

**PICKENS COUNTY,
SOUTH CAROLINA**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

*Issued By
Pickens County Finance Department*

PICKENS COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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INTRODUCTORY SECTION

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COUNTY OF PICKENS

Office of Finance



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

COUNCIL MEMBERS

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

December 3, 2007

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, 2007, is hereby submitted pursuant to South Carolina Code Title 4 Chapter 9 Section 150 of the South Carolina Code of Laws. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures rests with the County. The staff of the Finance Department compiled this report in close cooperation with the external auditors. It represents the official report of the County's financial operations and condition to the citizens, County Council, County management, rating agencies, and other interested persons.

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

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

In compliance with the laws of the State of South Carolina, the County's financial statements have been audited by McAbee, Talbert, Halliday & Co., a firm of licensed certified public accountants. The audit was performed to provide reasonable assurance that the financial statements are free of material misstatement for the fiscal year ended June 30, 2007. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an

unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP. The Independent Auditors' report is presented in the Financial Section of this report.

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

PROFILE OF THE GOVERNMENT

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

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

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

Budgetary Controls

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

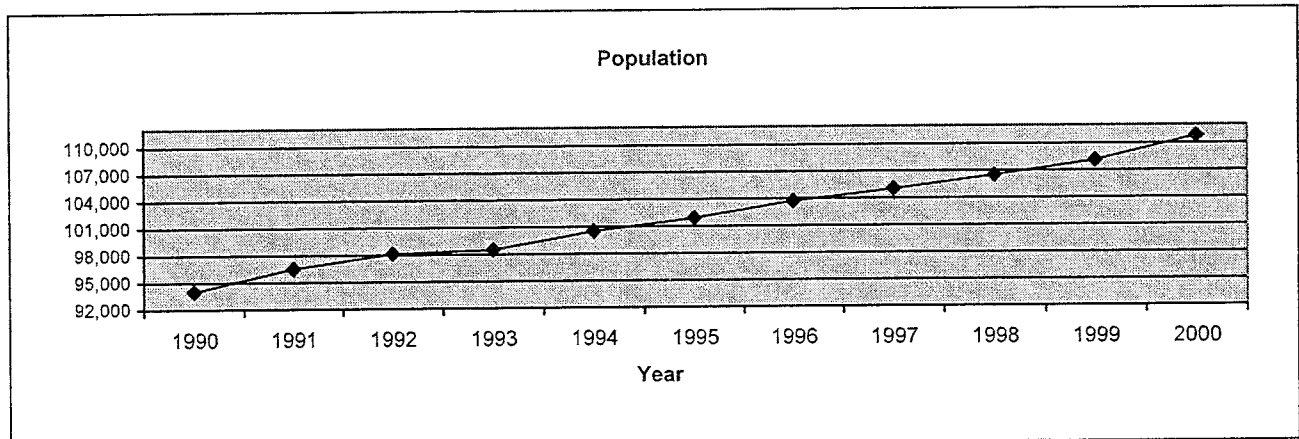
Local Economy

With a work force of nearly 70,000, Greater Pickens County has an ample labor pool. It is a diverse work force, comprised of skilled advanced manufacturing workers in industries from metalworking and automotive to fibers and kayaks to ceramics and implant cardio defibrillators. Within the County's borders, there are over 12,500 employed in manufacturing, with more than half employed in the metalworking /industrial equipment industries. But these figures don't tell the entire story. Underemployed figures give a more accurate depiction of employees, particularly skilled workers. Pickens and the surrounding counties comprise its true labor pool where 27,030 unemployed combine with 84,000 underemployed workers--those individuals who would take a better job if offered by a new or existing employer and who possess the skills, education, and experience to qualify them for a better job, for a total untapped work force of 123,920.

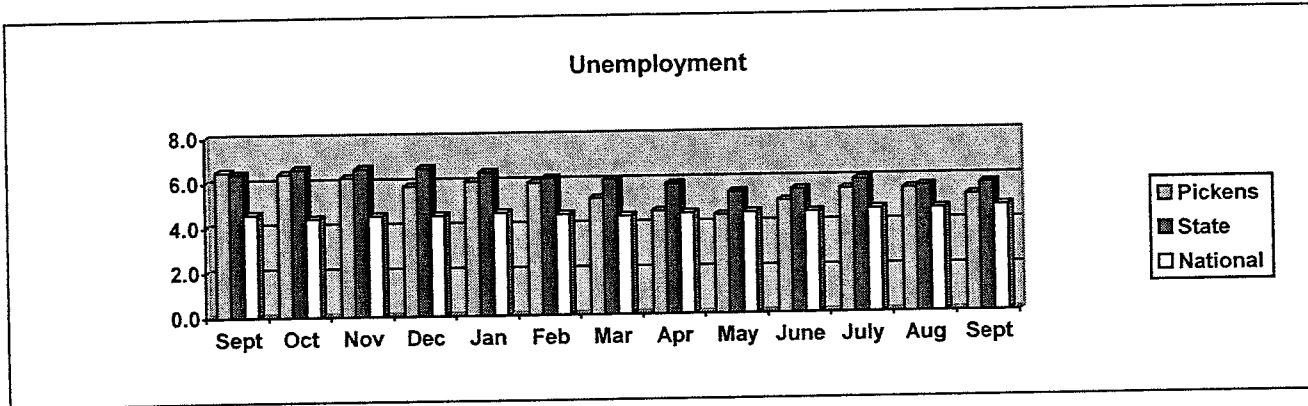
The County population grew 18% between the 1990 and 2000 censuses with average annual growth of 1.7% for the period. This has resulted in Pickens County outpacing growth in the South Carolina Upstate region, which experienced a 15.8% population growth between censuses. The State of South Carolina experienced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

