

Pickens County, South Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

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PICKENS COUNTY, SOUTH CAROLINA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

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INTRODUCTORY SECTION

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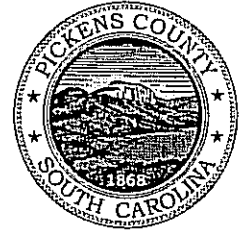
COUNTY OF PICKENS

Office of Finance

www.co.pickens.sc.us

COUNCIL MEMBERS

G. NEIL SMITH, Chairman
JENNIFER H. WILLIS, Vice Chairman
JAMES B. LONDON Vice Chairman Pro-Tem
RANDY CRENSHAW
TOM PONDER
SAM WYCHE



J. Chappell Hurst, Jr.
Administrator
Donna F. Owen
Clerk to Council

November 29, 2010

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, 2010, 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 principles (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 principles as promulgated by the Governmental Accounting Standards Board (GASB). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and changes in the financial position of the County; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activity have been included.

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

In compliance with the laws of the State of South Carolina, the County's financial statements have been audited by Cherry, Bekaert & Holland, L.L.P., a firm of licensed certified public accountants. The audit was performed to provide reasonable assurance that the financial statements are free of material misstatement for the fiscal year ended June 30, 2010. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented in the Financial Section of this Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter transmittal is designed to complement the MD&A and should be read in conjunction with it. Pickens County's 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, a discretely presented component unit is presented in addition to the primary government. The Economic Development Alliance of Pickens County (the "Alliance") was established in 2005 to aggressively promote and preserve job opportunities and increase per capita income through high quality, environmentally sound recruitment and expansion of existing business and industry of Pickens County. A 13 member Board of Directors, six of which are appointed to staggered terms by County Council, governs the Alliance.

BUDGETARY CONTROLS

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

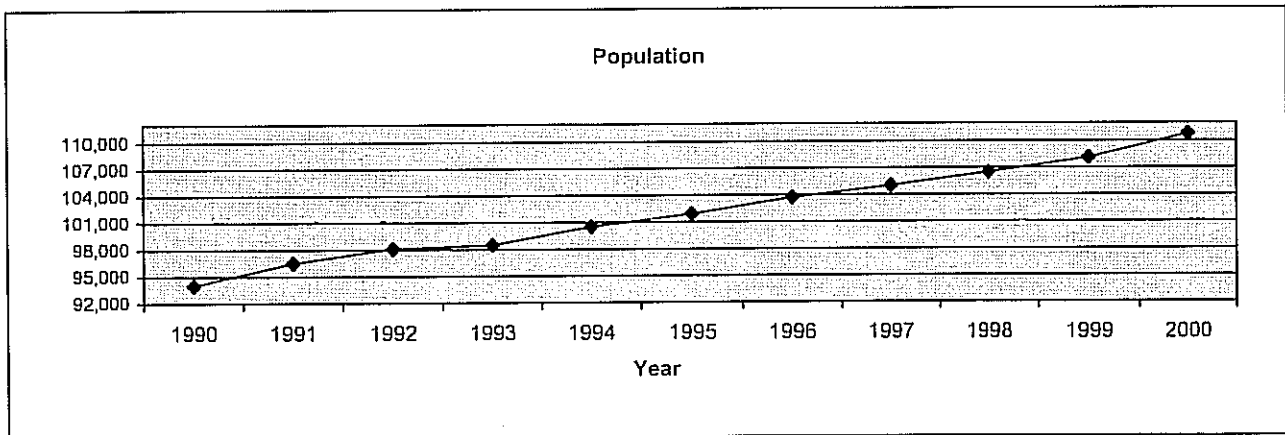
Local Economy

With a work force of nearly 60,000, Greater Pickens County has an ample labor pool. It is a diverse work force, comprised of skilled advanced manufacturing workers in industries from metalworking and automotive to fibers and kayaks to ceramics and implant cardio defibrillators. Within the County's borders, there are over 56,000 employed in manufacturing, with more than half employed in the metalworking/industrial equipment industries. But these figures do not 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.

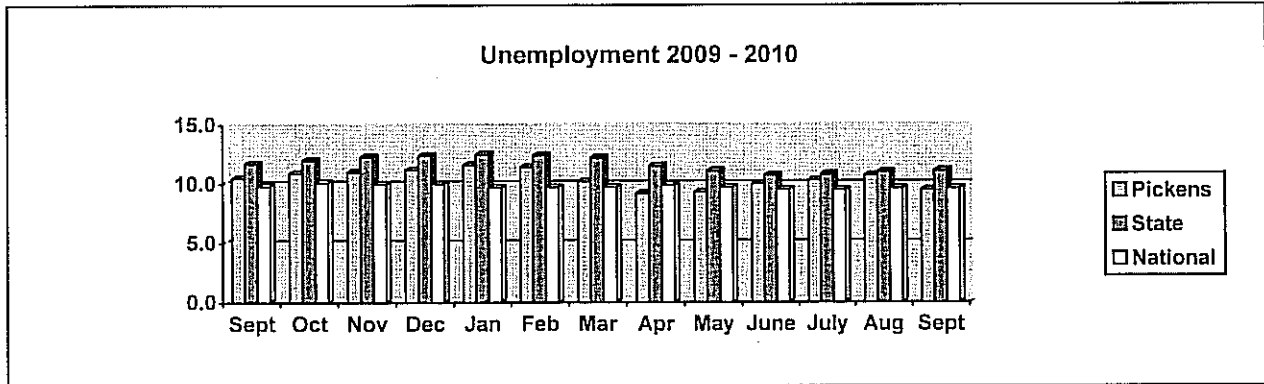
The County population grew 18% between the 1990 and 2000 censuses with average annual growth of 1.7% for the period. This has resulted in Pickens County outpacing growth in the South Carolina Upstate region, which experienced a 15.8% population growth between censuses. The State of South Carolina experienced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

Expected Growth

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



According to the South Carolina Employment Security Commission, unemployment decreased in September (latest available numbers) from the previous year figure of 10.5% to 9.5%. This is below the State of South Carolina and United States unemployment rate of 11.1% and 9.6% respectively in September 2010.



Long-Term Financial Planning

The County entered FY 2010 with a strong financial position as noted with our credit rating with Moody's of A1, Fitch Rating of AA- and Standard & Poor's of A+. Total fund balance and unreserved, undesignated fund balance as of June 30, 2010, in the General Fund was \$26,222,048 and \$19,339,651 respectively. This represents 73% and 55% of expenditures, respectively.

The County recently completed a detailed Capital Improvements Plan (C.I.P.) for the next five years. In the past, the County's focus on a Capital Improvements Plan related to capital items which cost greater than \$75,000. Four years ago, the County went a step further to include all capital items which include items costing \$5,000 or more. In the end, the County will allocate over \$11.5 million over the next five years for capital items. This C.I.P. plan was accomplished with a minor tax increase in FY 2004, 2 mils, on the citizens of the County.

Council approved, as part of continuation of the Fiscal Year 2010 budget, the expansion of the Waste Water Treatment Facility. This expansion includes a \$3.2 million upgrade of the Central-North Waste Water Treatment Plant. The project includes the installation of twin 150,000 gallon per day package waste water treatment plants, replacement of certain head works equipment, the conversion of the aeration basin to a storm surge basin and the installation of a UV disinfection system. The project will be funded by a \$1.7 million USDA loan and a \$1.5 million grant. In August 2010, Council completed the purchase of 520 acres of land on Highway 123 near Central, South Carolina for \$2,845,000. The land was originally purchased in the early 1990's by Anderson, Oconee and Pickens County and the plan was to use the land for a tri-county landfill. After several years of no decision on developing the property, the Counties agreed to sell the property to the highest bidder. The County was the lone bidder and after fees were deducted, the County received 1/3 of the sales price which was approximately \$940,000. The County paid for the land with unreserved fund balance and this will reduce the unreserved, undesignated fund balance at the end of FY 2011 to \$17,434,651. There are no current plans for the use of the land but it is expected to be used for some type of economic development project.

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

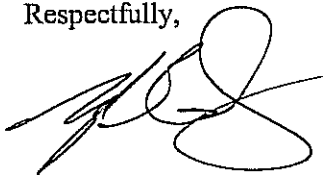
Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Retirement System (PORS), both of which are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. 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, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully,

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

Ralph E. Guarino, Jr.
Finance Director

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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, 2009

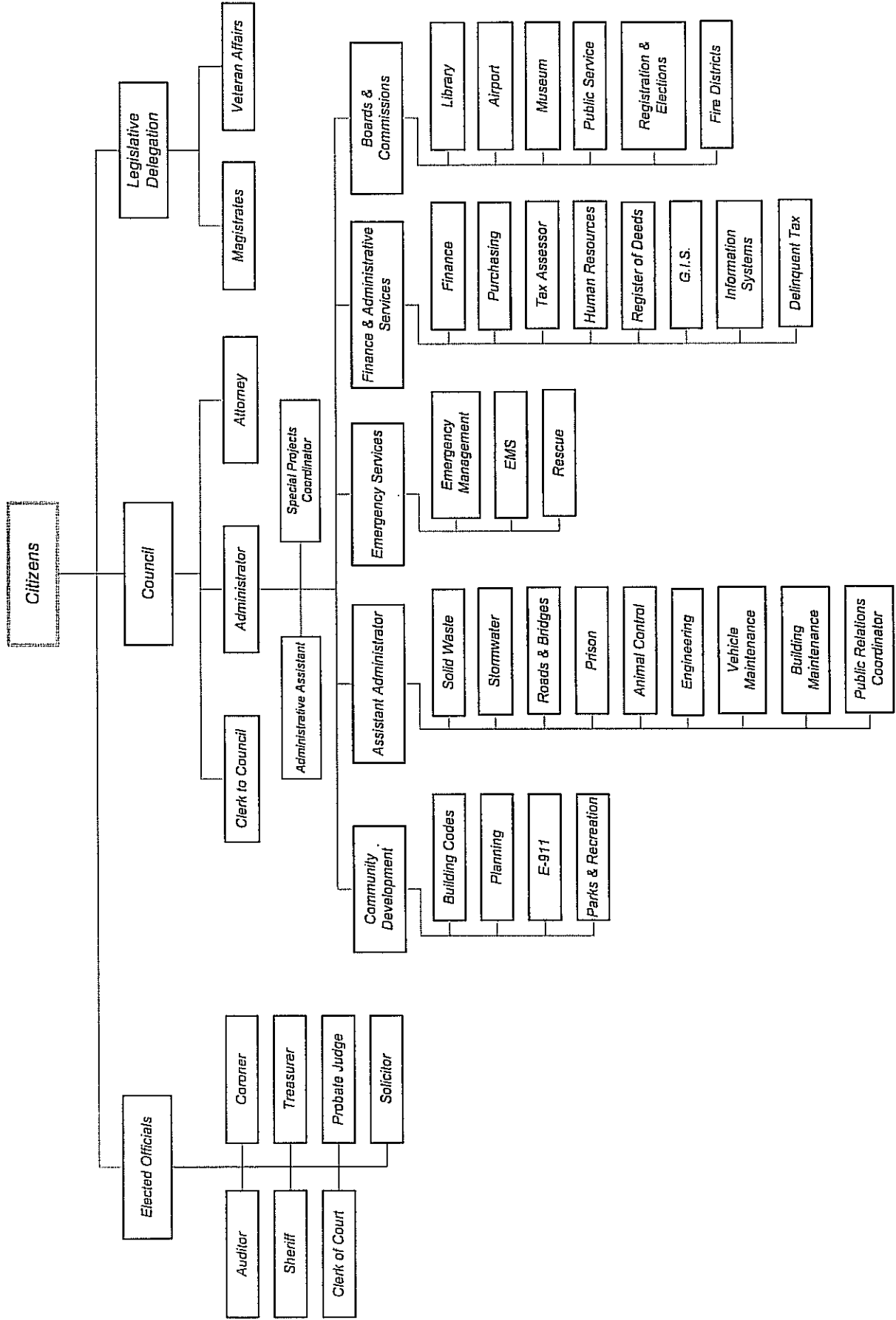
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Pickens County



PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2010

MEMBERS OF COUNTY COUNCIL

G. Neil Smith, Chairman
Jennifer H. Willis, Vice Chairman
Tom E. Ponder
James B. London
Randy Crenshaw
Sam Wyche

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Pickens County Council
Pickens, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the Economic Development Alliance of Pickens County (the "Alliance"), a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina (the "County") as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 13 to the financial statements, a certain error resulting in an overstatement of the previously reported change in net assets for the business-type activities for the year ended June 30, 2009, was discovered by the County's management during the current year. Accordingly, an adjustment has been made to net assets as of July 1, 2009 to correct the error.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the Alliance, a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Fire District Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2010 on our consideration of Pickens County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Cherry, Belser & Holland, L.L.P.

Greenville, South Carolina
November 24, 2010

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, 2010. 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

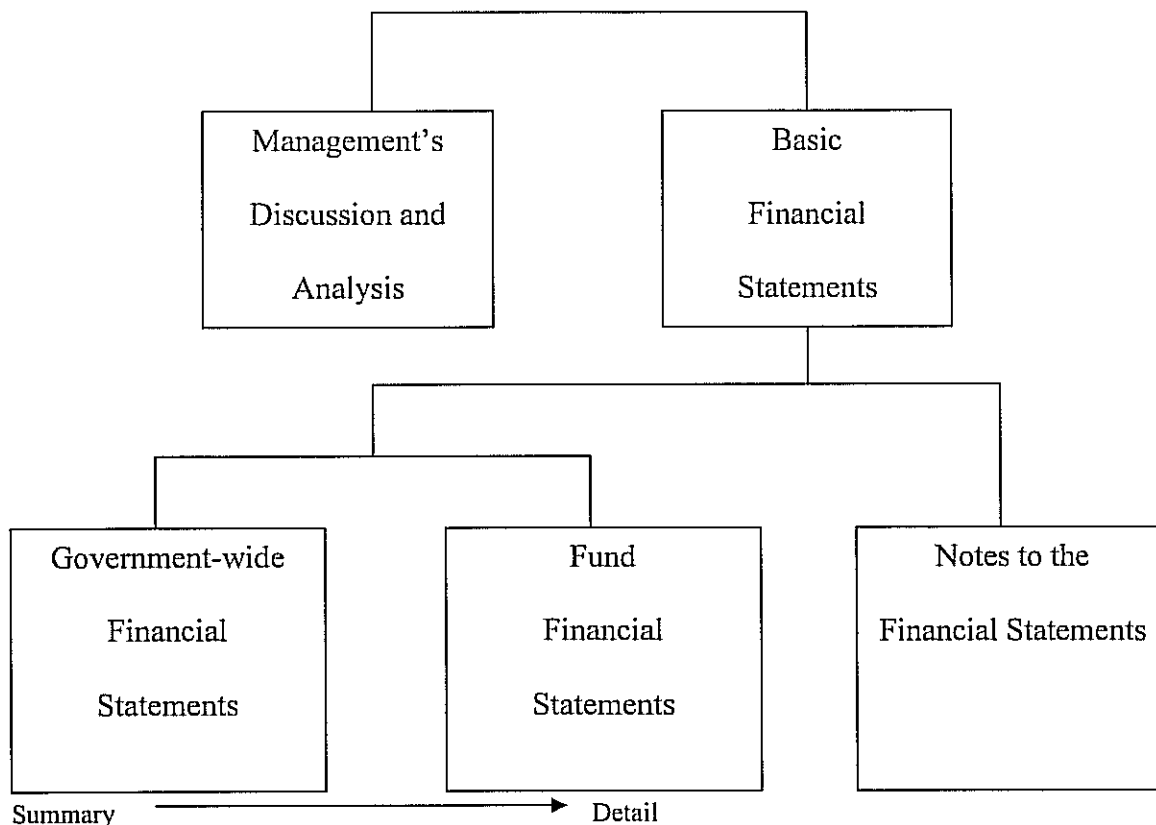
- The assets of Pickens County exceeded its liabilities at the close of the fiscal year by \$102,585,715. Of this amount \$39,013,892 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,177,464, several elements of this 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 unreserved, undesignated General Fund balance increased by \$1,803,328 during the 2010 fiscal year due to the increase in revenues from EMS collections, vacant positions not being filled, a decrease in health insurance premiums for County employees, and lower than expected fuel costs.
- The County had \$50,060,914 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$15,633,610 of these expenses. General revenues (primarily taxes and unrestricted grants) and net assets of \$37,403,230 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 \$37,580,849 an increase of \$849,075 in comparison with the prior year. Approximately 76.9% of this total amount, or \$28,901,701, is available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$23,176,899 or 66% of total general fund expenditures for the fiscal year.
- At the end of the fiscal year, unreserved, undesignated fund balance for the General Fund was \$19,339,651 or 55.1% of total general fund expenditures for the fiscal year.
- Pickens County's total debt decreased by \$2,170,220 during the current fiscal year.
- During the 2010 fiscal year, the County's governmental fund type revenues were approximately \$53.5 million compared to \$54.1 million in the prior year.

Overview of the Financial Statements

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

Required Components of the Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Government-Wide Financial Analysis

Pickens County's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 45,924,775	\$ 43,413,696	\$ 3,148,601	\$ 3,309,348	\$ 49,073,376	\$ 46,723,044
Capital assets	57,870,703	57,702,975	33,282,344	33,192,870	91,153,047	90,895,845
Total assets	103,795,478	101,116,671	36,430,945	36,502,218	140,226,423	137,618,889
Long-term liabilities outstanding	24,312,698	25,967,489	4,918,722	5,080,651	29,231,420	31,048,140
Other liabilities	7,843,290	6,485,618	563,998	524,842	8,407,288	7,010,460
Total liabilities	32,155,988	32,453,107	5,482,720	5,605,493	37,638,708	38,058,600
Net assets:						
Invested in capital assets, net of related debt	35,269,425	33,371,208	28,304,398	28,137,870	63,573,823	61,509,078
Restricted	11,358,716	12,314,922	631,008	603,805	11,989,724	12,918,727
Unrestricted	25,011,349	22,977,434	2,012,819	2,155,050	27,024,168	25,132,484
Total net assets	\$ 71,639,490	\$ 68,663,564	\$ 30,948,225	\$ 30,896,725	\$ 102,587,715	\$ 99,560,289

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Pickens County exceeded liabilities by \$102,587,715 as of June 30, 2010. The County's net assets increased by \$3,177,464 for the fiscal year ended June 30, 2010. The County's investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt still outstanding that was issued to acquire those items accounts for the largest portion was \$63,573,823 (62.0% of total net assets). Pickens County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Pickens County's investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Pickens County's net assets of \$11,989,724 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$27,024,168 (26.3%) is unrestricted.

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

- Increased charges for services revenue due to growth in the EMS fees and the County participation in the State of South Carolina set-off debt collection program. This program enables political subdivisions of the State to file a lien against taxpayers for unpaid bills. If a citizen is due a refund from the State from excess income tax payments, the refund is first offset against any liens filed against the taxpayer. For fiscal year 2010, the County collected approximately \$172,000 for this program and for the seven years Pickens County has participated in the program, the County has collected \$1.16 million.

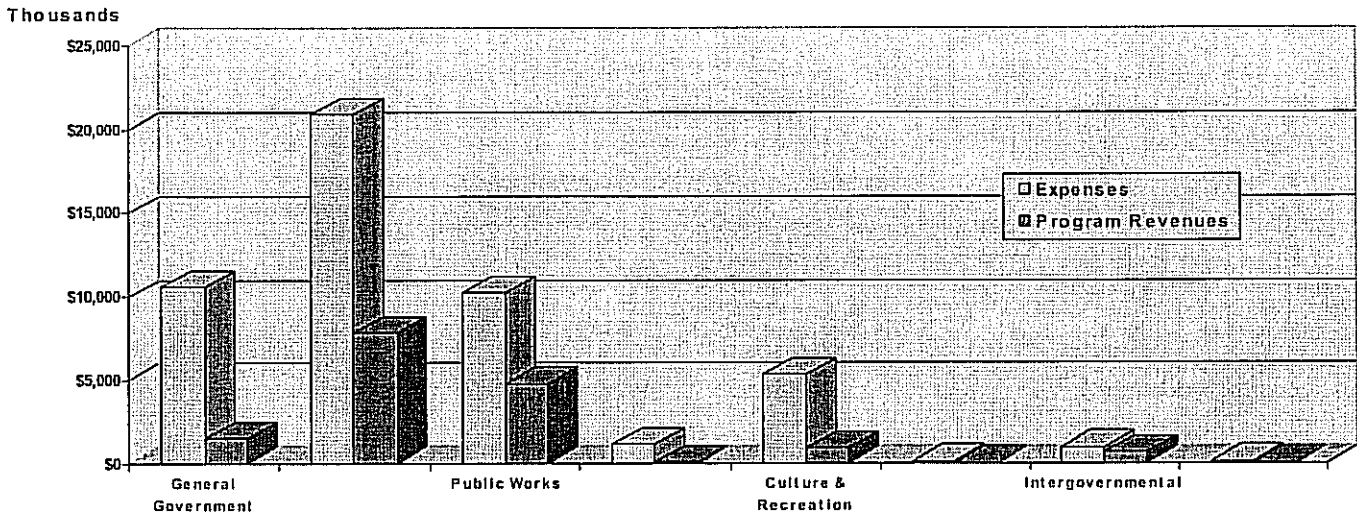
- The County projected a 15% increase in health insurance cost for FY 2010, however after negotiations with the insurance company; the County did not have a health insurance increase for FY 2010. This saved the County approximately \$500,000 for the fiscal year.

