13%
2011	18,945,172	18,015,888	95.09%	184,775	18,760,397	99.02%
2012	19,789,534	18,858,885	95.30%	230,127	19,559,407	98.84%
2013	19,270,020	18,528,689	96.15%	671,545	18,598,475	96.52%

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, 2013, were used to estimate the total collections to date.

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

PICKENS COUNTY, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE - LAST TEN FISCAL YEARS

June 30, 2013

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Source Revenue Bonds	Capital Leases	Notes Payable	Sewer Revenue Bonds	Notes Payable			
2004	\$ 13,415,000	\$ 1,486,124	\$ 2,552,405	\$ 7,800,409	\$ 5,389,950	\$ 220,833	\$ 30,864,721	1.16%	272
2005	13,405,000	1,228,464	2,119,865	7,364,442	5,329,156	170,834	29,617,761	1.06%	259
2006	12,506,000	-	2,314,240	7,059,933	5,265,412	120,833	27,266,418	0.92%	236
2007	11,529,000	-	1,840,176	6,743,196	5,198,573	70,833	25,381,778	0.81%	217
2008	14,353,470	-	1,812,503	6,413,737	5,128,488	20,833	27,729,031	0.84%	234
2009	15,405,526	-	1,258,102	6,071,047	5,055,001	-	27,789,676	0.88%	233
2010	14,121,644	-	1,291,643	5,714,593	4,977,946	-	26,105,826	0.81%	219
2011	13,599,219	-	1,002,447	5,343,822	4,897,151	-	24,842,639	0.75%	208
2012	11,891,027	-	780,652	4,949,266	6,829,510	-	24,450,455	0.73%	204
2013	10,112,744	-	550,518	4,538,744	6,712,350	-	21,914,356	0.64%	

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

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING - LAST TEN FISCAL YEARS

June 30, 2013

Fiscal Year Ended June 30,	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Debt Per Capita (2)
2004	\$ 13,415,000	\$	\$	0.22%	118
2005	13,405,000			0.22%	117
2006	12,506,000			0.19%	108
2007	11,529,000			0.17%	99
2008	14,353,470			0.20%	121
2009	15,405,526			0.21%	129
2010	14,121,644			0.19%	118
2011	13,599,219			0.17%	114
2012	11,891,027	446,811	11,444,216	0.14%	95
2013	10,112,744	605,669	9,507,075	0.12%	79

Note:

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

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

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA

COMPUTATION OF LEGAL DEBT MARGIN - LAST TEN FISCAL YEARS

June 30, 2013

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed valuation	\$ 451,884,634
Less: exemptions	<u>-</u>
Net assessed value	<u>\$ 451,884,634</u>
Debt limit - 8 percent of total assessed value	\$ 36,150,771
Amount of debt applicable to debt limit	<u>7,025,234</u>
Legal debt margin	<u>\$ 29,125,537</u>

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 23,423,892	\$ 24,380,890	\$ 29,973,504	\$ 31,709,492	\$ 32,259,245	\$ 33,655,788	\$ 33,755,185	\$ 35,361,869	\$ 35,534,227	\$ 36,150,771
Total net debt applicable to limit	<u>17,415,613</u>	<u>17,140,942</u>	<u>15,393,073</u>	<u>14,368,521</u>	<u>13,287,022</u>	<u>12,163,299</u>	<u>10,977,065</u>	<u>9,738,018</u>	<u>8,410,849</u>	<u>7,025,234</u>
Legal debt margin	<u>\$ 6,008,279</u>	<u>\$ 7,239,948</u>	<u>\$ 14,580,431</u>	<u>\$ 17,340,971</u>	<u>\$ 18,972,223</u>	<u>\$ 21,492,489</u>	<u>\$ 22,778,120</u>	<u>\$ 25,623,851</u>	<u>\$ 27,123,378</u>	<u>\$ 29,125,537</u>
Total net debt applicable to the limit as a percentage of debt limit	74.35%	70.30%	51.36%	45.31%	41.19%	36.14%	32.52%	27.54%	23.67%	19.43%

Notes:

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

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA

PLEDGED REVENUE COVERAGE - LAST TEN FISCAL YEARS

June 30, 2013

Series 1999A and 1999B Revenue Bonds (1)