Expected Growth

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



According to the South Carolina Employment Security Commission, unemployment decreased in September from the previous year figure of 6.4% to 5.2%. This is below the state unemployment rate of 5.7% in September 2007. Pickens County and South Carolina trail the national average unemployment rate of 4.7% for September 2007.



Long-Term Financial Planning

The County entered FY 2007 with a strong financial position as noted with our credit rating with Moody's of A1, Fitch Rating of AA-, and Standard & Poor's of A+. Total fund balance and undesignated fund balance as of June 30, 2007, in the General Fund was \$23,124,814 and \$19,236,146, respectively. This represents 63% and 52% of revenues, respectively.

Major Initiatives

The County recently completed two major projects in fiscal year 2007. The first was 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 \$75,000. This past year the County went a step further to include all capital items. This includes items which cost \$5,000 or more. The first step was for departments to go through each capital item in their department and determined when the items needed to be replaced. Next a master list was developed which included several key items, most notably the replacement cost and replacement date. Next the Finance Director and Administrator prioritized the items based on the needs of departments and the available funds to meet the needs of the departments. In the end the County will allocate over \$21 million over the next five years for capital items. This C.I.P. plan has been accomplished without a tax increase on the citizens of the County.

The second major initiative was the economic development announcement of the expansion of the St. Jude Medical facility in Liberty. Construction of the 60,000 to 64,000 square foot facility should start in July 2007 and take about 12 months to complete. The expansion will create 300 jobs over the next five years, doubling the number of employees at St. Jude in Liberty. Currently, St. Jude has a 100,000-square-foot facility at the Commerce Park. The expansion will be used to manufacture hybrid microelectronic circuits, which are components used in implantable pacemakers and defibrillators the company makes.

Risk Management

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

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

Pension Plans

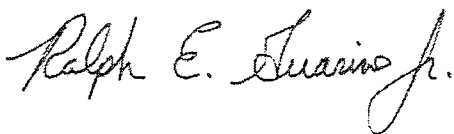
Eligible employees of the County are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Retirement System (PORS), both of which are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board.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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, the County must publish a comprehensive annual financial report (CAFR) whose contents satisfy both generally accepted accounting principals and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement Programs' requirements and we are submitting it to the GFOA to determine its eligibility for the certificate.

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

Respectfully,



Ralph E. Guarino, Jr.
Finance Director

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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, 2006

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

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Pickens County



PICKENS COUNTY, SOUTH CAROLINA

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2007

MEMBERS OF COUNTY COUNCIL

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

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

FINANCIAL SECTION

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Pickens County Council
Pickens, South Carolina

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Pickens County, South Carolina. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U. S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2007, on our consideration of Pickens County, South Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

McAbee, Talbert, Halliday & Co.

Spartanburg, South Carolina
November 26, 2007

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, 2007. 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