Pickens County's Changes in Net Assets
Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 9,918,057	\$ 9,756,627	\$ 1,657,901	\$ 1,424,050	\$ 11,575,958	\$ 11,180,677
Operating grants and contributions	4,998,531	4,755,930	-	884	4,998,531	4,756,814
Capital grants and contributions	717,022	631,301	1,179,087	2,088,611	1,896,109	2,719,912
General revenues:						
Property taxes	25,752,172	24,999,998	-	-	25,752,172	24,999,998
Other taxes	6,536,621	6,541,680	-	-	6,536,621	6,541,680
Grants and contributions not restricted to specific programs	5,592,546	6,626,329	-	-	5,592,546	6,626,329
Other	196,526	306,911	-	-	196,526	306,911
Total revenues	53,711,475	53,618,776	2,836,988	3,513,545	56,548,463	57,132,321
Expenses:						
General government	11,104,765	11,606,490	-	-	11,104,765	11,606,490
Public safety	20,917,120	20,164,030	-	-	20,917,120	20,164,030
Public works	10,179,397	12,499,271	-	-	10,179,397	12,499,271
Health and welfare	1,229,437	1,217,282	-	-	1,229,437	1,217,282
Culture and recreation	5,206,481	5,433,793	-	-	5,206,481	5,433,793
Economic development	427,052	419,161	-	-	427,052	419,161
Intergovernmental	901,755	957,597	-	-	901,755	957,597
Unallocated interest expense and fees	94,907	140,600	-	-	94,907	140,600
Public service commission	-	-	2,493,077	2,273,647	2,493,077	2,273,647
Airport	-	-	817,008	880,955	817,008	880,955
Total expenses	50,060,914	52,438,224	3,310,085	3,154,602	53,370,999	55,592,826
Increase (decrease) in net assets before transfers	3,650,561	1,180,552	(473,097)	358,943	3,177,464	1,539,495
Transfers	(674,635)	(2,463,024)	674,635	2,088,024	-	(375,000)
Increase (decrease) in net assets	2,975,926	(1,282,472)	201,538	2,446,967	3,177,464	1,164,495
Net assets, beginning	68,663,564	69,946,036	30,896,725	28,449,758	99,560,289	98,395,794
Prior period adjustment	-	-	(150,038)	-	(150,038)	-
Net assets, beginning (restated)	68,663,564	69,946,036	30,746,687	28,449,758	99,410,251	98,395,794
Net assets, ending	\$ 71,639,490	\$ 68,663,564	\$ 30,948,225	\$ 30,896,725	\$ 102,587,715	\$ 99,560,289

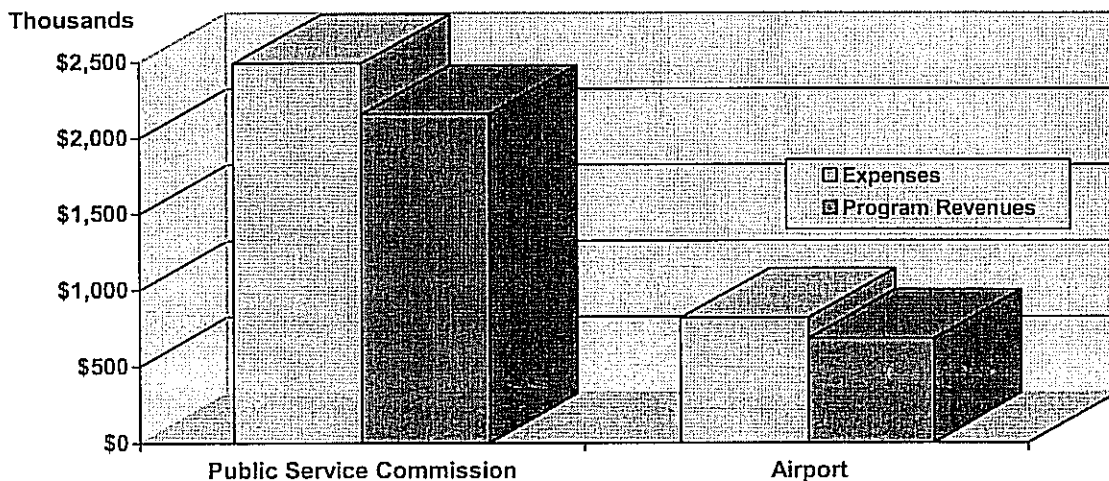
Governmental activities – Governmental activities increased the County’s net assets by \$2,975,926. Key elements of this increase are as follows: As mentioned above, the County planned for a 15% increase for health insurance costs; however the County did not have an increase and was able to save approximately \$500,000. Also, the County implemented a hiring freeze on non-critical positions during the year. This hiring freeze on non-critical positions saved the County \$325,000. An additional area of savings was on fuel costs for the County. With sporadic spikes in fuel during the 2008 year and the uncertainty for the future years, the County budgeted an average of \$3.00 per gallon for FY 2010. After the fuel market stabilized, the County averaged \$2.24 per gallon saving approximately \$175,000.

Expenses and Program Revenues - Governmental Activities



Business-type activities – Business-type activities increased Pickens County’s net assets by a modest \$201,538, accounting for a portion of the total growth in the government’s net assets. An element for this increase in net assets was an availability fee paid by the School District of Pickens County in the amount of \$126,480. The County extended a trunk line at the 18 Mile Creek Plant and the School tapped into the line for the new Liberty Elementary School. The County had a prior period adjustment for the Airport Fund. In FY 2009, the County recorded a reimbursement from the State for \$150,038 for the new terminal building. During FY 2010, the County discovered this amount had already been reimbursed by the State and therefore the County had to reduce the accounts receivable account by this amount.

Expenses and Program Revenues - Business Activities



Financial Analysis of the County's Funds

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

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

The general fund is the chief operating fund of Pickens County. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$19,339,651, while total fund balance reached \$26,222,048. This is an increase of 10.38% and 6.7%, respectively. Several items contributed to this increase in fund balance: EMS revenues were \$400,000 higher than expected, delinquent tax revenues were \$350,000 higher than budgeted, however vehicles taxes were lower by \$160,000, health insurance came in lower than an estimated cost of a 15% increase resulting in a \$500,000 savings and vacant positions attributed \$325,000 to the net assets of the general fund. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 55.1% of total General Fund expenditures, while total fund balance represents 74.6% of that same amount.

At June 30, 2010, the governmental funds of Pickens County reported a combined fund balance of \$37,580,849, a 2.3% increase over last year. The primary reason for this increase is due to the items listed in the above paragraph.

General Fund Budgetary Highlights – During the fiscal year, the County revised the budget on one occasion. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted expenditures by \$1,178,992.

Proprietary Funds – Pickens County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Wastewater Treatment Fund at the end of the fiscal year amounted to \$1,650,639 and those for the airport equaled \$362,180. The total adjustment in net assets for Public Service Commission and the Airport was \$293,639 and (\$92,101) 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, 2010, totaled \$89,679,649 (net of accumulated depreciation). This is a net increase of \$380,886 or .5%. 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
- Purchased land at the Commerce Park, Hagood Mill Park and Liberty Fire District
- Built a new boat dock to house the fire boat at the Cliffs community
- Built 10 new t-hangars to lease to tenants for storage of their aircraft

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

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 4,057,517	\$ 3,562,980	\$ 1,001,358	\$ 1,001,358	\$ 5,058,875	\$ 4,564,338
Buildings	22,943,841	23,192,925	2,152,941	1,930,853	25,096,782	25,123,778
Improvements and infrastructure	19,314,414	19,805,412	28,472,059	29,693,330	47,786,473	49,498,742
Machinery and equipment	9,422,321	9,399,103	81,251	122,188	9,503,572	9,521,291
Construction in progress	659,212	145,473	1,574,735	445,141	2,233,947	590,614
Total	\$ 56,397,305	\$ 56,105,893	\$ 33,282,344	\$ 33,192,870	\$ 89,679,649	\$ 89,298,763

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, 2010, Pickens County had total bonded debt outstanding of \$14,121,644 part of which is debt backed by the full faith and credit of the County.

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

Figure 4

	Governmental Activities	
	2010	2009
General obligation bonds	\$ 14,121,644	\$ 15,405,526

Pickens County's total long-term debt decreased by \$2,170,220 during the past fiscal year. The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Pickens County is \$22,778,120. The County has \$10,977,065 in bonds and notes authorized at June 30, 2010, which is pledged against the full faith, credit and taxing power of Pickens County.

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

Economic Factors and Next Year's Budgets and Rates

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

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

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

Manufacturing is the county's primary source of economic growth, with approximately 150 facilities in the Easley, Liberty and Pickens areas. Pickens County and the surrounding communities in the Upstate of South Carolina are 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, 2011

The budget will see a decrease in revenues and expenditures for FY 2011. The total expenditures for FY2011 will be \$51,993,345 compared to \$56,072,902 for FY 2010. The reduction is due to the one time cost in FY 2010 for the upgrade of the North Central Plant at a cost of \$3,200,000 and the reduction in State support of approximately \$800,000. The largest portion of the General Fund expenditures is personnel services which account for 70% of the budget. The largest portion on the revenue side is taxes and this accounts for 65.37% of the revenue. Taxes are made up of property taxes and sales use taxes and account for 72% and 28% of all taxes in the General Fund, respectively.

Requests for Information

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

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PICKENS COUNTY, SOUTH CAROLINA

Statement of Net Assets

June 30, 2010

	Governmental Activities	Business Type Activities	Total Primary Government	Alliance Pickens	Total Reporting Unit
Assets					
Current assets:					
Cash and investments	\$ 37,608,917	\$ 2,424,854	\$ 40,033,771	\$ 366,027	\$ 40,399,798
Property taxes receivable	2,210,948	-	2,210,948	-	2,210,948
Accounts receivable - other	2,573,591	18,636	2,592,227	-	2,592,227
Due from other governments	3,190,712	657,859	3,848,571	-	3,848,571
Note receivable	36,662	-	36,662	-	36,662
Inventories	216,461	46,640	263,101	-	263,101
Prepaid items	87,484	612	88,096	3,555	91,651
Total current assets	45,924,775	3,148,601	49,073,376	369,582	49,442,958
Non-current assets:					
Land held for resale	1,345,186	-	1,345,186	-	1,345,186
Deferred charges - issuance costs	108,055	-	108,055	-	108,055
Deferred charges - refunding	20,157	-	20,157	-	20,157
Capital assets, not being depreciated	4,716,729	2,576,093	7,292,822	-	7,292,822
Capital assets, net of accumulated depreciation	51,680,576	30,706,251	82,386,827	-	82,386,827
Total non-current assets	57,870,703	33,282,344	91,153,047	-	91,153,047
Total assets	103,795,478	36,430,945	140,226,423	369,582	140,596,005
Liabilities					
Current liabilities:					
Accounts payable	3,873,423	292,342	4,165,765	4,986	4,170,751
Accrued payroll	1,177,737	21,235	1,198,972	10,092	1,209,064
Interfund balances	(68,802)	95,885	27,083	(27,083)	-
Accrued interest payable	171,873	-	171,873	-	171,873
Current portion, long-term debt	2,364,892	81,796	2,446,688	-	2,446,688
Unearned revenue	324,167	72,740	396,907	7,999	404,906
Total current liabilities	7,843,290	563,998	8,407,288	(4,006)	8,403,282
Non-current liabilities:					
Landfill closure and postclosure	2,841,138	-	2,841,138	-	2,841,138
Capital leases	1,002,447	-	1,002,447	-	1,002,447
Notes payable	5,343,822	-	5,343,822	-	5,343,822
General obligation bonds	12,649,219	-	12,649,219	-	12,649,219
Revenue bonds	-	4,897,150	4,897,150	-	4,897,150
Accrued compensated absences	1,080,344	21,572	1,101,916	-	1,101,916
Net OPEB obligation	1,395,728	-	1,395,728	-	1,395,728
Total non-current liabilities	24,312,698	4,918,722	29,231,420	-	29,231,420
Total liabilities	32,155,988	5,482,720	37,638,708	(4,006)	37,634,702
Net assets					
Net assets, capital net of debt	35,269,425	28,304,398	63,573,823	-	63,573,823
Restricted for:					
Capital projects	442,190	-	442,190	-	442,190
Debt service	314,605	-	314,605	-	314,605
Public works	5,064,821	-	5,064,821	-	5,064,821
Public safety	2,877,882	-	2,877,882	-	2,877,882
Cultural and recreation	2,645,786	-	2,645,786	-	2,645,786
Intergovernmental	13,432	-	13,432	-	13,432
Other purposes	-	631,008	631,008	-	631,008
Net assets, unrestricted	25,011,349	2,012,819	27,024,168	373,588	27,397,756
Total net assets	\$ 71,639,490	\$ 30,948,225	\$ 102,587,715	\$ 373,588	\$ 102,961,303

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

PICKENS COUNTY, SOUTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2010

	<u>General Fund</u>	<u>Fire Districts</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and investments	\$ 24,438,285	\$ 2,818,404	\$ 10,352,228	\$ 37,608,917
Property taxes receivable	1,269,385	508,951	432,612	2,210,948
Accounts receivable - EMS	2,248,785	-	-	2,248,785
Accounts receivable - other	259,233	317	65,256	324,806
Due from other governments	2,298,965	1,000	890,747	3,190,712
Note receivable	36,662	-	-	36,662
Advances to other funds	1,431,800	-	-	1,431,800
Inventories	216,461	-	-	216,461
Prepaid items	81,855	5,180	449	87,484
Land held for resale	1,345,186	-	-	1,345,186
Total assets	\$ 33,626,617	\$ 3,333,852	\$ 11,741,292	\$ 48,701,761
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 2,831,292	\$ 41,814	\$ 1,000,317	\$ 3,873,423
Accrued payroll	1,027,851	45,222	104,664	1,177,737
Advances from general fund	27,083	1,235,076	100,839	1,362,998
Deferred revenue	3,518,343	479,596	708,815	4,706,754
Total liabilities	7,404,569	1,801,708	1,914,635	11,120,912
Fund balances:				
Reserved for:				
Encumbrances	70,685	996,475	416,135	1,483,295
Advances to other funds	1,330,962	-	-	1,330,962
Inventories	216,461	-	-	216,461
Prepaid items	81,855	5,095	-	86,950
Land held for resale	1,345,186	-	-	1,345,186
Debt service fund	-	-	314,693	314,693
Unreserved, designated for, reported in:				
General fund, future expenditures	145,514	-	-	145,514
General fund, capital improvements	3,691,734	-	-	3,691,734
Special revenue fund, future expenditures	-	-	64,353	64,353
Unreserved, undesignated reported in:				
General fund	19,339,651	-	-	19,339,651
Special revenue funds	-	530,574	8,589,661	9,120,235
Debt service funds	-	-	-	-
Capital projects funds	-	-	441,815	441,815
Total fund balances	26,222,048	1,532,144	9,826,657	37,580,849
Total liabilities and fund balances	\$ 33,626,617	\$ 3,333,852	\$ 11,741,292	\$ 48,701,761

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

PICKENS COUNTY, SOUTH CAROLINA

Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Assets
June 30, 2010

Total Governmental Fund Balances	\$ 37,580,849
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.	56,397,305
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Deferred charges - issuance cost	108,055
Deferred charges - refunding	20,157
Deferred revenues reported in governmental funds balance sheets include balances of taxes receivable and other receivables. The balances were deferred because funds were not available to pay current-period expenditures.	4,382,587
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Landfill closure and postclosure	(2,953,638)
Capital leases	(1,291,643)
Notes payable	(5,714,593)
General obligation bonds	(14,121,644)
Accrued compensated absences	(1,200,344)
Net OPEB obligation	(1,395,728)
Accrued interest payable	(171,873)
Net Assets of Governmental Activities	<u>\$ 71,639,490</u>

PICKENS COUNTY, SOUTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2010

	<u>General Fund</u>	<u>Fire Districts</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 23,568,552	\$ 1,473,837	\$ 6,420,891	\$ 31,463,280
Intergovernmental	5,791,913	8,400	3,250,323	9,050,636
Fees, licenses and permits	513,716	2,258,524	2,656,763	5,429,003
Charges for services	6,095,898	-	229,068	6,324,966
Fines and forfeitures	703,323	-	196,234	899,557
Investment income	162,123	3,438	13,534	179,095
Rental income	20,052	-	-	20,052
Contributions	862	1,000	13,274	15,136
Miscellaneous	105,277	3,629	5,695	114,601
Total revenues	<u>36,961,716</u>	<u>3,748,828</u>	<u>12,785,782</u>	<u>53,496,326</u>
Expenditures				
Current:				
General government	9,884,940	-	214,255	10,099,195
Public safety	15,813,330	3,005,750	881,821	19,700,901
Public works	5,850,818	-	3,524,557	9,375,375
Health and welfare	751,574	-	6,594	758,168
Culture and recreation	506,158	-	3,273,832	3,779,990
Economic development and assistance	481,278	-	(83,656)	397,622
Other	420,870	-	1,166,366	1,587,236
Intergovernmental	94,907	-	-	94,907
Capital outlay	1,649,638	647,700	1,374,688	3,672,026
Debt service:				
Principal retirement	-	96,671	1,922,018	2,018,689
Interest and fiscal charges	-	79,589	817,312	896,901
Total expenditures	<u>35,453,513</u>	<u>3,829,710</u>	<u>13,097,787</u>	<u>52,381,010</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,508,203</u>	<u>(80,882)</u>	<u>(312,005)</u>	<u>1,115,316</u>
Other financing sources (uses)				
Proceeds from bond issuance	122,894	285,500	-	408,394
Transfers in (out)	6,368	-	(681,003)	(674,635)
Total other financing sources (uses)	<u>129,262</u>	<u>285,500</u>	<u>(681,003)</u>	<u>(266,241)</u>
Net change in fund balances	1,637,465	204,618	(993,008)	849,075
Fund balance - beginning	<u>24,584,583</u>	<u>1,327,526</u>	<u>10,819,665</u>	<u>36,731,774</u>
Fund balance - ending	<u>\$ 26,222,048</u>	<u>\$ 1,532,144</u>	<u>\$ 9,826,657</u>	<u>\$ 37,580,849</u>

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

PICKENS COUNTY, SOUTH CAROLINA

**Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 Year Ended June 30, 2010**

Net Change in Fund Balances - Total Governmental Funds	\$	849,075
 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 \$3,672,026 exceeded depreciation expense of \$3,274,874 in the current period.		397,152
Proceeds from sales of assets not recorded as revenue in the statement of activities		(20,700)
Loss from sale of assets that are not recorded in governmental activities		(85,040)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property taxes		235,849
 Proceeds from debt issues are an other financing source in the fund, but a debt issue increases long-term liabilities in the statement of net assets.		
		(408,394)
 Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		2,018,689
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		14,493
 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		374,146
Compensated absences		109,147
Change in net OPEB obligation		(489,144)
Amortization expense		(19,347)
		<hr/>
Change in net assets of governmental activities	\$	<u>2,975,926</u>

PICKENS COUNTY, SOUTH CAROLINA

**Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 23,218,867	\$ 23,218,867	\$ 23,568,552	\$ 349,685
Intergovernmental	6,035,676	6,035,676	5,791,913	(243,763)
Fees, licenses and permits	437,600	437,600	513,716	76,116
Charges for services	5,661,316	5,661,316	6,095,898	434,582
Fines and forfeitures	575,000	575,000	703,323	128,323
Investment income	270,752	270,752	162,123	(108,629)
Rental income	22,103	22,103	20,052	(2,051)
Contributions	3,300	3,300	862	(2,438)
Miscellaneous	64,000	64,000	105,277	41,277
Total revenues	<u>\$ 36,288,614</u>	<u>\$ 36,288,614</u>	<u>\$ 36,961,716</u>	<u>\$ 673,102</u>
Expenditures				
Current:				
General government	\$ 10,264,185	\$ 10,425,628	\$ 9,884,940	\$ 540,688
Public safety	15,774,115	16,287,194	15,813,330	473,864
Public works	5,950,818	6,126,851	5,850,818	276,033
Health and welfare	788,684	809,635	751,574	58,061
Culture and recreation	511,344	521,042	506,158	14,884
Economic development and assistance	325,000	375,000	481,278	(106,278)
Other	413,591	447,491	420,870	26,621
Intergovernmental	266,797	104,595	94,907	9,688
Capital outlay	1,306,900	1,682,990	1,649,638	33,352
Total expenditures	<u>\$ 35,601,434</u>	<u>\$ 36,780,426</u>	<u>\$ 35,453,513</u>	<u>\$ 1,326,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>687,180</u>	<u>(491,812)</u>	<u>1,508,203</u>	<u>2,000,015</u>
Other financing sources (used)				
Proceeds from bond issuance	\$ 3,200,000	\$ 3,200,000	\$ 122,894	\$ (3,077,106)
Transfers in (out)	(4,191,016)	(3,078,680)	6,368	3,085,048
Total other financing uses	<u>\$ (991,016)</u>	<u>\$ 121,320</u>	<u>\$ 129,262</u>	<u>\$ 7,942</u>
Net change in fund balances	<u>\$ (303,836)</u>	<u>\$ (370,492)</u>	1,637,465	<u>\$ 2,007,957</u>
Fund balance - beginning			<u>24,584,583</u>	
Fund balance - ending			<u>\$ 26,222,048</u>	