Funding Source: Fee in lieu of taxes

Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2004	\$ 352,022	\$ 242,073	\$ 109,949	1.000
2005	352,022	257,661	94,361	1.000
2006	n/a	n/a	n/a	n/a
2007	n/a	n/a	n/a	n/a
2008	n/a	n/a	n/a	n/a
2009	n/a	n/a	n/a	n/a
2010	n/a	n/a	n/a	n/a
2011	n/a	n/a	n/a	n/a
2012	n/a	n/a	n/a	n/a
2013	n/a	n/a	n/a	n/a

Sewer System Revenue Bonds (2)

Funding Source: Capital charges and transfers

Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2004	\$ 315,504	\$ 57,979	\$ 257,525	1.000
2005	315,504	60,794	254,710	1.000
2006	315,504	63,745	251,759	1.000
2007	315,504	66,840	248,664	1.000
2008	315,504	70,085	245,419	1.000
2009	315,504	73,487	242,017	1.000
2010	315,504	77,055	238,449	1.000
2011	315,504	80,796	234,708	1.000
2012	315,504	84,718	230,786	1.000
2013	392,808	120,762	272,046	1.000

Note:

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

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

Source: Annual Financial Statements

PICKENS COUNTY, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN FISCAL YEARS

June 30, 2013

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2003	112,704	\$ 2,612,496,000	\$ 23,180	5.3%
2004	113,554	2,667,551,000	23,491	6.1%
2005	114,344	2,802,811,000	24,512	5.1%
2006	115,570	2,975,697,000	25,748	6.7%
2007	116,815	3,147,414,000	26,944	5.8%
2008	118,330	3,304,792,000	27,929	5.3%
2009	119,183	3,165,283,000	26,558	8.6%
2010	119,182	3,221,950,000	27,034	10.6%
2011	119,574	3,328,152,000	27,833	9.3%
2012	120,139	3,366,375,350	28,021	8.7%
2013	120,706	3,405,037,690	28,209	7.4%

Notes:

(1) Personal Income and Per Capita Personal Income for 2012 and 2013 were estimated based on the average yearly change over the previous five years.

2011 new estimates and prior year revisions released November 26, 2012.

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

PICKENS COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO

June 30, 2013

Company or Organization	June 30, 2013	
	Number of Employees	Percent of Total County Employment
State of South Carolina	4,531	8.53%
Clemson University	3,535	6.65%
School District of Pickens County	2,200	4.14%
Palmetto Baptist Medical Center	701	1.32%
Pickens County Government	595	1.12%
YH America, South Carolina, LLC	573	1.08%
Reliable Automatic Sprinkler Company, Inc	421	0.79%
St. Jude Medical, Inc	393	0.74%
Alice Manufacturing Co.	330	0.62%
Bi-Lo	320	0.60%
	13,599	25.60%

Company or Organization	June 30, 2004	
	Number of Employees	Percent of Total County Employment
Clemson University	7,521	15.52%
SC State Budget and Control Board	3,476	7.17%
Pickens County School District	2,000	4.13%
OWT Industries	823	1.70%
Palmetto Baptist Medical Center	750	1.55%
Central Textiles, Inc.	570	1.18%
Pickens County Government	547	1.13%
Honeywell	391	0.81%
Mark IV Automotive	390	0.80%
Alice Mfg Co-Foster Plt	380	0.78%
	16,848	34.76%

Source: Appalachian Council of Governments and InfoMentum.

PICKENS COUNTY, SOUTH CAROLINA

AUTHORIZED COUNTY EMPLOYEE POSITIONS BY FUNCTION - LAST TEN FISCAL YEARS

June 30, 2013

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	147	150	147	147	148	150	146	135	135	132
Public safety	232	251	262	268	267	275	278	284	291	297
Public works	103	102	105	105	104	102	97	96	96	94
Health and welfare	8	9	9	9	9	10	11	11	12	12
Culture and recreation	51	68	70	70	70	69	70	70	71	72
Transportation	5	3	4	4	4	4	3	3	3	3
Economic Development	3	3	3	3	0	0	0	2	3	3
Intergovernmental	1	1	1	1	1	1	1	1	1	1
Total authorized positions	<u>550</u>	<u>587</u>	<u>601</u>	<u>607</u>	<u>603</u>	<u>611</u>	<u>606</u>	<u>602</u>	<u>612</u>	<u>614</u>

Source: County's Adopted Budget

PICKENS COUNTY, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCITON/PROGRAM - FISCAL YEARS 2005-2013 (1)