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

PICKENS COUNTY, SOUTH CAROLINA

Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Fire Districts
 Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 1,428,354	\$ 1,428,354	\$ 1,473,837	\$ 45,483
Intergovernmental	5,408	7,808	8,400	592
Fees, licenses and permits	2,201,723	2,201,723	2,258,524	56,801
Investment income	21,200	21,200	3,438	(17,762)
Contributions	-	-	1,000	1,000
Miscellaneous	242,300	242,300	3,629	(238,671)
Total revenues	<u>3,898,985</u>	<u>3,901,385</u>	<u>3,748,828</u>	<u>(152,557)</u>
Expenditures				
Current:				
Public safety	3,358,587	3,301,551	3,005,750	295,801
Capital outlay	1,248,600	1,327,734	647,700	680,034
Debt service:				
Principal retirement	217,132	217,132	96,671	120,461
Interest and fiscal charges	95,364	107,424	79,589	27,835
Total expenditures	<u>4,919,683</u>	<u>4,953,841</u>	<u>3,829,710</u>	<u>1,124,131</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,020,698)</u>	<u>(1,052,456)</u>	<u>(80,882)</u>	<u>971,574</u>
Other financing sources (used)				
Proceeds from bond issuance	126,600	126,600	-	(126,600)
Proceeds from bond issuance	660,000	660,000	285,500	(374,500)
Total other financing uses	<u>786,600</u>	<u>786,600</u>	<u>285,500</u>	<u>(501,100)</u>
Net change in fund balances	<u>\$ (234,098)</u>	<u>\$ (265,856)</u>	204,618	<u>\$ 470,474</u>
Fund balance - beginning			1,327,526	
Fund balance - ending			<u>\$ 1,532,144</u>	

PICKENS COUNTY, SOUTH CAROLINA

Statement of Net Assets
Proprietary Funds
June 30, 2010

	Enterprise Funds		
	Public Service Commission	Airport	Total
Assets			
Current assets:			
Cash	\$ 2,385,345	\$ 39,509	\$ 2,424,854
Accounts receivable - other	15,282	3,354	18,636
Due from other governments	269,029	388,830	657,859
Inventories	-	46,640	46,640
Prepaid expenses	-	612	612
Total current assets	<u>2,669,656</u>	<u>478,945</u>	<u>3,148,601</u>
Capital assets:			
Land	336,166	665,193	1,001,359
Construction in process	1,324,963	249,771	1,574,734
Capacity	5,938,636	-	5,938,636
Buildings	372,442	2,245,204	2,617,646
Improvements other than buildings	27,406,458	4,120,741	31,527,199
Machinery and equipment	385,463	198,048	583,511
Less accumulated depreciation	(7,160,340)	(2,800,401)	(9,960,741)
Total noncurrent assets	<u>28,603,788</u>	<u>4,678,556</u>	<u>33,282,344</u>
Total assets	<u>31,273,444</u>	<u>5,157,501</u>	<u>36,430,945</u>
Liabilities			
Current liabilities:			
Accounts payable	278,506	13,836	292,342
Accrued payroll	16,858	4,377	21,235
Advances from general fund	-	95,885	95,885
Unearned revenue	72,740	-	72,740
Current portion of long-term debt	81,796	-	81,796
Total current liabilities	<u>449,900</u>	<u>114,098</u>	<u>563,998</u>
Long-term liabilities:			
Revenue bonds	4,897,150	-	4,897,150
Accrued compensated absences	18,905	2,667	21,572
Total noncurrent liabilities	<u>4,916,055</u>	<u>2,667</u>	<u>4,918,722</u>
Total liabilities	<u>5,365,955</u>	<u>116,765</u>	<u>5,482,720</u>
Net assets			
Invested in capital assets, net of related debt	23,625,842	4,678,556	28,304,398
Restricted for USDA	631,008	-	631,008
Unrestricted	1,650,639	362,180	2,012,819
Total net assets	<u>\$ 25,907,489</u>	<u>\$ 5,040,736</u>	<u>\$ 30,948,225</u>

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

PICKENS COUNTY, SOUTH CAROLINA

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

Year Ended June 30, 2010

	Enterprise Funds		
	Public Service Commission	Airport	Total
Operating revenues			
Charges for services	\$ 1,222,386	\$ 433,935	\$ 1,656,321
Intergovernmental	173,906	166,028	339,934
Miscellaneous	1,580	-	1,580
Total operating revenues	<u>1,397,872</u>	<u>599,963</u>	<u>1,997,835</u>
Operating expenses			
Salaries and benefits	407,169	105,894	513,063
Depreciation	977,857	346,998	1,324,855
Other expenses	749,512	364,116	1,113,628
Public works	114,718	-	114,718
Health and dental	5,372	-	5,372
Total operating expenses	<u>2,254,628</u>	<u>817,008</u>	<u>3,071,636</u>
Operating loss	<u>(856,756)</u>	<u>(217,045)</u>	<u>(1,073,801)</u>
Nonoperating expense			
Interest and fiscal charges	(238,449)	-	(238,449)
Total nonoperating expense	<u>(238,449)</u>	<u>-</u>	<u>(238,449)</u>
Loss before transfers, contributions special items, and extraordinary items	<u>(1,095,205)</u>	<u>(217,045)</u>	<u>(1,312,250)</u>
Transfers in	629,884	44,751	674,635
Capital contributions	758,960	80,193	839,153
Change in net assets	<u>293,639</u>	<u>(92,101)</u>	<u>201,538</u>
Total net assets - beginning	25,613,850	5,282,875	30,896,725
Prior period adjustment	-	(150,038)	(150,038)
Beginning net assets restated	<u>25,613,850</u>	<u>5,132,837</u>	<u>30,746,687</u>
Total net assets - ending	<u>\$ 25,907,489</u>	<u>\$ 5,040,736</u>	<u>\$ 30,948,225</u>

PICKENS COUNTY, SOUTH CAROLINA

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2010

	Enterprise Funds		
	Public Service Commission	Airport	Total
Operating activities			
Receipts from customers and users	\$ 1,080,150	\$ 561,076	\$ 1,641,226
Payments to suppliers	(522,554)	(420,187)	(942,741)
Payments to employees	(411,297)	(105,638)	(516,935)
Other receipts	175,486	166,028	341,514
Other payments	(120,090)	-	(120,090)
Net cash provided by operating activities	201,695	201,279	402,974
Noncapital financing activities			
Transfers from other funds	629,884	44,751	674,635
Other	-	(150,038)	(150,038)
Net cash provided by (used in) noncapital financing activities	629,884	(105,287)	524,597
Capital and related financing activities			
Capital contributions	758,960	80,193	839,153
Capital transfers from other funds	(225,000)	-	(225,000)
Acquisition and construction of capital assets	(1,128,847)	(285,482)	(1,414,329)
Principal paid on capital debt	(76,055)	-	(76,055)
Interest paid on capital debt	(238,449)	-	(238,449)
Net cash used in capital and related financing activities	(909,391)	(205,289)	(1,114,680)
Investing activities			
Net decrease in cash and cash equivalents/investments	(77,812)	(109,297)	(187,109)
Cash and cash equivalents/investments			
Beginning of year	2,463,157	148,806	2,611,963
End of year	\$ 2,385,345	\$ 39,509	\$ 2,424,854
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	\$ (856,756)	\$ (217,045)	\$ (1,073,801)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	977,857	346,998	1,324,855
Change in assets and liabilities			
(Increase) decrease in accounts receivable - other and due from other governments	(135,218)	127,141	(8,077)
Decrease in inventories	-	(17,673)	(17,673)
Decrease in prepaid expenses	-	(612)	(612)
Decrease (increase) in accounts payable and accrued expenses	222,830	(37,530)	185,300
Increase in unearned revenue	(7,018)	-	(7,018)
Total adjustments	1,058,451	418,324	1,476,775
Net cash provided by operating activities	\$ 201,695	\$ 201,279	\$ 402,974
Noncash investing, capital, and financing activities:			
Transfer in of equipment, net of accumulated depreciation	\$ 2,040	\$ 645	\$ 2,685

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

PICKENS COUNTY, SOUTH CAROLINA

**Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010**

	Total Agency Funds
Assets	
Cash	\$ 22,275,087
Property taxes receivable	4,654,628
Total assets	\$ <u>26,929,715</u>
 Liabilities	
Accounts payable	\$ 70,844
Due to others	26,858,871
Total liabilities	\$ <u>26,929,715</u>

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 1 – Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation

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

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

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

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

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 1 – Summary of Significant Accounting Policies – Continued

Basis of Presentation – continued

The major funds types are:

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

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 Funds – These funds are used to account for the County's fire district operations.

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

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

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

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

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

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

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

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

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

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

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

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

Assets, Liabilities and Equity**Cash and Investments**

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

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

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

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

Receivables and Payables

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

PICKENS COUNTY, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

Note 1 – Summary of Significant Accounting Policies – Continued

Assets, Liabilities and Equity – continued

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

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

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

Due from Other Governments

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

Note Receivable

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

Inventories and Prepaid Items

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

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

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

Land Held for Resale

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

Capital Assets and Depreciation

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

PICKENS COUNTY, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

Note 1 – Summary of Significant Accounting Policies – Continued

Assets, Liabilities and Equity – continued

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

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

Compensated Absences

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

Landfill Closure and Postclosure Care Costs

Federal and state laws and regulations require the County to place a final cover on its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. The liability reported as landfill closure and postclosure represents estimated total costs based on 100% use of the landfill capacity of two of the County's landfills and 77% of estimated total cost of the third landfill. There are no current costs remaining to be recognized. The landfill capacity used to date of two of the County landfills equals 100%.

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

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 77%. Actual cost may be higher due to inflation, changes in technology or changes in regulation. The County anticipates that available resources will be the primary source of funds to pay for closure and postclosure care costs.

Net Assets and Fund Balances

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

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

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

New Pronouncements

GASB has issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. This Statement did not have a material impact on the County’s financial statements.

GASB has issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. The requirements of this new Statement are effective for financial statements for periods beginning after June 15, 2009. This Statement did not have a material impact on the County’s financial statements.

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

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

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement enhances the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying the existing governmental fund type definitions. The requirements of this new Statement are effective for financial statements for periods beginning after June 15, 2010. The impact of this Statement on the County has not yet been determined.

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 accounting principles generally accepted in the United States of America for the general fund and certain special revenue funds including Tri-County Tech fund, library fund, victim rights fund, emergency phone system fund, the individual fire district funds, accommodation tax fund, tourism development fee fund and the debt service fund. The balance of the special revenue funds and the capital projects funds are budgeted over the life of the grant or project. For the year ended June 30, 2010, two Special Revenue Funds, Victims Rights and Liberty Fire District, had fund deficits of \$6,652 and \$329,601, respectively. The fund deficit for the Victim Services Fund will be replenished from cuts made in the fiscal year 2011 budget. The Liberty Fire Station fund deficit will be replenished over the next 8 years as the fire district pays the County for an advancement for the construction of a new fire station.

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 2 – Stewardship, Compliance and Accountability – Continued**Budgets and Budgetary Accounting – continued**

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

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund, special revenue fund and capital projects fund. At June 30, 2010, the governmental funds have reserve for encumbrances totaling \$1,483,295.

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

The County’s deposits had a carrying value of \$62,308,858 and the bank balance was \$62,582,911 of which \$2,054,510 was covered by FDIC insurance and \$60,070,591 was collateralized by securities held by the pledging bank’s trust department or agent in the County’s name. However, \$457,810 of the County’s deposits was in excess of federal and state depository insurance limits and was uncollateralized.

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 3 – Deposits and Investments – Continued

Deposits for the Alliance

At June 30, 2010, the Alliance's deposits had a carrying value of \$366,027 and a bank balance of \$366,109. Of this bank balance, \$250,000 was covered by FDIC insurance and \$116,109 was in excess of federal and state depository insurance limits and was uncollateralized.

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

Unrestricted cash, including time deposits	\$ 40,399,798
Agency fund cash (not included in government-wide statement)	<u>22,275,087</u>
	<u>\$ 62,674,885</u>

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

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

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

Note 4 – Property Taxes

The County's property taxes are levied each September (except vehicles which are 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, 2010 was \$438,025,241. The estimated market value was \$7,947,263,602 making the assessed value approximately 5.5 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, 2010 was \$6.91 per \$100 of assessed value.

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 4 – Property Taxes – Continued

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, 2010 are summarized as follows:

	General Fund	Special Revenue Funds	Debt Service Funds	Agency Funds
Gross taxes receivable	\$ 1,511,173	\$ 897,604	\$ 204,502	\$ 5,541,223
Allowance for doubtful accounts	(241,788)	(128,696)	(31,847)	(886,595)
	<u>\$ 1,269,385</u>	<u>\$ 768,908</u>	<u>\$ 172,655</u>	<u>\$ 4,654,628</u>

Note 5 – Accounts Receivable

Accounts receivable at June 30, 2010 are summarized as follows:

	General Fund	Other Governmental Funds	Enterprise Funds
EMS fees	\$ 6,425,100	\$ -	\$ -
Less allowance for doubtful accounts	(4,176,315)	-	-
	<u>2,248,785</u>	<u>-</u>	<u>-</u>
Interest	26,297	1,406	-
Landfill	20,453	-	-
Sewer fees	-	-	15,282
Other	212,483	64,167	3,354
	<u>259,233</u>	<u>65,573</u>	<u>18,636</u>
	<u>\$ 2,508,018</u>	<u>65,573</u>	<u>18,636</u>

PICKENS COUNTY, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

Note 6 – Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Additions	Deletions	Transfers	Balance June 30, 2010
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 3,562,980	\$ 494,537	\$ -	\$ -	\$ 4,057,517
Construction in progress	145,473	1,145,582	(631,843)	-	659,212
Total capital assets not being depreciated:	3,708,453	1,640,119	(631,843)	-	4,716,729
Capital assets being depreciated:					
Buildings	32,355,736	587,625	-	-	32,943,361
Improvements and infrastructure	27,905,026	263,528	-	-	28,168,554
Machinery and equipment	23,969,103	1,812,597	(697,188)	(40,693)	25,043,819
Total capital assets being depreciated	84,229,865	2,663,750	(697,188)	(40,693)	86,155,734
Less accumulated depreciation:					
Buildings	(9,162,813)	(836,707)	-	-	(9,999,520)
Improvements and infrastructure	(8,099,614)	(754,526)	-	-	(8,854,140)
Machinery and equipment	(14,569,998)	(1,683,641)	592,092	40,049	(15,621,498)
Total accumulated depreciation	(31,832,425)	(3,274,874)	592,092	40,049	(34,475,158)
Total capital assets being depreciated, net	52,397,440	(611,124)	(105,096)	(644)	51,680,576
Governmental activities capital assets, net	\$ 56,105,893	\$ 1,028,995	\$ (736,939)	\$ (644)	\$ 56,397,305
	Balance July 1, 2009	Additions	Deletions	Transfers	Balance June 30, 2010
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 1,001,358	\$ -	\$ -	\$ -	\$ 1,001,358
Construction in progress	445,141	1,378,618	(249,024)	-	1,574,735
Total capital assets not being depreciated:	1,446,499	1,378,618	(249,024)	-	2,576,093
Capital assets being depreciated:					
Capacity	5,938,636	-	-	-	5,938,636
Buildings	2,333,554	284,091	-	-	2,617,645
Improvements and infrastructure	31,527,199	-	-	-	31,527,199
Machinery and equipment	542,818	-	-	40,693	583,511
Total capital assets being depreciated	40,342,207	284,091	-	40,693	40,666,991
Less accumulated depreciation:					
Buildings	(402,702)	(62,002)	-	-	(464,704)
Capacity	(630,980)	(148,466)	-	-	(779,446)
Improvements and infrastructure	(7,141,524)	(1,072,806)	-	-	(8,214,330)
Machinery and equipment	(420,630)	(41,581)	-	(40,049)	(502,260)
Total accumulated depreciation	(8,595,836)	(1,324,855)	-	(40,049)	(9,960,740)
Total capital assets being depreciated, net	31,746,371	(1,040,765)	-	644	30,706,251
Business-type activities capital assets, net	\$ 33,192,870	\$ 337,853	\$ (249,024)	\$ 644	\$ 33,282,344

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 6 – Capital Assets – Continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 389,910
Public Safety	1,253,055
Public Works	1,231,106
Health and Welfare	38,710
Cultural and Recreation	299,150
Economic Development	29,430
Intergovernmental	33,513
Total	\$ <u>3,274,874</u>

Construction in progress in the Governmental Activities as of June 30, 2010 represents costs incurred to date on the Department of Social Services building expansion, Museum building restoration, Golden Creek Road and construction of a walking track. Construction in progress in the Business-type Activities as of June 30, 2010 represents costs of construction for the 18 Mile Middle Trunk Extension, the Central North Wastewater Treatment Facilities upgrade and airport hangers.

Note 7 – Long-term Debt

Governmental Activities Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 15,405,526	\$ 122,894	\$ 1,406,776	\$ 14,121,644	\$ 1,472,425
Capital leases	1,258,102	289,000	255,459	1,291,643	289,196
Notes payable	6,071,047	-	356,454	5,714,593	370,771
Compensated absences	1,309,491	92,735	201,882	1,200,344	120,000
Landfill closure & postclosure	3,327,784	-	374,146	2,953,638	112,500
Total	\$ <u>27,371,950</u>	\$ <u>504,629</u>	\$ <u>2,594,717</u>	\$ <u>25,281,862</u>	\$ <u>2,364,892</u>

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 7 – Long-term Debt – Continued

Governmental Activities Debt – continued

General obligation (general purpose) bonds payable at June 30, 2010 are comprised of the following individual issues:

\$4,100,000 1995 general obligation bond used for the construction of the Pickens County Courthouse; due in annual installments of \$125,000 to \$475,000 through March 1, 2011; interest at 4.25% to 6.25%	\$ 475,000
\$3,690,000 2002 general obligation refunding bond used to refund the 1990 and 1992 general obligation bonds; due in annual installments of \$320,000 to \$390,000 through March 1, 2013; interest at 2.30% to 4.30%	1,115,000
\$6,665,000 2003 general obligation bond used for the construction of the Easley Library; due in annual installments of \$125,000 to \$1,300,000 through March 1, 2016; interest at 3.00% to 3.25%	5,500,000
\$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%	762,000
\$1,024,709 2008 general obligation bond used for the Cramer Upgrade project; due in quarterly installments of principal and interest of \$17,865 through April 1, 2028; interest at 3.5%	932,139
\$3,266,039 2008 general obligation bond used for the Roper Upgrade project; due in quarterly installments of principal and interest of \$56,939 through August 1, 2028; interest at 3.5%	3,032,076
\$197,000 2008 general obligation bond used for the purchase of fire trucks; due in semi-annual installments of principal and interest of \$10,000 to \$20,000 through April 23, 2023; interest at 3.95%	180,000
\$1,800,000 2008 general obligation bond used for the Springs Building project and purchase of a fire truck; due in annual installments of principal and interest of \$112,570 to \$145,901 through March 1, 2023; interest at 4.03%	1,687,429
\$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%	438,000
	<u>14,121,644</u>
Less current portion	<u>1,472,425</u>
Long-term portion outstanding	\$ <u><u>12,649,219</u></u>

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 7 – Long-term Debt – Continued

Governmental Activities Debt – continued

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010 are as follows:

Year Ending June 30	Principal	Interest	Totals
2011	\$ 1,472,425	\$ 513,250	\$ 1,985,675
2012	1,566,504	455,127	2,021,631
2013	1,632,835	396,854	2,029,689
2014	1,707,426	335,670	2,043,096
2015	1,750,283	274,961	2,025,244
2016 to 2020	3,455,282	727,036	4,182,318
2021 to 2025	1,720,603	298,945	2,019,548
2026 to 2030	816,286	45,630	861,916
	<u>\$ 14,121,644</u>	<u>\$ 3,047,473</u>	<u>\$ 17,169,117</u>

Capital leases payable at June 30, 2010 are comprised of the following individual leases:

\$284,300 capital lease to BB&T used for the purchase of a fire truck; payable in annual installments of principal and interest of \$34,374 through June 2015 at 3.610%; collateralized by equipment	\$ 154,720
\$154,287 capital lease to an equipment vendor used for the purchase of a fire truck; payable in annual installments of principal and interest of \$18,824 through June 2013 at 3.79%; collateralized by equipment	52,447
\$819,636 capital lease to BB&T used for the Pickens County Museum expansion; payable in annual installments of principal and interest of \$100,000 through May 2013 at 3.79%; collateralized by the real property	278,619
\$222,725 capital lease to Bank of America used for the purchase of a fire truck; payable in annual installments of principal and interest of \$27,459 through March 2016 at 4.00%; collateralized by equipment	143,947
\$350,000 capital lease to Bank of America used for the purchase of the PSAP System; payable in annual installments of principal and interest of \$78,366 through March 2011 at 3.86%; collateralized by equipment	75,435
\$360,000 capital lease to RBC Centura used for the purchase of a fire truck; payable in annual installments of principal and interest of \$43,221 through May 2018 at 3.47%; collateralized by equipment	297,475

PICKENS COUNTY, SOUTH CAROLINA
Notes to Financial Statements
June 30, 2010

Note 7 – Long-term Debt – Continued

Governmental Activities Debt – continued

\$289,000 capital lease to BB&T used for the purchase of a fire truck; payable in annual installments of principal and interest of \$35,596 through April 2020 at 3.980%; collateralized by equipment	\$ <u>289,000</u>
	1,291,643
Less current portion	<u>289,196</u>
Long-term portion outstanding	<u>\$ 1,002,447</u>

Annual requirements to amortize all capital leases outstanding as of June 20, 2010 are as follows:

Year Ending June 30	Principal	Interest	Totals
2011	\$ 289,196	\$ 48,645	\$ 337,841
2012	221,796	37,678	259,474
2013	230,134	29,340	259,474
2014	119,962	20,688	140,650
2015	124,437	16,213	140,650
2016 to 2020	<u>306,118</u>	<u>28,983</u>	<u>335,101</u>
	<u>\$ 1,291,643</u>	<u>\$ 181,547</u>	<u>\$ 1,473,190</u>

As of June 30, 2010, the County had assets under capital leases with a total cost of \$3,767,862.

Notes payable at June 30, 2010 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%	\$ 1,827,529
\$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%	2,455,204
\$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%	<u>1,431,860</u>
	<u>5,714,593</u>
Less current portion	<u>370,771</u>
Long-term portion outstanding	<u>\$ 5,343,822</u>

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 7 – Long-term Debt – Continued

Governmental Activities Debt – continued

Annual requirements to amortize all notes payable outstanding as of June 30, 2010 are as follows:

Year Ending June 30	Principal	Interest	Totals
2011	\$ 370,771	\$ 218,893	\$ 589,664
2012	385,663	204,001	589,664
2013	401,154	188,510	589,664
2014	417,267	172,397	589,664
2015	434,028	155,635	589,663
2016 to 2020	2,266,314	503,997	2,770,311
2021 to 2025	1,439,396	131,459	1,570,855
	<u>\$ 5,714,593</u>	<u>\$ 1,574,892</u>	<u>\$ 7,289,485</u>

Business – Type Activities Debt

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

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010	Due Within One Year
Revenue bonds	5,055,001	-	77,055	4,977,946	80,796
Compensated absences	25,650	48	3,126	22,572	1,000
Total	<u>\$ 5,080,651</u>	<u>\$ 48</u>	<u>\$ 80,181</u>	<u>\$ 5,000,518</u>	<u>\$ 81,796</u>

Revenue bonds payable recorded in the Public Service Commission Enterprise Fund at June 30, 2010 are comprised of the following individual issues:

\$1,988,200 USDA Rural Development revenue bond used for the Middle Plant expansion; due in monthly installments of principal and interest of \$9,345 through October 2039 at 4.75%	\$ 1,769,243
\$3,605,700 USDA Rural Development revenue bond used for the Upper Plant expansion; due in monthly installments of principal and interest of \$16,947 through October 2039 at 4.75%	<u>3,208,703</u>
	<u>4,977,946</u>
Less current portion	<u>80,796</u>
Long-term portion outstanding	<u>\$ 4,897,150</u>

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 7 – Long-term Debt – Continued

Business – Type Activities Debt – continued

Annual requirements to amortize all revenue bonds outstanding as of June 30, 2010 are as follows:

Year Ending June 30	Principal	Interest	Totals
2011	\$ 80,796	\$ 234,708	\$ 315,504
2012	84,718	230,786	315,504
2013	88,831	226,673	315,504
2014	93,143	222,361	315,504
2015	97,665	217,839	315,504
2016 to 2020	564,223	1,013,297	1,577,520
2021 to 2025	715,142	862,378	1,577,520
2026 to 2030	906,428	671,092	1,577,520
2031 to 2035	1,148,879	428,641	1,577,520
2036 to 2040	1,198,121	125,735	1,323,856
	<u>\$ 4,977,946</u>	<u>\$ 4,233,510</u>	<u>\$ 9,211,456</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, 2010 the Public Service Commission was in compliance with the following reserve requirements:

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

Note 8 – Inter-fund Receivables, Payables and Transfers

Inter-fund Receivables and Payables

	Advance Receivable	Advance Payable
Major Governmental Fund:		
General Fund	\$ 1,431,800	\$ -
Fire Districts		1,235,076
Non-major Governmental Funds	-	100,839
Major Enterprise Funds:		
Airport	-	95,885
	<u>\$ 1,431,800</u>	<u>\$ 1,431,800</u>

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

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

Inter-fund Receivables and Payables – continued

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

Transfers

	Transfers In	Transfers Out
Major Governmental Fund:		
General Fund	\$ 6,368	\$ -
Non-major Governmental Funds	1,412,484	2,093,487
Major Enterprise Funds:		
Public Service Commission Fund	629,884	-
Airport	44,751	-
	<u>\$ 2,093,487</u>	<u>\$ 2,093,487</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 6.50% of their annual covered salary. The County is required to contribute an actuarially determined rate. The current rates for the SCRS and PORS Class II are 9.24% and 10.65% of annual covered payroll, respectively.

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 9 – Employee Pension Plans – Continued

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

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

Year Ended June 30,	Employer			
	SCRS	Percent of Covered Payroll	PORS	Percent of Covered Payroll
2010	\$ 1,255,938	9.39%	\$ 666,542	11.05%
2009	1,286,804	9.39%	626,255	11.05%
2008	1,255,362	9.39%	567,900	11.05%

Year Ended June 30,	Employee			
	SCRS	Percent of Covered Payroll	PORS	Percent of Covered Payroll
2010	\$ 865,562	6.50%	\$ 392,084	6.50%
2009	878,130	6.50%	368,387	6.50%
2008	868,832	6.50%	344,986	6.50%

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

Note 10 – Post Retirement Health Care and Life Insurance Benefits

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

As of year end, there were 38 employees retired and under the age of 65 that were receiving insurance benefits. For the year ended June 30, 2010, the County incurred net expenditures for the plan of approximately \$216,334 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.

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

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

Dental

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

Required Monthly Contributions

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

	Medical Economy Plan	Medical Base Plan	Medical Buy-Up Plan	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

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: 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 funding that, if paid 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 cost for the current year is as follows:

Annual Required Contribution	\$ 970,992
Interest on Net OPEB Obligation	34,923
Adjustment to Annual Required Contribution	<u>(32,356)</u>
Annual OPEB Cost (Expense)	973,559
Contributions and Payments Made	<u>(484,415)</u>
Increase in Net OPEB Obligation	489,144
 Net OPEB Obligation – July 1, 2009	 <u>906,584</u>
Net OPEB Obligation – June 30, 2010	<u>\$ 1,395,728</u>

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

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

Pickens County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 1,065,698	27%	\$ 776,074
June 30, 2010	\$ 970,992	36%	\$ 1,395,728

Funded Status and Funding Progress: The funded status of Pickens County's retiree health care plan, under GASB Statement No. 45 as of June 30, 2007 is as follows:

Actuarial Valuation date as of June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
2007	\$0	\$8,320,825	\$8,320,825	0.0%

Under the reporting parameters, Pickens County's retiree health care plan is 0.0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$8,320,825 at June 30, 2007.

Actuarial Methods and Assumptions: The projected unit credit actuarial cost method is used to calculate the GASB ARC for Pickens County's retiree health care plan. Under 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 a 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:

Actuarial Methods and Assumptions

Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected unit credit cost method
Amortization method	Level as a percentage of salary
Salary growth	3.0% per annum

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

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

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 retirees' health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing overtime relative to the actuarial accrued liability for benefits.

A GAAP basis report is available for the OPEB and can be obtained by contacting the Finance Office at 222 McDaniel Avenue, B-4, Pickens, SC 29671.

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 \$3 million liability reported as landfill closure and post closure represents total costs to date, as of June 30, 2010 based on 100% use of all landfills. Actual cost for closure and postclosure care may vary due to inflation, developments in technology or changes in laws and regulations.

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

Landfill	Post Closure Years Remaining	% Used	Open/ Close Year	Closure/ Post Closure Costs
Easley	22	100	2003	\$ 1,623,000
Central	12	100	1994	393,000
C & D	20	77	1998	937,638
				<u>\$ 2,953,638</u>

Note 12 – Commitments and Contingencies

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

The County has entered into various construction commitments. Such contracts include contracts for construction of wastewater treatment extension and a satellite campus for Tri-County Technical College. Several of these contracts were in progress but not completed as of June 30, 2010.

PICKENS COUNTY, SOUTH CAROLINA

Notes to Financial Statements

June 30, 2010

Note 12 – Commitments and Contingencies – Continued

The total contractual commitments outstanding as of June 30, 2010 aggregated approximately \$1,206,691. The County has sufficient funds available to cover these commitments.

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

Note 13 – Prior Period Adjustment

The County had a prior period adjustment for the Airport Fund. In fiscal year 2009, the County recorded a reimbursement from the State for \$150,038 for the new terminal building. During fiscal year 2010, the County discovered this amount had already been reimbursed by the State, and as a result, the County had to reduce the accounts receivable account by this amount.

Note 14 – Subsequent Events

The County has evaluated subsequent events through November 24, 2010, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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PICKENS COUNTY, SOUTH CAROLINA

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 23,218,867	\$ 23,218,867	\$ 23,568,552	\$ 349,685
Intergovernmental	6,035,676	6,035,676	5,791,913	(243,763)
Fees, licenses and permits	437,600	437,600	513,716	76,116
Charges for services	5,661,316	5,661,316	6,095,898	434,582
Fines and forfeitures	575,000	575,000	703,323	128,323
Investment income	270,752	270,752	162,123	(108,629)
Rental income	22,103	22,103	20,052	(2,051)
Contributions	3,300	3,300	862	(2,438)
Miscellaneous	64,000	64,000	105,277	41,277
Total revenues	<u>36,288,614</u>	<u>36,288,614</u>	<u>36,961,716</u>	<u>673,102</u>
Expenditures				
Current				
General government				
County council	206,436	216,230	203,871	12,359
County attorney	93,000	118,000	121,289	(3,289)
State solicitor	845,939	845,939	832,437	13,502
Public defender	44,453	93,249	93,557	(308)
Probate judge	289,664	293,926	288,782	5,144
Register of deeds	277,947	282,245	202,485	79,760
Clerk of court	606,659	611,314	616,336	(5,022)
Administrator	401,608	336,997	311,131	25,866
Purchasing	175,681	175,681	181,229	(5,548)
Finance	469,681	472,593	434,559	38,034
Building maintenance	1,520,383	1,527,963	1,481,960	46,003
Human resources	180,707	184,645	211,823	(27,178)
Delinquent tax	250,017	250,052	250,811	(759)
Circuit judge	4,930	4,930	4,607	323
Treasurer	428,069	430,564	430,341	223
Auditor	319,859	321,334	320,043	1,291
Tax assessor	817,721	821,207	772,277	48,930
Board of appeals	2,000	2,000	820	1,180
GIS mapping	334,526	336,630	323,673	12,957
Registration and elections	285,089	290,353	282,853	7,500
Planning commission	182,379	231,564	147,490	84,074
Information services	1,022,301	1,069,622	917,089	152,533
County magistrates	710,263	712,059	686,208	25,851
Vehicle maintenance	550,583	550,712	550,194	518
Public relations	43,380	44,909	26,166	18,743
Retiree health and dental	200,910	200,910	192,909	8,001
	<u>10,264,185</u>	<u>10,425,628</u>	<u>9,884,940</u>	<u>540,688</u>

PICKENS COUNTY, SOUTH CAROLINA

**Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Public safety				
Sheriff's department	8,667,062	9,170,853	8,967,415	203,438
Emergency management	306,493	308,919	302,278	6,641
County coroner	169,850	169,850	163,526	6,324
Prison camp	1,232,238	1,233,599	1,271,085	(37,486)
Emergency medical services	4,759,563	4,763,316	4,541,918	221,398
Building codes	507,742	509,490	435,335	74,155
County radio system	26,000	26,000	26,067	(67)
E-911	105,167	105,167	105,706	(539)
	<u>15,774,115</u>	<u>16,287,194</u>	<u>15,813,330</u>	<u>473,864</u>
Public works				
Roads and bridges	2,204,884	2,363,654	2,233,468	130,186
Solid waste department	3,580,175	3,597,243	3,454,872	142,371
Engineering	165,759	165,954	162,478	3,476
	<u>5,950,818</u>	<u>6,126,851</u>	<u>5,850,818</u>	<u>276,033</u>
Health and welfare				
Health department	49,132	49,132	54,438	(5,306)
Animal control	438,962	439,262	410,711	28,551
Humane society	75,000	75,000	75,276	(276)
Veterans affairs	102,510	106,932	95,216	11,716
Storm water management	93,080	109,309	85,933	23,376
Pickens County health partners	25,000	25,000	25,000	-
Meals on Wheels	5,000	5,000	5,000	-
	<u>788,684</u>	<u>809,635</u>	<u>751,574</u>	<u>58,061</u>
Culture and recreation				
Cultural commission	315,532	325,230	314,063	11,167
Parks department	195,812	195,812	192,095	3,717
	<u>511,344</u>	<u>521,042</u>	<u>506,158</u>	<u>14,884</u>
Economic development and assistance				
Economic development	325,000	375,000	481,278	(106,278)
Intergovernmental				
Legislative delegation	30,682	30,682	28,976	1,706
Seniors unlimited	20,000	20,000	20,000	-
Department of social services	46,449	76,849	84,335	(7,486)
Medically indigent fund	214,067	214,067	203,821	10,246
SC Appalachian Council of Governments	45,593	45,593	45,593	-
Clemson extension	56,800	56,800	34,645	22,155
Soil and water conservation	-	3,500	3,500	-
	<u>413,591</u>	<u>447,491</u>	<u>420,870</u>	<u>26,621</u>

PICKENS COUNTY, SOUTH CAROLINA

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Contingency	232,772	78,731	75,882	2,849
SCAC	19,025	19,025	19,025	-
Non-departmental	15,000	6,839	-	6,839
	<u>266,797</u>	<u>104,595</u>	<u>94,907</u>	<u>9,688</u>
Capital outlay	<u>1,306,900</u>	<u>1,682,990</u>	<u>1,649,638</u>	<u>33,352</u>
Total expenditures	<u>35,601,434</u>	<u>36,780,426</u>	<u>35,453,513</u>	<u>1,326,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>687,180</u>	<u>(491,812)</u>	<u>1,508,203</u>	<u>2,000,015</u>
Other financing sources (uses)				
Proceeds from bond issuance	3,200,000	3,200,000	122,894	3,077,106
Transfers in (out)	<u>(4,191,016)</u>	<u>(3,078,680)</u>	<u>6,368</u>	<u>(3,085,048)</u>
Total other financing uses	<u>(991,016)</u>	<u>121,320</u>	<u>129,262</u>	<u>(7,942)</u>
Net change in fund balances	\$ <u>(303,836)</u>	\$ <u>(370,492)</u>	1,637,465	\$ <u>2,007,957</u>
Fund balance - beginning			<u>24,584,583</u>	
Fund balance - end			\$ <u>26,222,048</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, 2010

	Easley	Liberty	Pumpkintown	Crosswell	Six Mile	Pickens	Dacusville
Assets							
Cash and investments	\$ 112,543	\$ 284,375	\$ 102,853	\$ 972,074	\$ 92,643	\$ 172,669	\$ 255,900
Property taxes receivable	74,962	72,336	17,218	98,349	30,841	52,368	35,444
Accounts receivable - other	-	-	-	239	-	78	-
Due from other governments	-	-	1,000	-	-	-	-
Prepaid items	-	621	-	-	-	-	4,215
Total assets	\$ 187,505	\$ 357,332	\$ 121,071	\$ 1,070,662	\$ 123,484	\$ 225,115	\$ 295,559
Liabilities and fund balances							
Liabilities:							
Accounts payable	12,218	1,109	11,976	247	-	5,163	940
Accrued payroll	-	-	-	8,317	-	-	2,954
Advances from general fund	-	617,538	-	617,538	-	-	-
Unearned revenue	67,859	68,286	16,102	93,311	29,654	49,913	33,655
Total liabilities	80,077	686,933	28,078	719,413	29,654	55,076	37,549
Fund balances:							
Reserved for encumbrances	-	-	237,000	350,268	-	-	-
Prepaid items	-	621	-	-	-	-	4,215
Unreserved	107,428	(330,222)	(144,007)	981	93,830	170,039	253,795
Total fund balances	107,428	(329,601)	92,993	351,249	93,830	170,039	258,010
Total liabilities and fund balances	\$ 187,505	\$ 357,332	\$ 121,071	\$ 1,070,662	\$ 123,484	\$ 225,115	\$ 295,559

PICKENS COUNTY, SOUTH CAROLINA

Combining Balance Sheet
Major Fund - Fire Districts
June 30, 2010

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
Assets							
Cash and investments	\$ 81,098	\$ 163,502	\$ 238,556	\$ 21,631	\$ 127,896	\$ 192,664	\$ 2,818,404
Property taxes receivable	9,061	15,283	9,833	138	30,916	62,202	508,951
Accounts receivable - other	-	-	-	-	-	-	317
Due from other governments	-	-	-	-	-	-	1,000
Prepaid items	-	-	-	-	259	85	5,180
Total assets	\$ 90,159	\$ 178,785	\$ 248,389	\$ 21,769	\$ 159,071	\$ 254,951	\$ 3,333,852
Liabilities and fund balances							
Liabilities:							
Accounts payable	248	2,771	620	-	3,198	3,324	41,814
Accrued payroll	-	-	-	-	33,951	-	45,222
Advances from general fund	-	-	-	-	-	-	1,235,076
Unearned revenue	8,164	14,619	7,438	138	30,913	59,544	479,596
Total liabilities	8,412	17,390	8,058	138	68,062	62,868	1,801,708
Fund balances:							
Reserved for encumbrances	-	26,874	172,904	-	-	209,429	996,475
Prepaid items	-	-	-	-	259	-	5,095
Unreserved	81,747	134,521	67,427	21,631	90,750	(17,346)	530,574
Total fund balances	81,747	161,395	240,331	21,631	91,009	192,083	1,532,144
Total liabilities and fund balances	\$ 90,159	\$ 178,785	\$ 248,389	\$ 21,769	\$ 159,071	\$ 254,951	\$ 3,333,852

PICKENS COUNTY, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Major Fund - Fire Districts
Year Ended June 30, 2010

	Easley	Liberty	Pumpkintown	Crosswell	Six Mile	Pickens	Dacusville
Revenues	\$	\$	\$	\$	\$	\$	\$
Taxes	-	-	1,000	-	-	-	-
Intergovernmental	-	-	101,437	446,874	130,974	323,991	1,400
Fees, licenses and permits	452,517	386,702	23	1,371	18	1,708	180,368
Investment income	71	38	250	-	-	-	84
Contributions	-	-	-	-	-	-	250
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>452,588</u>	<u>386,740</u>	<u>102,710</u>	<u>448,245</u>	<u>130,992</u>	<u>325,699</u>	<u>182,102</u>
Expenditures							
Current:							
Personnel services	-	-	8,292	141,233	-	-	64,872
Supplies	-	653	6,295	6,165	952	-	18,952
Contractual services	447,443	183,765	10,037	164,017	83,304	309,097	2,548
Utilities	-	7,697	11,751	7,648	-	-	12,543
Repairs and maintenance	-	10,116	4,666	4,897	201	-	1,660
Fuel and oil	-	-	9,113	6,447	-	-	4,306
Furniture, machinery and equipment	-	19,423	11,286	19,713	4,952	-	551
Insurance, bonds and licenses	-	6,027	-	4,092	6,943	-	20,572
Rent	-	-	7,492	26,263	1,113	-	-
Other	-	2,637	1,498	-	-	-	22,220
Contingency	-	7,808	-	-	-	-	-
Capital outlay	-	234,292	-	7,000	26,365	-	-
Debt service:							
Principal retirement	-	-	16,221	31,796	-	-	27,786
Interest and fiscal charges	-	26,000	2,984	37,426	-	-	6,588
Total expenditures	<u>447,443</u>	<u>498,418</u>	<u>89,635</u>	<u>456,697</u>	<u>123,830</u>	<u>309,097</u>	<u>182,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,145</u>	<u>(111,678)</u>	<u>13,075</u>	<u>(8,452)</u>	<u>7,162</u>	<u>16,602</u>	<u>(496)</u>
Other financing sources (uses)							
Proceeds from capital lease	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	<u>5,145</u>	<u>(111,678)</u>	<u>13,075</u>	<u>(8,452)</u>	<u>7,162</u>	<u>16,602</u>	<u>(496)</u>
Fund balance - beginning	<u>102,283</u>	<u>(217,923)</u>	<u>79,918</u>	<u>359,701</u>	<u>86,668</u>	<u>153,437</u>	<u>258,506</u>
Fund balance - ending	<u>\$ 107,428</u>	<u>\$ (329,601)</u>	<u>\$ 92,993</u>	<u>\$ 351,249</u>	<u>\$ 93,830</u>	<u>\$ 170,039</u>	<u>\$ 258,010</u>

PICKENS COUNTY, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances

Major Fund - Fire Districts
Year Ended June 30, 2010

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Springs	Total
Revenues							
Taxes	\$ -	\$ -	\$ 271,608	\$ (40)	\$ 715,359	\$ 486,910	\$ 1,473,837
Intergovernmental	1,000	-	-	-	-	5,000	8,400
Fees, licenses and permits	62,763	169,733	-	3,165	-	-	2,258,524
Investment income	10	23	33	-	11	48	3,438
Contributions	250	-	-	-	250	-	1,000
Miscellaneous	2,234	-	1,195	-	-	200	3,629
Total revenues	66,257	169,756	272,836	3,125	715,620	492,158	3,748,828
Expenditures							
Current:							
Personnel services	-	4,416	-	-	758,556	-	969,077
Supplies	7,890	3,058	7,452	-	24,547	22,611	100,572
Contractual services	55	80,988	203,817	2,234	5,352	3,464	1,492,379
Utilities	5,801	3,283	-	-	19,467	10,750	77,226
Repairs and maintenance	572	1,837	1,432	-	17,126	9,683	59,275
Fuel and oil	485	1,990	-	-	7,843	4,152	29,889
Furniture, machinery and equipment	973	25,661	214	-	4,858	9,725	95,183
Insurance, bonds and licenses	6,204	3,841	4,079	-	15,107	5,078	83,229
Rent	-	-	-	-	64	-	64
Other	10,162	2,370	-	-	7,099	8,623	87,979
Contingency	80	-	1,491	-	-	-	10,877
Capital outlay	-	287,818	-	-	66,573	25,652	647,700
Debt service:							
Principal retirement	20,868	-	-	-	-	-	96,671
Interest and fiscal charges	6,591	-	-	-	-	-	79,589
Total expenditures	59,681	415,262	218,485	2,234	926,592	99,738	3,829,710
Excess (deficiency) of revenues over (under) expenditures	6,576	(245,506)	54,351	891	(210,972)	392,420	(80,882)
Other financing sources (uses)							
Proceeds from capital lease	-	285,500	-	-	310,207	(310,207)	285,500
Transfers out	-	-	-	-	310,207	(310,207)	-
Total other financing sources (uses)	-	285,500	-	-	310,207	(310,207)	285,500
Net change in fund balances	6,576	39,994	54,351	891	99,235	82,213	204,618
Fund balance - beginning	75,171	121,401	185,980	20,740	(8,226)	109,870	1,327,526
Fund balance - ending	\$ 81,747	\$ 161,395	\$ 240,331	\$ 21,631	\$ 91,009	\$ 192,083	\$ 1,532,144