June 30, 2013

Function/Program	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013
General government									
Probate Court estate cases	694	739	716	785	737	716	770	845	851
Marriage license applications	801	769	796	718	762	739	807	798	781
Register of Deeds documents filed	26,845	29,363	27,188	19,605	21,543	20,292	19,061	20,280	21,481
Clerk of Court civil cases filed	1,905	1,989	1,921	2,233	3,092	3,652	2,735	2,835	1,656
Clerk of Court warrants received	4,041	4,194	3,384	3,615	3,009	3,545	3,244	3,367	3,808
Vehicle bills and renewals processed	192,371	115,319	109,141	111,797	117,633	115,593	115,636	116,570	117,159
Magistrate case filings	16,780	19,040	16,791	20,685	17,384	18,162	17,951	16,419	14,896
Public Safety									
Sheriff 911 calls received	36,726	37,014	35,295	38,167	39,364	44,835	45,756	47,779	49,271
Coroner's Office investigations	204	196	200	n/a	426	568	566	653	756
Prison inmates received	560	597	621	742	678	709	643	588	608
EMS ambulance calls	12,110	12,608	14,498	15,158	14,810	14,494	14,289	14,704	15,012
Victim Rights services and assistance	7,103	7,208	7,792	8,026	8,191	6,965	7,288	6,600	7,674
Building Code commerical permits							110	100	70
Building Code residential permits							580	723	597
Public Works									
Solid Waste transfer station tonnage	44,407	41,464	44,356	42,042	40,785	39,974	36,784	36,409	36,482
Recyclables tonnage	9,290	9,030	3,558	7,742	6,618	5,078	6,365	6,407	4,842
Roads paved	35	36	65	n/a	113	89	55	64	58
Signs installed/repared	428	457	1,649	n/a	114	270	728	494	1,400
Health and Welfare									
Animal Control calls received	11,455	9,985	9,713	9,808	10,292	11,143	11,666	13,834	14,183
Veteran's Affairs claims/actions	23,359	23,073	21,517	24,662	24,706	24,792	25,675	25,963	21,884
Culture and Recreation									
County Park									
Park camping and day use passes	5,882	6,713	5,787	7,360	7,993	7,229	6,929	7,403	6,619
Museum & Mill visitors (2)	21,456	19,277	32,527	33,789	34,171	33,665	32,226	33,885	33,487
Library visitors	355,840	426,075	426,829	480,822	546,557	575,410	543,194	542,872	544,840
Public Service Commission									
Wastewater Treated /Gallons	306,732,858	280,842,244	333,899,990	298,610,000	307,653,081	323,979,349	300,900,343	250,146,013	309,780,415

Notes:

(1) Only nine 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

June 30, 2013

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Sheriff Patrol units	93	94	101	101	101	102	102	102	100	101
EMS Stations	6	6	7	7	7	8	8	8	8	8
Public Works										
Solid Waste convenience centers	8	8	8	8	8	8	8	8	8	8
Roads (miles)	172.3	174.1	181.2	182.0	183.6	184.8	185.3	657.0	662.3	669.4
Bridges	59	66	68	68	73	74	74	74	74	74
Public Service Commission										
Sanitary sewers (miles)	23.51	26.5	26.75	28.29	28.61	28.81	28.81	35.97	36.2	36.2
Culture and Recreation										
Number of county parks	1	2	2	2	2	2	2	2	2	2

Source: County's Adopted Budget and County departments

SINGLE AUDIT SECTION

**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Pickens County Council
Pickens County, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the Economic Development Alliance of Pickens County (the "Alliance"), a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina (the "County"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 10, 2013.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Cherry Behaert LHP". The signature is written in a cursive style with a large initial 'C'.

Greenville, South Carolina
December 10, 2013

**Independent Auditor's Report on Compliance
for Each Major Program and on Internal Control
over Compliance Required by OMB Circular A-133**

Pickens County Council
Pickens County, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Pickens County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bebaert LHP". The signature is written in a cursive, slightly slanted style.

Greenville, South Carolina
December 10, 2013

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major federal programs:

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

Noncompliance material to federal awards yes no

Type of auditor's report issued on compliance for major federal programs: Unmodified

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
10.760	Central-North Waste Water Treatment Plant Project Grant

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

Section I. Summary of Auditor's Results (Continued)

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

\$ 300,000

Auditee qualified as low-risk auditee?

X yes no

Section II. Financial Statement Findings

There were no audit findings.

Section III. Federal Award Questioned Costs & Findings

There were no audit findings.