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Easley Fire District Fund
Year Ended June 30, 2010

	<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	\$ 452,517	\$ 2,558
Investment income	2,000	2,000	71	(1,929)
Total revenues	<u>451,959</u>	<u>451,959</u>	<u>452,588</u>	<u>629</u>
Expenditures				
Current:				
Contractual services	449,959	449,959	447,443	2,516
Contingency	2,000	2,000	-	2,000
Total expenditures	<u>451,959</u>	<u>451,959</u>	<u>447,443</u>	<u>4,516</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>5,145</u>	<u>5,145</u>
OTHER FINANCING SOURCES (USES)				
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	5,145	<u>\$ 5,145</u>
Fund balance - beginning			<u>102,283</u>	
Fund balance - ending			<u>\$ 107,428</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Liberty Fire District Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 373,503	\$ 373,503	\$ 386,702	\$ 13,199
Investment income	500	500	38	(462)
Total revenues	<u>374,003</u>	<u>374,003</u>	<u>386,740</u>	<u>12,737</u>
Expenditures				
Current:				
Supplies	3,500	3,500	653	2,847
Contractual services	211,000	211,000	183,765	27,235
Utilities	12,400	12,400	7,697	4,703
Repairs and maintenance	14,000	14,000	10,116	3,884
Furniture, machinery and equipment	10,000	10,000	19,423	(9,423)
Insurance, bonds and licenses	10,000	10,000	6,027	3,973
Other	4,000	4,000	2,637	1,363
Contingency	12,676	12,676	7,808	4,868
Capital outlay	210,000	210,000	234,292	(24,292)
Debt service:				
Principal retirement	34,958	34,958	-	34,958
Interest and fiscal charges	28,000	28,000	26,000	2,000
Total expenditures	<u>550,534</u>	<u>550,534</u>	<u>498,418</u>	<u>52,116</u>
Deficiency of revenues under expenditures	<u>(176,531)</u>	<u>(176,531)</u>	<u>(111,678)</u>	<u>64,853</u>
OTHER FINANCING SOURCES (USES)				
Net change in fund balances	<u>\$ (176,531)</u>	<u>\$ (176,531)</u>	(111,678)	<u>\$ 64,853</u>
Fund balance - beginning			<u>(217,923)</u>	
Fund balance - ending			<u>\$ (329,601)</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,000	\$ 1,000
Fees, licenses and permits	99,966	99,966	101,437	1,471
Investment income	500	500	23	(477)
Contributions	-	-	250	250
Total revenues	<u>100,466</u>	<u>100,466</u>	<u>102,710</u>	<u>2,244</u>
Expenditures				
Current:				
Supplies	9,312	9,312	8,292	1,020
Contractual services	4,150	4,150	6,295	(2,145)
Utilities	9,660	9,660	10,037	(377)
Repairs and maintenance	10,000	10,000	11,751	(1,751)
Fuel and oil	4,500	4,500	4,666	(166)
Furniture, machinery and equipment	4,500	4,500	9,113	(4,613)
Insurance, bonds and licenses	17,640	17,640	11,286	6,354
Other	5,730	5,730	7,492	(1,762)
Contingency	3,049	3,049	1,498	1,551
Debt service:				
Principal retirement	27,978	27,978	16,221	11,757
Interest and fiscal charges	3,947	3,947	2,984	963
Total expenditures	<u>100,466</u>	<u>100,466</u>	<u>89,635</u>	<u>10,831</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,030</u>	<u>13,075</u>	<u>13,075</u>
OTHER FINANCING SOURCES (USES)				
Net change in fund balances	<u>\$ -</u>	<u>\$ 1,030</u>	13,075	<u>\$ 13,075</u>
Fund balance - beginning			<u>79,918</u>	
Fund balance - ending			<u>\$ 92,993</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Crosswell Fire District Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 439,902	\$ 439,902	\$ 446,874	\$ 6,972
Investment income	5,000	5,000	1,371	(3,629)
Total revenues	<u>444,902</u>	<u>444,902</u>	<u>448,245</u>	<u>3,343</u>
Expenditures				
Current:				
Personnel services	172,933	172,933	141,233	31,700
Supplies	8,380	8,130	6,165	1,965
Contractual services	138,340	138,100	164,017	(25,917)
Utilities	17,500	7,500	7,648	(148)
Repairs and maintenance	11,950	8,750	4,897	3,853
Fuel and oil	13,725	7,000	6,447	553
Furniture, machinery and equipment	-	8,794	19,713	(10,919)
Insurance, bonds and licenses	3,605	3,605	4,092	(487)
Other	33,000	2,700	26,263	(23,563)
Capital outlay	360,000	360,000	7,000	353,000
Debt service:				
Principal retirement	61,761	61,761	31,796	29,965
Interest and fiscal charges	35,426	35,426	37,426	(2,000)
Total expenditures	<u>856,620</u>	<u>814,699</u>	<u>456,697</u>	<u>326,302</u>
Deficiency of revenues under expenditures	<u>(411,718)</u>	<u>(196,864)</u>	<u>(8,452)</u>	<u>329,645</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	360,000	360,000	-	(360,000)
Total other financing sources (uses)	<u>360,000</u>	<u>360,000</u>	<u>-</u>	<u>(360,000)</u>
Net change in fund balances	<u>\$ (51,718)</u>	<u>\$ 163,136</u>	<u>(8,452)</u>	<u>\$ (30,355)</u>
Fund balance - beginning			<u>359,701</u>	
Fund balance - ending			<u>\$ 351,249</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Six Mile Fire District Fund
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 5,408	\$ 5,408	\$ -	\$ (5,408)
Fees, licenses and permits	129,216	129,216	130,974	1,758
Investment income	4,000	4,000	18	(3,982)
Total revenues	<u>138,624</u>	<u>138,624</u>	<u>130,992</u>	<u>(7,632)</u>
Expenditures				
Current:				
Supplies	15,315	12,600	952	11,648
Contractual services	83,304	83,304	83,304	-
Repairs and maintenance	-	-	201	(201)
Furniture, machinery and equipment	22,260	19,260	4,952	14,308
Insurance, bonds and licenses	4,800	4,800	6,943	(2,143)
Other	5,400	400	1,113	(713)
Capital outlay	12,000	24,150	26,365	(2,215)
Total expenditures	<u>143,079</u>	<u>144,514</u>	<u>123,830</u>	<u>20,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,455)</u>	<u>(5,890)</u>	<u>7,162</u>	<u>13,052</u>
OTHER FINANCING SOURCES (USES)				
Excess (deficiency) of revenues over (under) expenditures	<u>(4,455)</u>	<u>(5,890)</u>	<u>7,162</u>	<u>13,052</u>
Net change in fund balances	<u>\$ (4,455)</u>	<u>\$ (5,890)</u>	<u>7,162</u>	<u>\$ 13,052</u>
Fund balance - beginning			<u>86,668</u>	
Fund balance - ending			<u>\$ 93,830</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Pickens Fire District Fund
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 312,262	\$ 312,262	\$ 323,991	\$ 11,729
Investment income	3,000	3,000	1,708	(1,292)
Total revenues	<u>315,262</u>	<u>315,262</u>	<u>325,699</u>	<u>10,437</u>
Expenditures				
Current:				
Contractual services	296,650	296,650	309,097	(12,447)
Contingency	18,612	18,612	-	18,612
Total expenditures	<u>315,262</u>	<u>315,262</u>	<u>309,097</u>	<u>6,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>16,602</u>	<u>16,602</u>
OTHER FINANCING SOURCES (USES)				
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>16,602</u>	<u>16,602</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>16,602</u>	<u>\$ 16,602</u>
Fund balance - beginning			<u>153,437</u>	
Fund balance - ending			<u>\$ 170,039</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Dacusville Fire District Fund
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ 1,400	\$ 1,400	\$ -
Fees, licenses and permits	172,600	172,600	180,368	7,768
Investment income	2,600	2,600	84	(2,516)
Contributions	-	-	250	250
Total revenues	<u>175,200</u>	<u>176,600</u>	<u>182,102</u>	<u>5,502</u>
Expenditures				
Current:				
Personnel services	56,224	56,224	64,872	(8,648)
Supplies	14,700	14,700	18,952	(4,252)
Contractual services	3,500	3,500	2,548	952
Utilities	11,200	11,200	12,543	(1,343)
Repairs and maintenance	8,750	7,350	1,660	5,690
Fuel and oil	3,000	3,000	4,306	(1,306)
Furniture, machinery and equipment	2,452	2,452	551	1,901
Insurance, bonds and licenses	21,394	21,394	20,572	822
Other	21,000	21,000	22,220	(1,220)
Debt service:				
Principal retirement	27,786	27,786	27,786	-
Interest and fiscal charges	6,588	6,588	6,588	-
Total expenditures	<u>176,594</u>	<u>175,194</u>	<u>182,598</u>	<u>(7,404)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,394)</u>	<u>1,406</u>	<u>(496)</u>	<u>(1,902)</u>
OTHER FINANCING SOURCES (USES)				
Excess (deficiency) of revenues over (under) expenditures	<u>(1,394)</u>	<u>1,406</u>	<u>(496)</u>	<u>(1,902)</u>
Net change in fund balances	<u>\$ (1,394)</u>	<u>\$ 1,406</u>	<u>(496)</u>	<u>\$ (1,902)</u>
Fund balance - beginning			<u>258,506</u>	
Fund balance - ending			<u>\$ 258,010</u>	

PICKENS COUNTY, SOUTH CAROLINA

**Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Holly Springs Fire District Fund
Year Ended June 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 1,000	\$ 1,000	\$ -
Fees, licenses and permits	60,290	60,290	62,763	2,473
Investment income	1,000	1,000	10	(990)
Contributions	-	-	250	250
Miscellaneous	2,300	2,300	2,234	(66)
Total revenues	<u>63,590</u>	<u>64,590</u>	<u>66,257</u>	<u>1,667</u>
Expenditures				
Current:				
Supplies	7,942	7,442	7,890	(448)
Contractual services	1,300	1,300	55	1,245
Utilities	5,000	5,000	5,801	(801)
Repairs and maintenance	5,000	4,000	572	3,428
Fuel and oil	2,000	2,000	485	1,515
Furniture, machinery and equipment	1,800	800	973	(173)
Insurance, bonds and licenses	7,000	7,000	6,204	796
Other	2,600	2,300	10,162	(7,862)
Contingency	3,490	3,490	80	3,410
Debt service:				
Principal retirement	20,867	20,867	20,868	(1)
Interest and fiscal charges	6,591	6,591	6,591	-
Total expenditures	<u>63,590</u>	<u>60,790</u>	<u>59,681</u>	<u>1,109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>9,800</u>	<u>6,576</u>	<u>2,776</u>
OTHER FINANCING SOURCES (USES)				
Excess of revenues over expenditures	<u>-</u>	<u>9,800</u>	<u>6,576</u>	<u>2,776</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 9,800</u>	<u>6,576</u>	<u>\$ 2,776</u>
Fund balance - beginning			<u>75,171</u>	
Fund balance - ending			<u>\$ 81,747</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Central Fire District Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 160,565	\$ 160,565	\$ 169,733	\$ 9,168
Investment income	2,000	2,000	23	(1,977)
Total revenues	<u>162,565</u>	<u>162,565</u>	<u>169,756</u>	<u>7,191</u>
Expenditures				
Current:				
Personnel services	-	-	4,416	(4,416)
Supplies	9,350	9,350	3,058	6,292
Contractual services	74,509	74,509	80,988	(6,479)
Utilities	4,324	4,324	3,283	1,041
Repairs and maintenance	5,000	5,000	1,837	3,163
Fuel and oil	1,000	1,000	1,990	(990)
Furniture, machinery and equipment	24,575	24,575	25,661	(1,086)
Insurance, bonds and licenses	4,537	4,537	3,841	696
Other	3,825	3,825	2,370	1,455
Contingency	5,711	5,711	-	5,711
Capital outlay	300,000	300,000	287,818	12,182
Debt service:				
Principal retirement	23,322	23,322	-	23,322
Interest and fiscal charges	6,412	6,412	-	6,412
Total expenditures	<u>462,565</u>	<u>462,565</u>	<u>415,262</u>	<u>47,303</u>
Deficiency of revenues under expenditures	<u>(300,000)</u>	<u>(294,289)</u>	<u>(245,506)</u>	<u>54,494</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	<u>300,000</u>	<u>300,000</u>	<u>285,500</u>	<u>(14,500)</u>
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>285,500</u>	<u>(14,500)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 5,711</u>	39,994	<u>\$ 39,994</u>
Fund balance - beginning			<u>121,401</u>	
Fund balance - ending			<u>\$ 161,395</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Shady Grove Fire District Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 258,528	\$ 258,528	\$ 271,608	\$ 13,080
Investment income	500	500	33	(467)
Miscellaneous	240,000	240,000	1,195	(238,805)
Total revenues	<u>499,028</u>	<u>499,028</u>	<u>272,836</u>	<u>(226,192)</u>
Expenditures				
Current:				
Supplies	300	1,300	7,452	(6,152)
Contractual services	202,644	202,644	203,817	(1,173)
Repairs and maintenance	-	-	1,432	(1,432)
Furniture, machinery and equipment	-	-	214	(214)
Insurance, bonds and licenses	6,300	6,300	4,079	2,221
Contingency	20,924	19,924	1,491	18,433
Capital outlay	240,000	240,000	-	240,000
Debt service				
Principal retirement	20,460	20,460	-	20,460
Interest and fiscal charges	8,400	20,460	-	20,460
Total expenditures	<u>499,028</u>	<u>511,088</u>	<u>218,485</u>	<u>251,683</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>28,860</u>	<u>54,351</u>	<u>25,491</u>
OTHER FINANCING SOURCES (USES)				
Excess of revenues over expenditures	<u>-</u>	<u>28,860</u>	<u>54,351</u>	<u>25,491</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 28,860</u>	<u>54,351</u>	<u>\$ 25,491</u>
Fund balance - beginning			<u>185,980</u>	
Fund balance - ending			<u>\$ 240,331</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Rocky Bottom Fire District Fund
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ -	\$ -	\$ (40)	\$ (40)
Fees, licenses and permits	3,460	3,460	3,165	(295)
Investment income	100	100	-	(100)
Total revenues	<u>3,560</u>	<u>3,560</u>	<u>3,125</u>	<u>(435)</u>
Expenditures				
Current:				
Supplies	630	630	-	630
Contractual services	2,930	2,930	2,234	696
Total expenditures	<u>3,560</u>	<u>3,560</u>	<u>2,234</u>	<u>1,326</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>891</u>	<u>891</u>
OTHER FINANCING SOURCES (USES)				
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>891</u>	<u>891</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>891</u>	<u>\$ 891</u>
Fund balance - beginning			<u>20,740</u>	
Fund balance - ending			<u>\$ 21,631</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Vineyards Fire District Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 664,769	\$ 664,769	\$ 715,359	\$ 50,590
Investment income	-	-	11	11
Contributions	-	-	250	250
Total revenues	<u>664,769</u>	<u>664,769</u>	<u>715,620</u>	<u>50,851</u>
Expenditures				
Current:				
Personnel services	783,236	783,236	758,556	24,680
Supplies	34,000	26,300	24,547	1,753
Contractual services	5,000	5,000	5,352	(352)
Utilities	17,900	20,400	19,467	933
Repairs and maintenance	11,000	17,500	17,126	374
Fuel and oil	9,000	9,000	7,843	1,157
Furniture, machinery and equipment	7,100	7,100	4,858	2,242
Insurance, bonds and licenses	17,100	17,100	15,107	1,993
Rent	100	100	64	36
Other	14,200	12,700	7,099	5,601
Contingency	71,340	71,340	-	71,340
Capital outlay	-	66,984	66,573	411
Total expenditures	<u>969,976</u>	<u>1,036,760</u>	<u>926,592</u>	<u>110,168</u>
Deficiency of revenues under expenditures	<u>(305,207)</u>	<u>(305,007)</u>	<u>(210,972)</u>	<u>161,019</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	305,207	310,207	310,207	-
Total other financing uses	<u>305,207</u>	<u>310,207</u>	<u>310,207</u>	<u>-</u>
Net change in fund balances	\$ <u>-</u>	\$ <u>5,200</u>	99,235	\$ <u>161,019</u>
Fund balance - beginning			<u>(8,226)</u>	
Fund balance - ending			<u>\$ 91,009</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Springs Fire District Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Taxes	\$ 505,057	\$ 505,057	\$ 486,910	\$ (18,147)
Intergovernmental	-	-	5,000	5,000
Investment income	-	-	48	48
Miscellaneous	-	-	200	200
Total revenues	<u>505,057</u>	<u>505,057</u>	<u>492,158</u>	<u>(12,899)</u>
Expenditures				
Current:				
Supplies	42,600	42,600	22,611	19,989
Contractual services	25,900	25,900	3,464	22,436
Utilities	13,800	13,800	10,750	3,050
Repairs and maintenance	21,200	21,200	9,683	11,517
Fuel and oil	8,000	8,000	4,152	3,848
Furniture, machinery and equipment	17,200	17,200	9,725	7,475
Insurance, bonds and licenses	22,600	22,600	5,078	17,522
Rent	750	750	-	750
Other	22,800	22,800	8,623	14,177
Contingency	25,000	25,000	-	25,000
Capital outlay	126,600	126,600	25,652	100,948
Total expenditures	<u>326,450</u>	<u>326,450</u>	<u>99,738</u>	<u>226,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>178,607</u>	<u>241,557</u>	<u>392,420</u>	<u>213,813</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	126,600	126,600	-	(126,600)
Transfers out	(305,207)	(310,207)	(310,207)	-
Total other financing sources	<u>(178,607)</u>	<u>(183,607)</u>	<u>(310,207)</u>	<u>(126,600)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 57,950</u>	<u>82,213</u>	<u>\$ 87,213</u>
Fund balance - beginning			<u>109,870</u>	
Fund balance - ending			<u>\$ 192,083</u>	

PICKENS COUNTY, SOUTH CAROLINA

Combining Schedules
Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

PICKENS COUNTY, SOUTH CAROLINA**Combining Schedules
Nonmajor Governmental Funds**

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

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

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

PICKENS COUNTY, SOUTH CAROLINA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 9,527,744	\$ 376,944	\$ 447,540	\$ 10,352,228
Property taxes receivable	259,958	172,654	-	432,612
Accounts receivable - other	65,256	-	-	65,256
Due from other governments	890,747	-	-	890,747
Prepaid items	449	-	-	449
Total assets	<u>10,744,154</u>	<u>549,598</u>	<u>447,540</u>	<u>11,741,292</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	917,516	77,451	5,350	1,000,317
Accrued payroll	104,664	-	-	104,664
Deferred revenue	551,361	157,454	-	708,815
Total liabilities	<u>1,674,380</u>	<u>234,905</u>	<u>5,350</u>	<u>1,914,635</u>
Fund balances:				
Reserved for:				
Encumbrances	415,760	-	375	416,135
Debt service fund	-	314,693	-	314,693
Unreserved:				
Special revenue fund, future expenditures	64,353	-	-	64,353
Undesignated	8,589,661	-	441,815	9,031,476
Total fund balances	<u>9,069,774</u>	<u>314,693</u>	<u>442,190</u>	<u>9,826,657</u>
Total liabilities and fund balances	<u>\$ 10,744,154</u>	<u>\$ 549,598</u>	<u>\$ 447,540</u>	<u>\$ 11,741,292</u>

PICKENS COUNTY, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 3,931,111	\$ 2,489,780	\$ -	\$ 6,420,891
Intergovernmental	3,250,323	-	-	3,250,323
Fees, licenses and permits	2,656,763	-	-	2,656,763
Charges for services	229,068	-	-	229,068
Fines and forfeitures	196,234	-	-	196,234
Investment income	12,745	789	-	13,534
Contributions	13,274	-	-	13,274
Miscellaneous	5,695	-	-	5,695
Total revenues	<u>10,295,213</u>	<u>2,490,569</u>	<u>-</u>	<u>12,785,782</u>
Expenditures				
Current:				
General government	214,255	-	-	214,255
Public safety	881,821	-	-	881,821
Public works	3,524,557	-	-	3,524,557
Health and welfare	6,594	-	-	6,594
Culture and recreation	3,273,832	-	-	3,273,832
Economic development and assistance	-	-	(83,656)	(83,656)
Intergovernmental	-	-	-	-
Capital outlay	856,795	-	517,893	1,374,688
Debt service:				
Principal retirement	158,788	1,763,230	-	1,922,018
Interest and fiscal charges	19,578	797,734	-	817,312
Total expenditures	<u>10,102,586</u>	<u>2,560,964</u>	<u>434,237</u>	<u>13,097,787</u>
Deficiency of revenues under expenditures	<u>192,627</u>	<u>(70,395)</u>	<u>(434,237)</u>	<u>(312,005)</u>
Other financing sources				
Transfers in (out)	(783,755)	(53,918)	156,670	(681,003)
Total other financing sources	<u>(783,755)</u>	<u>(53,918)</u>	<u>156,670</u>	<u>(681,003)</u>
Net change in fund balances	(591,128)	(124,313)	(277,567)	(993,008)
Fund balance - beginning	<u>9,660,902</u>	<u>439,006</u>	<u>719,757</u>	<u>10,819,665</u>
Fund balance - ending	<u>\$ 9,069,774</u>	<u>\$ 314,693</u>	<u>\$ 442,190</u>	<u>\$ 9,826,657</u>

PICKENS COUNTY, SOUTH CAROLINA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Tri-County Tech	Fixed Nuclear	Sheriff Special	Library	Victim Rights	Grants	Emergency Phone System	State Road C-Fund
Assets								
Cash and investments	\$ 582,742	\$ 44,104	\$ 515,782	\$ 1,473,085	\$ 1,654	\$ -	\$ 678,635	\$ 4,459,469
Property taxes receivable	79,635	-	-	180,323	-	-	-	-
Accounts receivable - other	-	-	693	-	-	-	39,834	-
Due from other governments	1,441	-	-	-	-	610,499	89,734	129,999
Prepaid items	-	-	-	353	-	96	-	-
Total assets	<u>663,818</u>	<u>44,104</u>	<u>516,475</u>	<u>1,653,761</u>	<u>1,654</u>	<u>610,595</u>	<u>808,203</u>	<u>4,589,468</u>
Liabilities and fund balances								
Liabilities:								
Accounts payable	581,240	843	38	34,277	140	183,666	10,589	17,815
Accrued payroll	-	1,902	-	79,956	6,273	9,182	3,018	-
Deferred revenue	69,147	-	-	163,411	1,893	316,910	-	-
Total liabilities	<u>650,387</u>	<u>2,745</u>	<u>38</u>	<u>277,644</u>	<u>8,306</u>	<u>610,597</u>	<u>13,607</u>	<u>17,815</u>
Fund balances:								
Reserved for:								
Encumbrances	-	-	-	-	-	359,120	1,090	55,550
Special revenue fund, future expenditures	-	-	-	64,353	-	-	-	-
Undesignated	13,431	41,359	516,437	1,311,764	(6,652)	(359,122)	793,506	4,516,103
Total fund balances	<u>13,431</u>	<u>41,359</u>	<u>516,437</u>	<u>1,376,117</u>	<u>(6,652)</u>	<u>(2)</u>	<u>794,596</u>	<u>4,571,653</u>
Total liabilities and fund balances	\$ <u>663,818</u>	\$ <u>44,104</u>	\$ <u>516,475</u>	\$ <u>1,653,761</u>	\$ <u>1,654</u>	\$ <u>610,595</u>	\$ <u>808,203</u>	\$ <u>4,589,468</u>

PICKENS COUNTY, SOUTH CAROLINA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Law Enforcement Block Grants	Museum Restricted Resources	Accommodations Tax	Road Fee	Tourism Development Fee	Recreation Capital	Public Safety Capital Replacement	Total Nonmajor Special Revenue Funds
Assets								
Cash and investments	\$ -	\$ 364,202	\$ 162,463	\$ 495,174	\$ 326,505	\$ 423,929	\$ -	\$ 9,527,744
Property taxes receivable	-	-	-	-	-	-	-	259,958
Accounts receivable - other	-	396	-	650	23,683	-	-	65,256
Due from other governments	-	-	54,074	-	5,000	-	-	890,747
Prepaid items	-	-	-	-	-	-	-	449
Total assets	-	\$ 364,598	\$ 216,537	\$ 495,824	\$ 355,188	\$ 423,929	\$ -	\$ 10,744,154
Liabilities and fund balances								
Liabilities:								
Accounts payable	-	730	81,611	-	-	6,567	-	917,516
Accrued payroll	-	-	-	2,656	1,677	-	-	104,664
Deferred revenue	-	-	-	-	-	-	-	551,361
Total liabilities	-	730	81,611	2,656	1,677	6,567	-	1,674,380
Fund balances:								
Reserved for:								
Encumbrances	-	-	-	-	-	-	-	415,760
Special revenue fund, future expenditures	-	-	-	-	-	-	-	64,353
Undesignated	-	363,868	134,926	493,168	353,511	417,362	-	8,589,661
Total fund balances	-	363,868	134,926	493,168	353,511	417,362	-	9,069,774
Total liabilities and fund balances	\$ -	\$ 364,598	\$ 216,537	\$ 495,824	\$ 355,188	\$ 423,929	\$ -	\$ 10,744,154

PICKENS COUNTY, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds
Year Ended June 30, 2010

	Tri-County Tech	Fixed Nuclear	Sheriff Special	Library	Victim Rights	Grants	Emergency Phone System	State Road C-Fund
Revenues								
Taxes	\$ 1,174,051	\$ -	\$ -	\$ 2,757,060	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	48,000	-	192,717	-	984,725	244,643	1,590,812
Fees, licenses and permits	-	-	-	115,996	-	-	477,816	-
Charges for services	-	-	-	-	142,198	-	-	-
Fines and forfeitures	-	-	54,036	-	-	-	-	-
Investment income	-	-	649	1,387	-	-	974	7,211
Contributions	-	-	2,533	10,741	-	-	-	-
Miscellaneous	-	-	-	695	-	-	-	-
Total revenues	<u>1,174,051</u>	<u>48,000</u>	<u>57,218</u>	<u>3,078,596</u>	<u>142,198</u>	<u>984,725</u>	<u>723,433</u>	<u>1,598,023</u>
Expenditures								
Current:								
General government	-	-	-	-	-	214,255	-	-
Public safety	-	58,717	38,188	-	170,811	106,148	445,428	-
Public works	-	-	-	-	-	56,933	-	1,485,127
Health and welfare	-	-	-	-	-	6,594	-	-
Culture and recreation	-	-	-	2,902,803	-	(80,178)	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	19,778	-	680,975	-	5,517
Debt service:								
Principal retirement	-	-	-	-	-	-	72,614	-
Interest and fiscal charges	-	-	-	-	-	-	5,752	-
Total expenditures	<u>1,166,366</u>	<u>58,717</u>	<u>38,188</u>	<u>2,922,581</u>	<u>170,811</u>	<u>984,727</u>	<u>523,794</u>	<u>1,490,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,685</u>	<u>(10,717)</u>	<u>19,030</u>	<u>156,015</u>	<u>(28,613)</u>	<u>(2)</u>	<u>199,639</u>	<u>107,379</u>
Other financing sources								
Transfers in (out)	-	7,947	-	-	-	-	-	29,660
Total other financing sources (uses)	<u>-</u>	<u>7,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,660</u>
Net change in fund balances	<u>7,685</u>	<u>(2,770)</u>	<u>19,030</u>	<u>156,015</u>	<u>(28,613)</u>	<u>(2)</u>	<u>199,639</u>	<u>137,039</u>
Fund balance - beginning	<u>5,746</u>	<u>44,129</u>	<u>497,407</u>	<u>1,220,102</u>	<u>21,961</u>	<u>-</u>	<u>594,957</u>	<u>4,434,614</u>
Fund balance - ending	<u>\$ 13,431</u>	<u>\$ 41,359</u>	<u>\$ 516,437</u>	<u>\$ 1,376,117</u>	<u>\$ (6,652)</u>	<u>\$ (2)</u>	<u>\$ 794,596</u>	<u>\$ 4,571,653</u>

PICKENS COUNTY, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds
Year Ended June 30, 2010

	Enforcement Block Grants	Museum Restricted Resources	Accommodations Tax	Road Fee	Tourism Development Fee	Recreation Capital	Public Safety Capital Replacement	Total Nonmajor Special Revenue Funds
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,931,111
Intergovernmental	62,529	-	126,897	-	-	-	-	3,250,323
Fees, licenses and permits	-	-	-	1,954,737	224,210	-	-	2,656,763
Charges for services	-	111,512	-	-	-	1,560	-	229,068
Fines and forfeitures	-	-	-	-	-	-	-	196,234
Investment income	-	1,371	238	417	498	-	-	12,745
Contributions	-	-	-	-	-	-	-	13,274
Miscellaneous	-	-	-	-	5,000	-	-	5,695
Total revenues	62,529	112,883	127,135	1,955,154	229,708	1,560	-	10,295,213
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	214,255
Public safety	62,529	-	-	-	-	-	-	881,821
Public works	-	-	-	1,982,497	-	-	-	3,524,557
Health and welfare	-	-	-	-	-	-	-	6,594
Culture and recreation	-	43,995	80,518	-	39,454	287,240	-	3,273,832
Intergovernmental	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	147,220	3,305	-	-	856,795
Debt service:								
Principal retirement	-	-	-	-	86,174	-	-	158,788
Interest and fiscal charges	-	-	-	-	13,826	-	-	19,578
Total expenditures	62,529	43,995	80,518	2,129,717	142,759	287,240	-	10,102,586
Excess (deficiency) of revenues over (under) expenditures	-	68,888	46,617	(174,563)	86,949	(285,680)	-	192,627
Other financing sources (uses)								
Transfers in (out)	-	(50,802)	(30,095)	500,000	-	408,000	(1,648,465)	(783,755)
Total other financing sources (uses)	-	(50,802)	(30,095)	500,000	-	408,000	(1,648,465)	(783,755)
Net change in fund balances	-	18,086	16,522	325,437	86,949	122,320	(1,648,465)	(591,128)
Fund balance - beginning	-	345,782	118,404	167,731	266,562	295,042	1,648,465	9,660,902
Fund balance - ending	\$ -	\$ 363,868	\$ 134,926	\$ 493,168	\$ 353,511	\$ 417,362	\$ -	\$ 9,069,774

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Tri-County Tech Fund
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 1,182,700	\$ 1,182,700	\$ 1,174,051	\$ (8,649)
Total revenues	<u>1,182,700</u>	<u>1,182,700</u>	<u>1,174,051</u>	<u>(8,649)</u>
Expenditures				
Current:				
Other	1,182,700	1,182,700	1,166,366	16,334
Total expenditures	<u>1,182,700</u>	<u>1,182,700</u>	<u>1,166,366</u>	<u>16,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>7,685</u>	<u>7,685</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>7,685</u>	<u>\$ 7,685</u>
Fund balance - beginning			<u>5,746</u>	
Fund balance - ending			<u>\$ 13,431</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Library Fund
Year Ended June 30, 2010

	Original Budget	Final Budget	Operations	State Aid	Totals	Variance With Final Positive (Negative)
Revenues						
Taxes	\$ 2,747,495	\$ 2,747,495	\$ 2,757,060	\$ -	\$ 2,757,060	\$ 9,565
Intergovernmental	100,000	192,717	46,518	146,199	192,717	-
Charges for services	95,000	98,092	115,996	-	115,996	17,904
Investment income	20,000	20,000	1,387	-	1,387	(18,613)
Contributions	500	7,821	10,741	-	10,741	2,920
Miscellaneous	120	120	695	-	695	575
Total revenues	<u>2,963,115</u>	<u>3,066,245</u>	<u>2,932,397</u>	<u>146,199</u>	<u>3,078,596</u>	<u>12,351</u>
Expenditures						
Current:						
Personnel services	2,155,217	2,128,717	1,980,581	-	1,980,581	148,136
Library collections	272,500	349,344	193,567	146,199	339,766	9,578
Supplies	55,394	55,144	54,561	-	54,561	583
Contractual services	124,037	114,537	106,400	-	106,400	8,137
Utilities	161,768	156,024	145,576	-	145,576	10,448
Repairs and maintenance	111,490	110,990	53,714	-	53,714	57,276
Fuel and oil	2,200	2,200	1,243	-	1,243	957
Furniture, machinery and equipment	54,875	74,882	120,451	-	120,451	(45,569)
Insurance, bonds and licenses	38,849	38,849	38,636	-	38,636	213
Rent	36,249	36,249	36,188	-	36,188	61
Retiree health and dental	20,091	20,091	18,053	-	18,053	2,038
Other	9,945	9,856	7,634	-	7,634	2,222
Capital outlay	25,000	25,000	19,778	-	19,778	5,222
Total expenditures	<u>3,067,615</u>	<u>3,101,792</u>	<u>2,776,382</u>	<u>146,199</u>	<u>2,922,581</u>	<u>199,302</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(104,500)</u>	<u>(35,547)</u>	<u>156,015</u>	<u>-</u>	<u>6,001,177</u>	<u>211,653</u>
Net change in fund balances	<u>\$ (104,500)</u>	<u>\$ (35,547)</u>	<u>156,015</u>	<u>-</u>	<u>156,015</u>	<u>\$ 211,653</u>
Fund balance - beginning			<u>1,220,102</u>	<u>-</u>	<u>1,220,102</u>	
Fund balance - ending			<u>\$ 1,376,117</u>	<u>\$ -</u>	<u>\$ 1,376,117</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Victim Rights Fund
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fines and forfeitures	\$ 165,000	\$ 165,000	\$ 142,198	\$ (22,802)
Total revenues	<u>165,000</u>	<u>165,000</u>	<u>142,198</u>	<u>(22,802)</u>
Expenditures				
Current:				
Personnel services	208,540	208,540	157,206	51,334
Supplies	8,555	8,555	3,066	5,489
Contractual services	1,300	1,300	337	963
Utilities	2,401	2,401	3,483	(1,082)
Repairs and maintenance	999	999	398	601
Fuel and oil	4,000	4,000	2,573	1,427
Insurance, bonds and licenses	3,744	3,544	2,669	875
Other	3,450	3,450	1,079	2,371
Debt service:				
Principal retirement	-	200	-	200
Total expenditures	<u>232,989</u>	<u>232,989</u>	<u>170,811</u>	<u>62,178</u>
Deficiency of revenues under expenditures	<u>(67,989)</u>	<u>(67,989)</u>	<u>(28,613)</u>	<u>39,376</u>
Net change in fund balances	<u>\$ (67,989)</u>	<u>\$ (67,989)</u>	<u>(28,613)</u>	<u>\$ 39,376</u>
Fund balance - beginning			<u>21,961</u>	
Fund balance - ending			<u>\$ (6,652)</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Emergency Phone System Fund
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 244,643	\$ 169,643
Fees, licenses and permits	436,000	436,000	477,816	41,816
Investment income	7,500	7,500	974	(6,526)
Total revenues	<u>518,500</u>	<u>518,500</u>	<u>723,433</u>	<u>204,933</u>
Expenditures				
Current:				
Personnel services	52,800	52,800	49,990	2,810
Supplies	67,700	57,710	56,509	1,201
Contractual services	39,500	39,500	34,028	5,472
Utilities	288,450	296,820	289,773	7,047
Repairs and maintenance	500	500	-	500
Furniture, machinery and equipment	3,800	5,150	3,076	2,074
Insurance, bonds and licenses	895	895	742	153
Other	15,405	14,405	11,310	3,095
Debt service:				
Principal retirement	72,614	72,614	72,614	-
Interest and fiscal charges	5,752	5,752	5,752	-
Total expenditures	<u>547,416</u>	<u>546,146</u>	<u>523,794</u>	<u>22,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,916)</u>	<u>(27,646)</u>	<u>199,639</u>	<u>227,285</u>
Net change in fund balances	<u>\$ (28,916)</u>	<u>\$ (27,646)</u>	<u>199,639</u>	<u>\$ 227,285</u>
Fund balance - beginning			<u>594,957</u>	
Fund balance - ending			<u>\$ 794,596</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Accommodation Tax Fund
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 126,897	\$ 16,897
Investment income	1,500	1,500	238	(1,262)
Total revenues	<u>111,500</u>	<u>111,500</u>	<u>127,135</u>	<u>15,635</u>
Expenditures				
Current:				
Direct assistance	82,175	82,175	80,518	1,657
Total expenditures	<u>82,175</u>	<u>82,175</u>	<u>80,518</u>	<u>1,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,325</u>	<u>29,325</u>	<u>46,617</u>	<u>17,292</u>
Other financing uses				
Transfers out	<u>(29,325)</u>	<u>(29,325)</u>	<u>(30,095)</u>	<u>(770)</u>
Total other financing uses	<u>(29,325)</u>	<u>(29,325)</u>	<u>(30,095)</u>	<u>(770)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	16,522	<u>\$ 16,522</u>
Fund balance - beginning			<u>118,404</u>	
Fund balance - ending			<u>\$ 134,926</u>	

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Tourism Development Fee Fund
Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Fees, licenses and permits	\$ 225,000	\$ 225,000	\$ 224,210	\$ (790)
Investment income	5,000	5,000	498	(4,502)
Miscellaneous	-	-	5,000	5,000
Total revenues	<u>230,000</u>	<u>230,000</u>	<u>229,708</u>	<u>(292)</u>
Expenditures				
Current:				
Personnel services	34,071	33,821	34,659	(838)
Contractual services	600	600	4,795	(4,195)
Repairs and maintenance	28,000	28,000	-	28,000
Capital outlay	-	-	3,305	(3,305)
Debt service:				
Principal retirement	86,174	86,174	86,174	-
Interest and fiscal charges	13,826	13,826	13,826	-
Total expenditures	<u>162,671</u>	<u>162,421</u>	<u>142,759</u>	<u>19,662</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67,329</u>	<u>67,579</u>	<u>86,949</u>	<u>19,370</u>
Net change in fund balances	<u>\$ 67,329</u>	<u>\$ 67,579</u>	86,949	<u>\$ 19,370</u>
Fund balance - beginning			<u>266,562</u>	
Fund balance - ending			<u>\$ 353,511</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues				
Taxes	\$ 2,380,082	\$ 2,380,082	\$ 2,489,780	\$ 109,698
Intergovernmental	209,418	209,418	-	(209,418)
Investment income	-	-	789	789
Total revenues	<u>2,589,500</u>	<u>2,589,500</u>	<u>2,490,569</u>	<u>(98,931)</u>
Expenditures				
Current:				
Debt service:				
Principal retirement	1,891,374	1,778,803	1,763,230	15,573
Interest and fiscal charges	810,697	810,697	797,734	12,963
Total expenditures	<u>2,702,071</u>	<u>2,589,500</u>	<u>2,560,964</u>	<u>28,536</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,571)</u>	<u>-</u>	<u>(70,395)</u>	<u>(70,395)</u>
Transfers out	-	-	(53,918)	(53,918)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(53,918)</u>	<u>(53,918)</u>
Net change in fund balances	<u>\$ (112,571)</u>	<u>\$ -</u>	<u>(124,313)</u>	<u>\$ (124,313)</u>
Fund balance - beginning			<u>439,006</u>	
Fund balance - ending			<u>\$ 314,693</u>	

PICKENS COUNTY, SOUTH CAROLINA
Combining Statements
Agency Funds

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

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

PICKENS COUNTY, SOUTH CAROLINA

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year ended June 30, 2010

	Balance June 30, 2009	Receipts	Disbursements	Balance June 30, 2010
School District Fund				
Assets				
Cash	\$ 25,313,576	\$ 148,593,068	\$ 152,758,071	\$ 21,148,573
Accounts receivable - other	-	-	-	-
Property taxes receivable, net	3,987,389	149,425	23,908	4,112,906
	<u>\$ 29,300,965</u>	<u>\$ 148,742,493</u>	<u>\$ 152,781,979</u>	<u>\$ 25,261,479</u>
Liabilities				
Due to others	\$ 29,300,965	\$ 148,742,493	\$ 152,781,979	\$ 25,261,479
	<u>\$ 29,300,965</u>	<u>\$ 148,742,493</u>	<u>\$ 152,781,979</u>	<u>\$ 25,261,479</u>
Municipal Fund				
Assets				
Cash	\$ 72,184	\$ 9,283,564	\$ 9,284,912	\$ 70,836
Property taxes receivable, net	448,463	111,022	17,764	541,722
	<u>\$ 520,648</u>	<u>\$ 9,394,586</u>	<u>\$ 9,302,676</u>	<u>\$ 612,558</u>
Liabilities				
Accounts payable	\$ 72,184	\$ 9,118,189	\$ 9,119,529	\$ 70,844
Due to others	448,463	276,397	183,147	541,714
	<u>\$ 520,648</u>	<u>\$ 9,394,586</u>	<u>\$ 9,302,676</u>	<u>\$ 612,558</u>
Mini-bottle Fund				
Assets				
Cash	\$ -	\$ 193,997	\$ 193,997	\$ -
Liabilities				
Due to others	\$ -	\$ 193,997	\$ 193,997	\$ -
Fire District Fund				
Assets				
Cash	\$ -	\$ 174,090	\$ 174,090	\$ -
Liabilities				
Due to others	\$ -	\$ 174,090	\$ 174,090	\$ -
Magistrates' Fund				
Assets				
Cash	\$ 105,323	\$ 1,077,792	\$ 1,088,948	\$ 94,167
Liabilities				
Due to others	\$ 105,323	\$ 1,077,792	\$ 1,088,948	\$ 94,167
Family Court Fund				
Assets				
Cash	\$ 38,289	\$ 7,088,881	\$ 7,089,500	\$ 37,670
Liabilities				
Due to others	\$ 38,289	\$ 7,088,881	\$ 7,089,500	\$ 37,670

PICKENS COUNTY, SOUTH CAROLINA

Combining Statement of Changes in Fiduciary Assets and Liabilities Agency Funds Year ended June 30, 2010

Clerk of Court Fund

Assets								
Cash	\$	<u>993,044</u>	\$	<u>1,763,579</u>	\$	<u>1,907,475</u>	\$	<u>849,149</u>
Liabilities								
Due to others	\$	<u>993,044</u>	\$	<u>1,763,579</u>	\$	<u>1,907,475</u>	\$	<u>849,149</u>

Museum

Assets								
Cash	\$	<u>12,549</u>	\$	<u>22,366</u>	\$	<u>21,143</u>	\$	<u>13,771</u>
Liabilities								
Due to others	\$	<u>12,549</u>	\$	<u>22,366</u>	\$	<u>21,143</u>	\$	<u>13,771</u>