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

Section IV. Resolution of Prior Year Findings

There were no prior year audit findings

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor / Program Title	Federal CFDA Number	Grant / Award Number	Federal Expenditures
<u>US Department of Agriculture</u>			
Rural Development Loans			
ARRA Central-North Waste Water Treatment Plant Project Grant (PC007)	10.760		\$ 551,057 *
Passed through SC Forestry Commission 2012-2013 VFA National Fire Plan - Dacusville (G*258)	10.664		1,700
			<u>552,757</u>
<u>US Department of Justice</u>			
American Recovery & Reinvestment Act of 2009 (ARRA) FY2009 Recovery Act JAG (G*209)	16.804	2009-SB-B9-0663	16,296
Passed through SC Department of Public Safety VAWA Domestic Investigator/Advocate Year 10 (G*251)	16.588	1K11014	5,417
VAWA Domestic Investigator/Advocate Year 11 (G*272)	16.588	1K12015	40,977
2011 State Criminal Alien Assistance Program (G*257)	16.606	2011-AP-BX-0775	103
2012 State Criminal Alien Assistance Program (G*276)	16.606	2012-AP-BX-0622	3,339
			<u>66,132</u>
<u>US Department of Health and Human Services</u>			
Passed through SC Dept. of Social Services (G*013) Dept. of Social Services Title IV-D Service of Process	93.563		11,303
Dept. of Social Services Title IV-D Unit Cost	93.563		157,410
Dept. of Social Services Title IV-D Incentives	93.563		28,980
			<u>197,693</u>
<u>US Department of Homeland Security</u>			
Passed through SC Office of Adjutant General, Emergency Preparedness Division Emergency Management Performance Grant(s) FY 2011 LEMPG (G*241)	97.042	11EMPG01	4,674
FY 2012 LEMPG (G*242)	97.042	12EMPG01	60,961
FY 2011 LEMPG Competitive Grant (G*278)	97.042	11EMPG01	19,500
Passed through SC Law Enforcement Division Interoperable Communications Enhancement (G*270)	97.067	11SHSP67	19,795
Citizen Corps (G*264)	97.067	090SHSP51	9,197
			<u>114,127</u>
<u>US Department of Transportation</u>			
Federal Aviation Administration Airport Layout Plan & Land Acquisition (G*255)	20.106	3-45-0047-18	14,525
Federal Aviation Administration Land Acquis Runway 5 Phase I	20.106	3-45-0047-020-2013	14,100
South Carolina Emergency Management Division HMEP Planning Grant (G*275)	20.703	HM-HMP-0274-12-01-00	12,083
Federal Highway Administration Hagood Mill Nature Trail Connecting Path (G*247)	20.219	2011012	49,578
Passed through South Carolina Aeronautics Commission Install Perimeter Security Fencing (G*291)	20.106	3-45-0045-14-2010	203,942
			<u>294,228</u>
<u>Institute of Museum & Library Services</u>			
Library Services & Technology Act (LSTA) Grant Passed through South Carolina State Library LSTA Project IIIA Tuition Assistance FY12 (G*271)	45.310		950
			<u>950</u>
			<u>\$ 1,225,887</u>

* Indicates major program

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

FOR THE YEAR ENDED JUNE 30, 2013

1. Basis of Presentation

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

COMPLIANCE SECTION

PICKENS COUNTY, SOUTH CAROLINA

VICTIM SERVICES - SUPPLEMENTARY SCHEDULE OF ASSESSMENTS

June 30, 2013

Clerk of Court Collections

Fines and fees	\$	347,924	
Assessments		42,187	
Surcharges		103,289	
Total Clerk of Court Collections		<u>493,400</u>	

Magistrate Court Collections

Fines and fees		458,058	
Assessments		329,981	
Surcharges		153,921	
Total Collections for Magistrate Court		<u>941,960</u>	
Total Collections for Clerk of Court and Magistrate Court			<u>\$ 1,435,359</u>

Clerk of Court Retainage

Fines and fees	\$	131,049	
Assessments		10,196	
Surcharges		38,773	
Total Clerk of Court Retainage		<u>180,018</u>	

Magistrate Court Retainage

Fines and fees		433,825	
Assessments		31,553	
Surcharges		16,174	
Total Magistrate Court Retainage		<u>481,552</u>	
Total Retainage for Clerk of Court and Magistrate Court			<u>\$ 661,570</u>

Amount Remitted to State Treasurer

Fines and Assessments			<u>\$ 773,789</u>
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Amount of Funds Allocated to Victim Services by Fund Source

From Assessments and Surcharges		<u>\$ 96,696</u>	
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<u>Funds Carried Forward to Fiscal Year 2013 Designated as Victim Services Funds</u>			<u>\$ 6,585</u>
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