Library Foundation

Assets								
Cash	\$	<u>68,914</u>	\$	<u>5,614</u>	\$	<u>13,606</u>	\$	<u>60,921</u>
Liabilities								
Due to others	\$	<u>68,914</u>	\$	<u>5,614</u>	\$	<u>13,606</u>	\$	<u>60,921</u>

Total of all Agency Funds

Assets								
Cash and cash equivalents	\$	26,603,880	\$	168,202,950	\$	172,531,743	\$	22,275,087
Accounts receivable - other		-		-		-		-
Property taxes receivable		4,435,852		260,447		41,672		4,654,628
Total assets	\$	<u>31,039,732</u>	\$	<u>168,463,397</u>	\$	<u>172,573,414</u>	\$	<u>26,929,715</u>
Liabilities								
Accounts payable	\$	72,184	\$	9,118,189	\$	9,119,529	\$	70,844
Due to others		30,967,548		159,345,208		163,453,885		26,858,871
Total liabilities	\$	<u>31,039,732</u>	\$	<u>168,463,397</u>	\$	<u>172,573,414</u>	\$	<u>26,929,715</u>

PICKENS COUNTY, SOUTH CAROLINA

**Capital Assets Used in the Operation of Governmental Funds
Schedule of Capital Assets by Function
June 30, 2010**

Function	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Improvements and Infrastructure	Total
General government	\$ 1,778,247	\$ -	\$ 10,892,543	\$ 1,705,216	\$ -	\$ 14,376,006
Public safety	312,392	7,810	8,267,733	12,265,827	92,752	20,946,514
Public works	1,052,129	12,283	1,308,565	9,948,067	27,294,483	39,615,527
Public health and welfare	26,902	-	998,301	306,518	-	1,331,721
Culture and recreation	778,549	100,131	10,282,621	810,988	71,173	12,043,462
Economic development	109,298	538,988	-	7,203	710,146	1,365,635
Intergovernmental	-	-	1,193,598	-	-	1,193,598
Total governmental funds capital assets	\$ 4,057,517	\$ 659,212	\$ 32,943,361	\$ 25,043,819	\$ 28,168,554	\$ 90,872,463

PICKENS COUNTY, SOUTH CAROLINA

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes in Capital Assets by Function
 June 30, 2010

Function	Beginning of Year	Additions	Deletions	Transfers		End of Year
				In	Out	
General government administration	\$ 14,528,834	\$ 57,119	\$ 237,801	\$ 94,568	\$ 66,714	\$ 14,376,006
Public safety	20,217,973	1,190,731	399,915	19,714	81,989	20,946,514
Public works	38,925,959	756,366	80,118	25,085	11,765	39,615,527
Public health and welfare	1,297,899	41,083	-	61,110	68,371	1,331,721
Culture and recreation	11,422,996	659,284	20,047	-	18,771	12,043,462
Economic development	629,657	717,207	-	18,771	-	1,365,635
Intergovernmental	915,000	250,236	-	28,362	-	1,193,598
Total governmental funds capital assets	<u>\$ 87,938,318</u>	<u>\$ 3,672,026</u>	<u>\$ 737,881</u>	<u>\$ 247,610</u>	<u>\$ 247,610</u>	<u>\$ 90,872,463</u>

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STATISTICAL SECTION

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Statistical Section

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

CONTENTS	PAGE
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	99
Revenue Capacity	
These schedules contain trend information to help the reader assess the government's most significant local revenue sources.	105
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the County's ability to issue additional debt in the future.	109
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	113
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities	116

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

Pickens County, South Carolina

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities								
Invested in capital assets, net of related debt	\$ 5,340,081	\$ 5,432,002	\$ 13,090,011	\$ 18,309,975	\$ 38,341,795	\$ 41,537,095	\$ 33,371,208	\$ 35,269,425
Restricted	14,577,050	17,772,051	14,398,760	12,205,788	13,038,304	13,002,730	12,314,922	11,358,716
Unrestricted	14,079,175	7,576,829	10,188,977	16,849,075	15,010,111	15,754,877	22,977,434	25,011,349
Total governmental activities net assets	\$ 33,996,306	\$ 30,780,882	\$ 37,677,748	\$ 47,364,838	\$ 66,390,210	\$ 70,294,702	\$ 68,663,564	\$ 71,639,490
Business-type Activities								
Invested in capital assets, net of related debt	18,311,254	21,954,538	23,508,097	22,851,882	23,533,189	27,584,777	28,137,870	28,304,398
Restricted	225,157	288,265	351,373	414,481	477,589	540,697	603,805	631,008
Unrestricted (Deficit)	353,553	524,982	(26,653)	215,564	(249,782)	324,284	2,155,050	2,012,819
Total business-type activities net assets	\$ 18,889,964	\$ 22,767,785	\$ 23,832,817	\$ 23,481,927	\$ 23,760,996	\$ 28,449,758	\$ 30,896,725	\$ 30,948,225
Component Unit								
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	337,586	373,588
Unrestricted (Deficit)	-	-	-	-	-	-	337,586	373,588
Total component unit net assets	-	-	-	-	-	-	\$ 337,586	\$ 373,588
Primary Government								
Invested in capital assets, net of related debt	23,651,335	27,386,540	36,598,108	41,161,857	61,874,984	69,121,872	61,509,078	63,573,823
Restricted	14,802,207	18,060,316	14,750,133	12,620,269	13,515,893	13,543,427	12,918,727	11,989,724
Unrestricted	14,432,728	8,101,811	10,162,324	17,064,639	14,760,329	14,760,329	25,470,070	27,397,756
Total primary government net assets	\$ 52,886,270	\$ 53,548,667	\$ 61,510,565	\$ 70,846,765	\$ 90,151,206	\$ 97,425,628	\$ 99,897,875	\$ 102,961,303

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

Source: Annual Financial Statements

Pickens County, South Carolina

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
<u>Governmental activities:</u>								
General government	\$ 8,560,400	\$ 8,125,875	\$ 9,354,229	\$ 9,292,433	\$ 9,531,581	\$ 10,383,406	\$ 11,629,191	\$ 11,104,765
Public safety	12,100,263	13,822,142	14,377,237	17,028,781	17,381,994	18,701,286	20,164,030	20,917,120
Public works	8,364,990	10,379,251	9,324,127	10,061,181	10,182,540	11,342,672	12,499,271	10,179,397
Health and welfare	432,738	505,494	894,069	690,329	734,956	329,074	1,217,282	1,229,437
Cultural and recreation	2,188,427	2,445,278	3,334,446	3,615,200	4,168,650	4,197,104	5,433,793	5,206,481
Economic development	371,377	3,988,379	968,303	562,665	568,792	589,302	419,161	427,052
Intergovernmental	1,470,549	1,751,671	1,664,330	1,573,120	1,769,773	1,696,013	-	-
Capital outlay	69,230	1,395,421	-	-	-	-	-	-
Interest on long-term debt	471,710	352,715	551,100	483,791	423,517	432,473	140,600	94,907
Debt service - other	-	-	-	-	-	-	934,897	901,755
Total governmental activities expenses	34,029,684	42,766,226	40,467,841	43,307,500	44,761,803	47,671,330	52,438,225	50,060,914
<u>Business-type activities:</u>								
Public Service Commission	1,774,051	1,715,756	2,216,662	2,086,584	2,041,793	2,025,662	2,273,647	2,493,077
Airport	632,377	701,255	489,946	588,187	641,239	860,893	880,955	817,008
Total business-type activities expense	2,406,428	2,417,011	2,706,608	2,674,771	2,683,032	2,886,555	3,154,602	3,310,085
Total Primary Government Expenses	36,436,112	45,183,237	43,174,449	45,982,271	47,444,835	50,557,885	55,592,827	53,370,999
<u>Component unit activities:</u>								
Alliance Pickens	-	-	-	-	-	-	578,695	357,901
Total component unit expenses	-	-	-	-	-	-	578,695	357,901
Total expenses	36,436,112	45,183,237	43,174,449	45,982,271	47,444,835	50,557,885	56,171,522	53,728,900
Program Revenues								
<u>Governmental activities:</u>								
Charges for services								
General government	1,308,050	1,348,957	1,471,204	1,810,994	1,676,604	2,141,308	1,317,074	1,285,073
Public safety	4,604,670	5,110,166	5,375,064	6,666,736	6,833,609	6,738,601	6,833,279	7,042,849
Public works	1,036,287	1,144,015	1,360,549	1,236,061	3,281,515	3,355,920	1,189,219	1,135,204
Health and welfare	592	590	115	-	28,988	22,741	330	13,965
Cultural and recreation	293,322	316,517	292,931	379,457	551,901	592,737	416,725	440,966
Economic development	5,383	12,033	16,148	11,842	21,732	26,612	-	-
Operating grants and contributions	4,496,981	4,685,103	4,833,323	5,751,643	5,090,312	3,543,585	4,755,930	4,998,531
Capital grants and contributions	782,548	1,390,071	906,154	585,721	609,054	1,923,909	631,301	717,022
Total governmental activities program revenues	12,527,833	14,007,452	14,255,488	16,442,454	18,093,715	18,345,413	15,143,858	15,633,610

Pickens County, South Carolina

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Business-type activities:								
Charges for services								
Public Service Commission	753,771	981,678	1,118,346	1,248,421	1,111,067	1,195,127	949,682	1,223,966
Airport	282,362	346,733	147,886	253,965	287,119	413,056	474,368	433,935
Operating grants and contributions	-	900	-	10,672	-	69,971	884	-
Capital grants and contributions	2,241,645	2,029,225	1,983,498	110,896	710,863	1,170,716	2,088,611	1,179,087
Total business-type activities program revenues	3,277,778	3,358,536	3,249,730	1,623,954	2,109,049	2,848,870	3,513,545	2,836,988
Total Primary Government Program Revenues	15,805,611	17,365,988	17,505,218	18,066,408	20,202,764	21,194,283	18,657,403	18,470,598
Component unit activities:								
Alliance Pickens	-	-	-	-	-	-	192,613	393,903
Total component unit revenues:	-	-	-	-	-	-	192,613	393,903
Total revenues	15,805,611	17,365,988	17,505,218	18,066,408	20,202,764	21,194,283	18,850,016	18,864,501
Net (Expense) Revenue								
Governmental activities	(21,501,851)	(28,758,774)	(26,212,353)	(26,865,046)	(26,668,088)	(29,325,917)	(37,294,367)	(34,427,304)
Business-type activities	871,350	941,525	543,122	(1,050,817)	(573,983)	(37,685)	358,943	(473,097)
Component unit activities	-	-	-	-	-	-	(386,082)	36,002
Total Primary Government	(20,630,501)	(27,817,249)	(25,669,231)	(27,915,863)	(27,242,071)	(29,363,602)	(37,321,506)	(34,864,399)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes	20,781,733	22,431,734	25,261,022	28,051,248	28,144,246	29,960,665	31,541,678	32,288,793
Grants and contributions	5,156,251	5,217,805	5,271,087	5,495,186	6,139,217	6,774,688	6,626,329	5,592,546
Investment earnings	170,189	130,491	380,469	548,420	966,546	682,166	299,313	111,949
Fees, licenses, and permits	187,896	172,772	132,091	143,335	-	-	-	-
Miscellaneous	703,406	139,129	1,311,031	3,018,377	391,397	269,712	330,760	84,577
Gain on sale of capital assets	1,717,778	-	-	-	(509)	53,454	(323,162)	-
Transfer of Capital Asset	(563,029)	(2,936,293)	(521,911)	(699,927)	(872,089)	(4,798,421)	(2,463,024)	(674,635)
Transfers	28,154,224	25,155,638	31,833,789	36,556,639	34,768,808	32,942,264	36,011,894	37,403,230
Total governmental activities	563,029	2,936,293	521,911	699,927	872,089	4,798,421	2,088,024	674,635
Business-type activities:								
Transfers	563,029	2,936,293	521,911	699,927	872,089	4,798,421	2,088,024	674,635
Total business-type activities	563,029	2,936,293	521,911	699,927	872,089	4,798,421	2,088,024	674,635
Total Primary Government	28,717,253	28,091,931	32,355,700	37,256,566	35,640,897	37,740,685	38,099,918	38,077,865

Pickens County, South Carolina

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Component Unit Activities:								
Transfers	-	-	-	-	-	-	375,000	-
Total component unit activities:	-	-	-	-	-	-	375,000	-
Change in Net Assets								
Governmental activities	6,652,373	(3,603,136)	5,621,436	9,691,593	8,100,720	3,616,347	(1,282,473)	2,975,926
Business-type activities	1,434,379	3,877,818	1,065,033	(350,890)	298,106	4,760,736	2,446,967	201,538
Component unit activities	-	-	-	-	-	-	(11,082)	36,002
Total Primary Government	\$ 8,086,752	\$ 274,682	\$ 6,686,469	\$ 9,340,703	\$ 8,398,826	\$ 8,377,083	\$ 1,153,412	\$ 3,213,466

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

Source: Annual Financial Statements

Pickens County, South Carolina

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 231,758	\$ 1,382,532	\$ 2,839,838	\$ 2,201,434	\$ 1,914,549	\$ 1,784,717	\$ 1,597,235	\$ 2,455,301	\$ 3,713,840	\$ 3,045,149
Unreserved	13,110,297	13,849,205	12,897,458	11,192,229	13,130,692	16,862,916	21,527,579	23,882,694	20,870,743	23,176,899
Total General Fund	13,342,055	15,231,737	15,737,296	13,393,663	15,045,241	18,647,633	23,124,814	26,337,995	24,584,583	26,222,048
All Other Governmental Funds										
Reserved	623,280	579,651	-	912,526	1,135,204	843,318	535,141	541,633	541,633	314,693
Debt service	-	-	228,371	3,887,756	1,057,463	328,664	620,352	2,000,027	558,733	1,417,705
Other reserves	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,119,214	377,484	6,228,918	11,880,410	11,829,130	12,118,506	12,938,696	11,793,525	10,705,047	9,184,588
Debt service funds	-	4,827	607,878	-	-	-	-	-	(102,627)	-
Capital project funds	7,349,071	11,438,802	8,463,898	2,186,523	1,527,628	1,214,214	671,084	887,462	444,405	441,815
Total All Other Governmental Funds	11,091,565	12,400,764	15,529,065	18,867,215	15,549,425	14,504,702	14,765,273	15,222,647	12,147,191	11,358,801
Total Governmental Fund Balance	\$ 24,433,620	\$ 27,632,501	\$ 31,266,361	\$ 32,260,878	\$ 30,594,666	\$ 33,152,335	\$ 37,890,087	\$ 41,560,642	\$ 36,731,774	\$ 37,580,849

Source: Annual Financial Statements

Pickens County, South Carolina

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

	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 19,057,929	\$ 21,259,787	\$ 20,633,138	\$ 22,507,766	\$ 25,315,693	\$ 27,909,119	\$ 27,883,001	\$ 29,593,673	\$ 29,907,909	\$ 31,463,280
Fees, licenses and permits	658,944	694,433	4,245,388	4,609,257	4,560,429	4,894,813	5,108,915	5,461,999	5,307,166	5,429,003
Intergovernmental	8,723,748	8,309,830	8,350,505	9,251,235	8,699,593	9,335,262	11,210,389	11,045,142	10,109,495	9,050,636
Charges for services	4,524,806	4,094,039	3,888,066	4,335,537	4,790,488	5,722,544	6,398,628	6,251,805	5,886,863	6,324,966
Fines and forfeitures	1,046,146	2,647,179	929,332	927,665	808,594	938,369	942,141	975,288	832,055	899,557
Investment income	877,659	492,804	331,430	251,702	593,511	1,024,978	1,520,297	1,176,242	451,499	179,095
Rental income									22,103	20,052
Contributions	23,336	3,148	16,231	12,257	255,299	115,668	74,446	148,642	21,720	15,136
Miscellaneous	321,500	405,950	170,442	137,773	651,182	705,252	159,906	190,062	1,522,903	114,601
Total Revenues	35,234,068	38,907,170	38,564,532	42,033,192	45,674,789	50,646,005	53,297,723	54,842,853	54,061,713	53,496,326
Expenditures										
General government	5,589,296	7,258,565	7,661,096	8,081,076	8,616,734	8,932,315	9,155,233	9,861,628	10,307,518	10,099,195
Public safety	8,415,448	10,928,234	11,686,937	14,389,530	14,971,515	17,207,330	16,249,967	17,453,255	19,122,790	19,700,901
Public works	4,911,711	5,420,038	7,807,873	9,569,400	8,858,010	10,324,117	8,939,715	9,914,630	11,877,268	9,375,375
Health and welfare	238,344	308,899	395,499	440,974	644,549	661,020	690,162	778,940	823,673	758,168
Culture and recreation	1,713,287	1,973,758	2,117,156	2,336,952	3,145,300	3,483,387	3,863,186	3,892,592	3,938,808	3,779,990
Economic development	101,815	154,143	245,912	3,876,989	904,739	1,050,117	548,535	570,531	397,421	397,622
Other	3,992,266	578,616	523,343	1,589,548	133,632	127,681	169,233	73,067	452,016	1,587,236
Intergovernmental	1,236,830	1,898,313	1,447,674	162,123	1,530,698	1,422,564	1,577,665	1,673,392	1,325,975	94,907
Capital outlay	4,284,051	4,476,810	2,992,437	6,389,198	6,218,964	959,939	3,930,308	4,120,698	7,085,512	3,672,036
Debt service										
Principal	1,159,062	1,221,322	1,570,285	1,489,332	2,007,512	2,810,309	1,767,801	1,767,006	2,135,545	2,018,689
Interest	700,847	772,145	611,136	679,553	928,310	982,553	845,923	790,629	902,872	896,901
Total Expenditures	32,342,957	34,990,843	37,039,348	49,004,675	47,959,963	47,961,132	47,737,728	50,896,368	58,369,398	52,381,010
Excess of Revenues Over (Under) Expenditures	2,891,111	3,916,327	1,505,184	(6,971,483)	(2,285,174)	2,684,873	5,559,995	3,946,485	(4,307,685)	1,115,316
Other Financing Sources (Uses)										
Proceeds from capital lease	-	466,839	973,923	2,965,781	284,300	572,725	-	360,000	490,510	408,394
Proceeds from notes payable	-	-	-	1,988,315	-	-	-	-	-	-
Proceeds from bond issuance	-	3,690,000	-	7,801,372	800,000	-	-	3,874,344	1,800,000	-
Payment to escrow agent	-	(3,651,706)	-	-	-	-	-	-	-	-
Transfer of capital asset	-	-	1,717,778	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	135,138	56,566	-	-	-	-	-
Transfers in (out)	(511,217)	(1,476,488)	(563,029)	(2,936,293)	(521,911)	(699,927)	(872,089)	(4,798,421)	(2,463,024)	(674,635)
Total Other Financing Sources (Uses)	(511,217)	(971,355)	2,128,672	9,954,313	618,955	(127,202)	(872,089)	(564,077)	(172,514)	(266,241)
Net Change in Fund Balance	\$ 2,379,894	\$ 2,944,972	\$ 3,633,856	\$ 2,982,830	\$ (1,666,219)	\$ 2,557,671	\$ 4,687,906	\$ 3,382,408	\$ (4,480,199)	\$ 849,075
Debt Service as a percentage of noncapital expenditures	6.63%	6.53%	6.40%	5.09%	7.03%	8.07%	5.97%	5.47%	5.92%	5.99%

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

Source: Annual Financial Statements

Pickens County, South Carolina

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

Fiscal Year 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	Actual Taxable Value
2001	2000	164,630,292	128,236,734		292,867,026	66.20	5,571,360,080	5,571,360,080	5.26%
2002	2001	172,210,774	136,022,956		308,233,730	72.40	6,164,674,600	6,164,674,600	5.00%
2003	2002	186,995,306	124,960,109		311,955,415	66.70	6,074,712,060	6,074,712,060	5.14%
2004	2003	191,866,823	124,008,174		315,874,997	67.70	6,236,514,740	6,236,514,740	5.06%
2005	2004	203,068,376	115,654,380		318,722,756	74.80	6,206,812,380	6,206,812,380	5.14%
2006	2005	269,309,178	116,884,194		386,193,372	70.00	6,623,699,956	6,623,699,956	5.83%
2007	2006	282,718,664	113,649,991		396,368,655	69.10	6,870,455,103	6,870,455,103	5.77%
2008	2007	290,390,511	112,850,047		403,240,558	69.10	7,090,308,644	7,090,308,644	5.69%
2009	2008	310,458,774	110,238,582		420,697,356	69.10	7,423,479,505	7,423,479,505	5.67%
2010	2009	319,731,823	102,207,991		421,939,814	69.10	7,505,625,497	7,505,625,497	5.62%

(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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
County Wide Tax Rates										
General County	60.9	64.8	59.3	60.3	65.9	60.9	60.0	60.0	60.0	60
Tri-County Technical	2.3	3.1	3.0	3.0	3.0	2.7	2.7	2.7	2.7	2.7
Library	3.0	4.5	4.4	4.4	5.9	6.4	6.4	6.4	6.4	6.4
Total Direct Rate	66.2	72.4	66.7	67.7	74.8	70.0	69.1	69.1	69.1	69.1
City Rates										
Easley	56.0	61.7	61.7	61.7	61.7	59.0	61.0	61.0	61.0	61.0
Liberty	79.0	79.0	77.0	77.0	87.0	77.5	77.5	77.5	77.5	77.5
Norris	68.0	75.0	75.0	75.0	75.0	77.2	77.2	77.2	77.2	77.2
Central	63.0	63.0	63.0	63.0	63.0	59.0	61.0	63.0	64.8	67.3
Clemson	79.1	81.6	81.6	81.6	81.6	76.9	77.9	79.5	81.0	81.0
Six Mile	37.0	37.0	37.0	37.0	37.0	36.0	36.0	36.0	36.0	36.0
Pickens	48.0	48.0	48.0	48.0	48.0	46.7	46.7	48.5	50.0	52.0
School District Rate	123.9	128.9	135.5	132.7	138.2	130.9	128.0	167.0	165.0	159.0
Special District Rates										
Keowee Vineyards	-	-	-	18.8	57.6	34.0	32.7	36.2	37.3	38.9
Pumpkintown	-	-	-	-	14.2	-	-	-	-	-
Shady Grove	-	-	-	-	26.8	19.0	14.5	12.9	12.0	11.5
County Sewer	-	-	2.7	2.7	1.6	0.5	0.5	1.5	1.5	1.5
Georges Creek	1.1	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6
Sedgewood	8.7	8.7	8.7	8.4	8.4	7.3	7.0	5.0	4.3	4.3
Saluda Lake	15.0	15.0	15.0	15.0	15.0	10.6	10.6	10.6	10.6	10.6

Note: Property was reassessed as of 1999-2000

Source: Pickens County Auditor's Office

Pickens County, South Carolina

Principal Property Taxpayers
Current Fiscal Year and Nine Fiscal Years Ago

		2010		2001	
Taxpayer	Taxable Assessed Value	Percent of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percent of Total Taxable Assessed Value
Duke Energy Corporation	\$ 16,989,740	4.03%	Duke Energy Corporation	\$ 13,181,190	4.50%
Blue Ridge Electric Coop., Inc	5,055,750	1.20%	BASF Corporation	4,108,340	1.40%
Bellsouth Telecommunications	4,071,770	0.97%	Blue Ridge Electric	3,448,430	1.18%
Keowee River Club LLC	3,333,725	0.79%	Sauer Danfoss	2,026,010	0.69%
Reliable Automatic Sprinkler	1,638,750	0.39%	Bellsouth Telecommunications	1,932,890	0.66%
Sauer Danfoss US Company	1,452,875	0.34%	McKechnie Plastic Co	1,540,080	0.53%
Shaw Industries Group Inc	1,439,941	0.34%	American House Spinning Inc	1,514,990	0.52%
Champion Aerospace LLC	1,243,690	0.29%	OWT Industries Inc	1,318,770	0.45%
Pacesetter Inc	1,198,612	0.28%	Ryobi Die Casting	1,158,660	0.40%
CH Industries Inc	1,101,530	0.26%	Alice Manufacturing	1,102,580	0.38%
Total	\$ 37,526,383	8.89%		\$ 31,331,940	10.70%

Source: Pickens County Auditor's Office

Pickens County, South Carolina

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

Fiscal Year Ended June 30,	Total Adjusted Levy (1)	Collected within the Fiscal Year of the Levy (2)		Receivable June 30, 2010	Estimated Tax Collections to Date (3)	
		Amount	Percentage of Adjusted Levy		Estimated Amount	Percentage of Adjusted Levy
2001	13,093,314	11,201,107	85.55%	17,390	13,075,924	99.87%
2002	14,999,432	12,512,738	83.42%	33,167	14,966,265	99.78%
2003	14,209,581	12,485,752	87.87%	43,735	14,165,846	99.69%
2004	14,916,445	13,446,296	90.14%	58,044	14,858,401	99.61%
2005	16,375,917	14,769,963	90.19%	73,213	16,302,704	99.55%
2006	17,824,985	16,133,203	90.51%	78,394	17,746,591	99.56%
2007	17,398,589	15,977,443	91.83%	130,259	17,268,331	99.25%
2008	17,475,608	16,600,160	94.99%	146,013	17,329,595	99.16%
2009	18,379,527	17,426,581	94.82%	189,603	18,189,924	98.97%
2010	19,009,045	17,968,836	94.53%	882,450	18,126,595	95.36%

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, 2010, 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

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Revenue Bonds	Capital Leases	Notes Payable	Sewer Revenue Bonds	Notes Payable			
2001	8,105,000	2,170,686	1,027,496	3,063,775	5,555,958	400,000	20,322,915	0.85%	183
2002	7,280,000	1,956,193	1,302,599	6,447,248	5,503,224	320,833	22,810,097	0.91%	205
2003	6,395,000	1,728,196	1,941,310	6,325,989	5,447,929	270,833	22,109,257	0.87%	198
2004	13,415,000	1,486,124	2,552,405	7,800,409	5,389,950	220,833	30,864,721	1.18%	275
2005	13,405,000	1,228,464	2,119,865	7,364,442	5,329,156	170,834	29,617,761	1.11%	262
2006	12,506,000	-	2,314,240	7,059,933	5,265,412	120,833	27,266,418	0.97%	240
2007	11,529,000	-	1,840,176	6,743,196	5,198,573	70,833	25,381,778	0.85%	221
2008	14,353,470	-	1,812,503	6,413,737	5,128,488	20,833	27,729,031	0.89%	239
2009	15,405,526	-	1,258,102	6,071,047	5,055,001	-	27,789,676	0.86%	236
2010	14,121,644	-	1,291,643	5,714,593	4,977,946	-	26,105,826	0.78%	220

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

Fiscal Year Ended June 30,	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Debt Per Capita (2)
2001	8,105,000	0.15%	73
2002	7,280,000	0.12%	65
2003	6,395,000	0.11%	57
2004	13,415,000	0.22%	119
2005	13,405,000	0.22%	119
2006	12,506,000	0.19%	110
2007	11,529,000	0.17%	100
2008	14,353,470	0.20%	124
2009	15,405,526	0.21%	131
2010	14,121,644	0.19%	119

Note:

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

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

Source: Annual Financial Statements

Pickens County, South Carolina

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

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed valuation	\$ 421,939,814
Less: exemptions	-
Net assessed value	<u>\$ 421,939,814</u>
Debt limit - 8 percent of total assessed value	\$ 33,755,185
Amount of debt applicable to debt limit	<u>10,977,065</u>
Legal debt margin	<u>\$ 22,778,120</u>

	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 23,423,892	\$ 24,380,890	\$ 29,973,504	\$ 31,709,492	\$ 32,259,245	\$ 33,655,788	\$ 33,755,185
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>
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>
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%

Notes:

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

Source: Annual Financial Statements

Pickens County, South Carolina

Pledged Revenue Coverage Last Nine Fiscal Years

Series 1999A and 1999B Revenue Bonds (1)				Sewer System Revenue Bonds (2)			
Funding Source: Fee in lieu of taxes				Funding Source: Capital charges and transfers			
Fiscal Year	Available Revenue	Debt Service		Fiscal Year	Available Revenue	Debt Service	
		Principal	Interest			Principal	Interest
	Coverage						Coverage
2002	1.000	214,493	137,529	2002	315,504	52,734	262,770
2003	1.000	227,997	124,025	2003	315,504	55,294	260,210
2004	1.000	242,073	109,949	2004	315,504	57,979	257,525
2005	1.000	257,661	94,361	2005	315,504	60,794	254,710
2006	n/a	n/a	n/a	2006	315,504	63,745	251,759
2007	n/a	n/a	n/a	2007	315,504	66,840	248,664
2008	n/a	n/a	n/a	2008	315,504	70,085	245,419
2009	n/a	n/a	n/a	2009	315,504	73,487	242,017
2010	n/a	n/a	n/a	2010	315,504	77,055	238,449

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

Source: Annual Financial Statements

Pickens County, South Carolina

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2001	111,089	2,381,281,000	21,436	2.4%
2002	111,511	2,503,768,000	22,453	4.3%
2003	111,596	2,548,318,000	22,835	5.3%
2004	112,310	2,612,478,000	23,261	6.1%
2005	113,062	2,667,544,000	23,594	5.1%
2006	113,729	2,802,829,000	24,645	6.7%
2007	114,948	2,975,798,000	25,888	5.8%
2008	116,113	3,118,282,000	26,856	5.3%
2009	117,525	3,216,277,000	27,367	8.6%
2010 (1)	118,435	3,340,168,623	28,203	10.6%

Notes:

(1) Personal Income and Per Capita Personal Income for 2010 were estimated based on the average yearly change over the last five years.

2008 new estimates and prior year revisions released April 22, 2010.

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, 2010

Company or Organization	Number of Employees	Percent of Total County Employment
State of South Carolina	4,800	9.15%
Clemson University	3,500	6.67%
School District of Pickens County	1,893	3.61%
Contract Environmental Services (CES)	1,200	2.29%
Reliable Automatic Sprinkler Company, Inc.	900	1.71%
ARAMARK Services	800	1.52%
OWT Industries	700	1.33%
Confluence Watersports	650	1.24%
Wal-Mart	531	1.01%
Palmetto Baptist Medical Center	460	0.88%
	15,434	29.41%

June 30, 2001

Company or Organization	Number of Employees	Percent of Total County Employment
Clemson University	8,593	18.33%
State of South Carolina	3,554	7.58%
School District of Pickens County	1,850	3.95%
Alice Manufacturing Co. - Arial Plant	1,200	2.56%
Palmetto Baptist Medical Center	720	1.54%
Bi-Lo	538	1.15%
Dayco Products, Inc	443	0.95%
BASF Corp - Clemson Plant	439	0.94%
Pickens County	413	0.88%
Champion Aviation Products	402	0.86%
	18,152	38.73%

Source: Appalachian Council of Governments and InfoMentum.

Pickens County, South Carolina

Authorized County Employee Positions by Function Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	138	140	144	147	150	147	147	148	150	146
Public safety	207	221	228	232	251	262	268	267	275	278
Public works	98	100	102	103	102	105	105	104	102	97
Health and welfare	6	7	8	8	9	9	9	9	10	11
Culture and recreation	50	50	50	51	68	70	70	70	69	70
Transportation	5	5	6	5	3	4	4	4	4	3
Economic Development	3	2	2	3	3	3	3	0	0	0
Intergovernmental	1	1	1	1	1	1	1	1	1	1
Total authorized positions	508	526	541	550	587	601	607	603	611	606

Source: County's Adopted Budget

Pickens County, South Carolina

Operating Indicators by Function/Program
Fiscal Years 2005-2010 (1)

Function/Program	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
General government						
Probate Court estate cases	694	739	716	785	737	716
Marriage license applications	801	769	796	718	762	739
Register of Deeds documents filed	26,845	29,363	27,188	19,605	21,543	20,292
Clerk of Court civil cases filed	1,905	1,989	1,921	2,233	3,092	3,652
Clerk of Court warrants received	4,041	4,194	3,384	3,615	3,009	3,545
Vehicle bills and renewals processed	192,371	115,319	109,141	111,797	117,633	115,593
Magistrate case filings	16,780	19,040	16,791	20,685	17,384	18,162
Public Safety						
Sheriff 911 calls received	36,726	37,014	35,295	38,167	39,364	44,835
Coroner's Office investigations	204	196	200	n/a	426	568
Prison inmates received	560	597	621	742	678	709
EMS ambulance calls	12,110	12,608	14,498	15,158	14,810	14,494
Victim Rights services and assistance	7,103	7,208	7,792	8,026	8,191	N/A
Public Works						
Solid Waste transfer station tonnage	44,407	41,464	44,356	42,042	40,785	39,974
Recyclables tonnage	9,290	9,030	3,558	7,742	6,618	5,078
Roads paved	35	36	65	n/a	113	89
Signs installed/repaired	428	457	1,649	n/a	114	270
Health and Welfare						
Animal Control calls received	11,455	9,985	9,713	9,808	10,292	11,143
Veteran's Affairs claims/actions	23,359	23,073	21,517	24,662	24,706	24,792
Culture and Recreation						
County Park						
Park camping and day use passes	5,882	6,713	5,787	7,360	7,993	7,229
Museum & Mill visitors (2)	21,456	19,277	32,527	33,789	34,171	33,665
Library visitors	355,840	426,075	426,829	480,822	546,557	575,410
Public Service Commission						
Wastewater Treated /Gallons	306,732,858	280,842,244	333,899,990	298,610,000	307,653,081	323,979,349

Notes:

- (1) Only five years of data could accurately be provided for this schedule.
- (2) Museum closed September 2004 to April 2006 due to construction.

Source: County's Adopted Budget and County departments

Pickens County, South Carolina

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Sheriff Patrol units	82	88	92	93	94	101	101	101	102	102
EMS Stations	6	6	6	6	6	7	7	7	8	8
Public Works										
Solid Waste convenience centers	8	8	8	8	8	8	8	8	8	8
Roads (miles)	164.7	168.3	171.5	172.3	174.1	181.2	182.0	183.6	184.8	185.3
Bridges	53	54	58	59	66	68	68	73	74	74
Public Service Commission										
Sanitary sewers (miles)	15.41	15.91	17.06	23.51	26.5	26.75	28.29	28.61	28.81	28.81
Culture and Recreation										
Number of county parks	1	1	1	1	2	2	2	2	2	2

Source: County's Adopted Budget and County departments

SINGLE AUDIT SECTION

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

Pickens County Council
Pickens County, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the Alliance Pickens (the "Alliance"), a discretely presented component unit, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina (the "County") as of and for the year ended June 30, 2010, and have issued our report thereon dated November 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 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. We considered the deficiency described in the accompanying schedule of findings and questioned costs as item 10-01 to be a significant deficiency.

COMPLIANCE AND OTHER MATTERS

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

We noted certain matters that we reported to management of the County in a separate letter dated November 24, 2010.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

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

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

Greenville, South Carolina
November 24, 2010



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

Pickens County Council
Pickens County, South Carolina

Compliance

We have audited Pickens County, South Carolina's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

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

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

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

Greenville, South Carolina
November 24, 2010

PICKENS COUNTY, SOUTH CAROLINA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted _____ yes X no

Federal Awards

Internal control over major federal programs:

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

Noncompliance material to federal awards _____ yes X no

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

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.563	Department of Social Services Title IV-D
14.228	Quickjobs Development Center

PICKENS COUNTY, SOUTH CAROLINASchedule of Findings and Questioned Costs
For the Year Ended June 30, 2010**Section I. Summary of Auditors' Results (continued)**Dollar threshold used to distinguish between
Type A and Type B Programs\$ 300,000

Auditee qualified as low-risk auditee?

 yes X no

PICKENS COUNTY, SOUTH CAROLINA**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010****Section II. Financial Statement Findings****Finding: 10-01-Bank Reconciliations****Criteria:**

Internal controls over cash management procedures require that bank statements be reconciled to the general ledger on a monthly basis; failure to do so is considered to be a significant deficiency. Such reconciliations identify errors, irregularities and adjustments to general ledger accounts.

Condition:

Certain bank account reconciliations were not performed for the period July through October 2009.

Effect:

The County is not in compliance with cash management procedures of preparing bank account reconciliations on a timely basis.

Cause:

One of the duties of the Staff Accountant position within the Finance Department is preparing the monthly bank reconciliations. Due to turnover in this position during fiscal year 2009, bank reconciliations were not being prepared on a timely basis. As of the beginning of fiscal year 2010, the County's staff accountant position was not filled. Consequently, timely reconciliations were not completed for several months in fiscal year 2010.

Recommendation:

Policies and procedures should be put into place to ensure that bank reconciliations are timely prepared and reviewed by Management on a monthly basis. The County should designate an alternate person to prepare bank reconciliations should employment of the primary preparer be terminated or this person is absent.

Management response:

See corrective action plan.

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, 2010****Section IV. Resolution of Prior Year Findings****Finding: 09-01-Bank Reconciliations****Condition:**

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

This condition continues to exist and is finding 10-01 for the year ended June 30, 2010.

Finding: 09-02 – Refunding interest on Title IV-D Collections – CFDA# 93.563**Condition:**

There were no instances found where interest earned on Title IV-D collections was reported and remitted to the CSED on a quarterly basis.

Management has set up a non-interest bearing account in for all Title IV-D funds in order to avoid any potential penalties.

Management has addressed this condition and it does not exist as of June 30, 2010.

Finding: 09-03 – Procurement, Suspension and Debarment – CFDA# 97.078**Condition:**

There were no instances found where the County reviewed the EPLS, obtained a certification or added a clause or condition to the covered transactions tested.

Management has notified the County purchasing manager, Steve Grant, of the requirement to screen all vendors and he has implemented procedures to ensure any vendors used by the County are not included in the excluded parties' list system.

Management has addressed this condition and it does not exist as of June 30, 2010

Finding: 09-04 – Non-submission/late filing of required reports/requests for payment– CFDA 97.078**Condition:**

No instances were found where quarterly fiscal reports were submitted. No instances were found where semi-annual progress reports were submitted. No instances were found where requests for payments were filed within 30 days of the end of each calendar quarter.

Management has notified key personnel responsible for filing of reports of the compliance requirements. Procedures have been implemented to ensure all reports are timely filed. No exceptions to timely filing of reports were noted in the current year.

Management has addressed this condition and it does not exist as of June 30, 2010

PICKENS COUNTY, SOUTH CAROLINA**Corrective Action Plan
For the Year Ended June 30, 2010**

The corrective action plan for the finding from the schedule of questioned costs and findings for the year ended June 30, 2010 is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Section III. Federal Award Questioned Costs & Findings**Finding: 10-01 – Bank Reconciliations**

The County has purchased an additional module available within the current financial software that will allow for the reconciliation of bank statements instead of using separate cumbersome spreadsheets. The County implemented this corrected process in August 2009.

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor / Program Title	Federal CFDA Number	Grant / Award Number	Federal Expenditures	Loan Amount Outstanding
<u>US Department of Agriculture</u>				
Rural Development Loans				
18 Mile Creek Upper Project (PL004)	10.760		-	3,208,703
18 Mile Creek Middle Project (PL003)	10.760		-	1,769,243
18 Mile Creek Middle Trunk Project (G*201)	23.001	Contract # 2543	89,736	-
Passed through SC Forestry Commission				
2009 VFA National Fire Plan - Dacusville (G*220)	10.664		1,400	-
2009 VFA Title II - Holly Springs (G*221)	10.664		1,000	-
FY09 VFA Title II - Pumpkintown (G*229)	10.664		-	-
			92,136	4,977,946
<u>US Department of Justice</u>				
FY2009 Justice Assistance Grant (G*215)	16.738	2009-DJ-BX-0215	-	-
American Recovery & Reinvestment Act of 2009 (ARRA)				
FY2009 Recovery Act JAG (G*209)	16.804	2009-SB-B90663	62,529	-
Passed through SC Department of Public Safety				
VAWA Domestic Investigator/Advocate Year 7 (G*194)	16.588	1K08010	16,143	-
VAWA Domestic Investigator/Advocate Year 8 (G*213)	16.588	1KS09009	49,280	-
2009 State Criminal Alien Assistance Program (G*222)	16.606	2009-AP-BX-0861	1,435	-
			129,388	-
<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		14,636	- *
Dept. of Social Services Title IV-D Unit Cost	93.563		123,327	- *
Dept. of Social Services Title IV-D Filing Fees	93.563		40,800	- *
Dept. of Social Services Title IV-D Incentives	93.563		28,492	- *
			207,255	-
<u>US Department of Homeland Security</u>				
Passed through SC Office of Adjutant General, Emergency Preparedness Division				
Emergency Management Performance Grant(s)				
FY2008 LEMPG Award Amendment (G*192)	97.042	8EMPG01	5,434	-
FY2009 LEMPG (G*208)	97.042	9EMPG01	38,198	-
FY2009 LEMPG Award Amendment (G*208)	97.042	9EMPG01	-	-
FY2010 LEMPG (G*218)	97.042	10EMPG01	-	-
Passed through SC Law Enforcement Division				
Passed through SC Law Enforcement Division				
2006 Buffer Zone Protection Program (BZPP)				
Jocassee Pumped Storage Project (G*187)	97.078	6BZPP03	-	-
			43,631	-
<u>US Department of Energy</u>				
American Recovery & Reinvestment Act of 2009 (ARRA)				
Energy Efficiency & Conservation Block Grant (EECBG)				
EECBG - ARRA (G*223)	81.128	DE-EE0000952 EAP-02	-	-
American Recovery & Reinvestment Act of 2009 (ARRA)				
Conservation Research & Development				
Propane Corridor Development Program (G*225)	81.086	Sub-Award# V10-123-13	-	-
			-	-
<u>US Department of Housing and Urban Development</u>				
Passed through SC Department of Commerce				
QuickJobs Development Center (G*182)	14.228	4-W-07-006	358,228	- *
			358,228	-
			\$ 830,638	\$ 4,977,946

* Indicates major program

See accompanying note to Schedule of Expenditures of Federal Awards.

PICKENS COUNTY, SOUTH CAROLINANote to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 20101. 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.

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COMPLIANCE SECTION

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Pickens County
Victim Services
Supplementary Schedule of Assessments

Clerk of Court Collections

Fines and fees	\$ 525,549
Assessments	101,584
Surcharges	<u>158,060</u>
Total Clerk of Court Collections	<u>785,193</u>

Magistrate Court Collections

Fines and fees	477,277
Assessments	344,755
Surcharges	<u>194,072</u>
Total Collections for Magistrate Court	<u>1,016,104</u>
Total Collections for Clerk of Court and Magistrate Court	<u>\$ 1,801,297</u>

Clerk of Court Retainage

Fines and fees	\$ 248,783
Assessments	25,048
Surcharges	<u>59,963</u>
Total Clerk of Court Retainage	<u>333,794</u>

Magistrate Court Retainage

Fines and fees	454,540
Assessments	33,765
Surcharges	<u>23,422</u>
Total Magistrate Court Retainage	<u>511,727</u>
Total Retainage for Clerk of Court and Magistrate Court	<u>\$ 845,521</u>

Amount Remitted to State Treasurer

Fines and Assessments	<u>\$ 955,776</u>
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Amount of Funds Allocated to Victim Services by Fund Source

From Assessments and Surcharges	<u>142,198</u>
	<u>\$ 142,198</u>

<u>Funds Carried Forward to Fiscal Year 2011 Designated as Victim Services Funds</u>	<u>\$ 28,613</u>
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