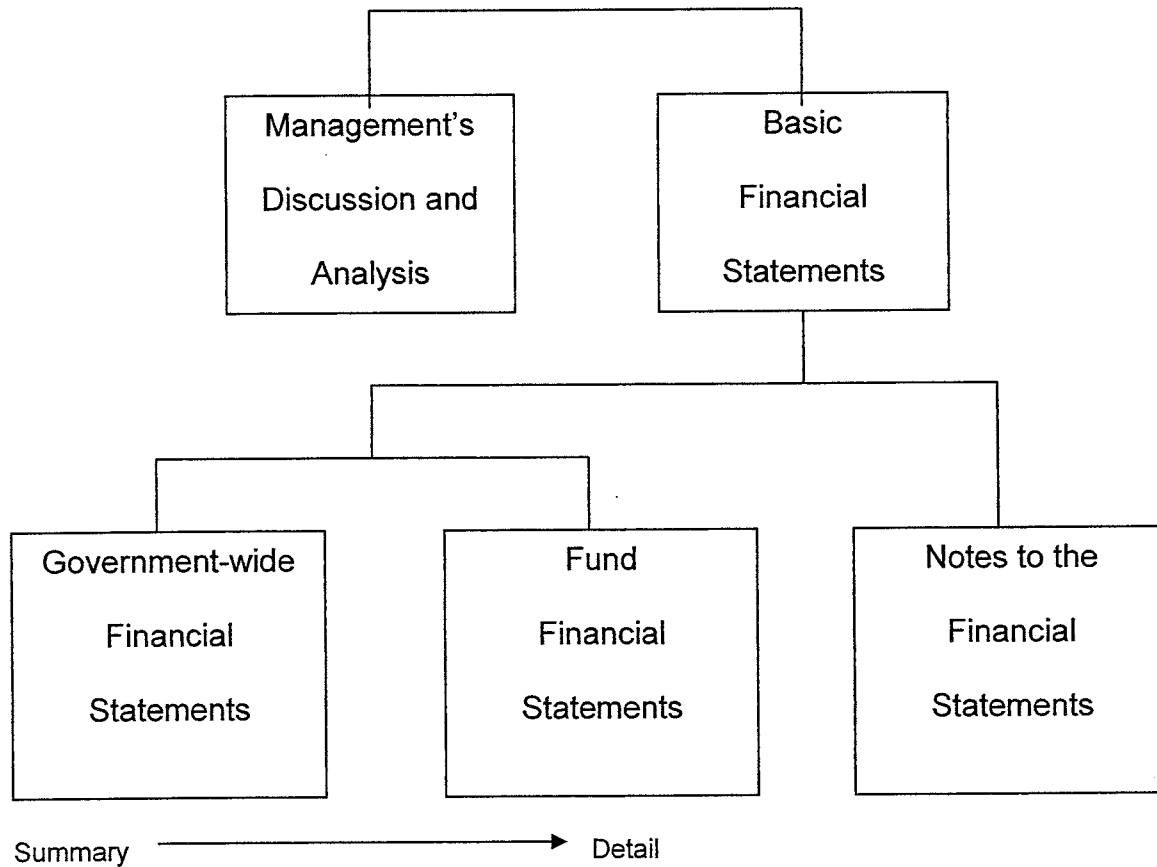
- The assets of Pickens County exceeded its liabilities at the close of the fiscal year by \$90,079,233. Of this amount \$14,688,357 may be used to meet the County's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$8,357,729, several elements of this increase was due to the conservative approach Council makes toward estimating revenues for the budget, increased rate of return on investments, attrition of County employees and deferral of acquisitions of capital items.
- The County's unreserved, undesignated General Fund balance increased by \$3,832,567 during the 2007 fiscal year due to an increase in revenue of EMS fees, Local Option Sales Tax, investment income and attrition of employees.
- The County had \$44,761,803 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$18,093,715 of these expenses. General revenues (primarily taxes and unrestricted grants) and net assets of \$26,668,088 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 \$37,890,087, an increase of \$4,737,751 in comparison with the prior year. Approximately 51% of this total amount, or \$19,236,146, 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 \$21,527,579 or 68.7% 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 \$19,236,146 or 61.4% of total general fund expenditures for the fiscal year.
- Pickens County's total debt decreased by \$1,884,640 during the current fiscal year.
- During the 2007 fiscal year, the County's governmental fund type revenues were approximately \$53.3 million compared to \$50.6 million in the prior year.

Overview of the Financial Statements

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

Required Components of the Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits C through H) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary fund statements, and 4) the fiduciary fund statements.

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Government-Wide Financial Analysis

Pickens County's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 44,335,684	\$ 39,273,659	\$ 836,192	\$ 852,597	\$ 45,171,876	\$ 40,126,256
Capital assets	51,886,919	51,233,730	28,802,594	28,432,412	80,689,513	79,666,142
Total assets	<u>\$ 96,222,603</u>	<u>\$ 90,507,389</u>	<u>\$ 29,638,786</u>	<u>\$ 29,285,009</u>	<u>\$ 125,861,389</u>	<u>\$ 119,792,398</u>
Long-term liabilities outstanding	\$ 23,861,344	\$ 26,354,030	\$ 5,171,599	\$ 5,299,963	\$ 29,032,943	\$ 31,653,993
Other liabilities	5,971,049	5,913,714	778,164	503,119	6,749,213	6,416,833
Total liabilities	<u>\$ 29,832,393</u>	<u>\$ 32,267,744</u>	<u>\$ 5,949,763</u>	<u>\$ 5,803,082</u>	<u>\$ 35,782,156</u>	<u>\$ 38,070,826</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 38,341,795	\$ 29,153,549	\$ 23,533,188	\$ 22,851,882	\$ 61,874,983	\$ 52,005,431
Restricted	13,038,304	12,205,788	477,589	414,481	13,515,893	12,620,269
Unrestricted	15,010,111	16,880,308	(321,754)	215,496	14,688,357	17,095,804
Total net assets	<u>\$ 66,390,210</u>	<u>\$ 58,239,645</u>	<u>\$ 23,689,023</u>	<u>\$ 23,481,859</u>	<u>\$ 90,079,233</u>	<u>\$ 81,721,504</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Pickens County exceeded liabilities by \$90,079,233 as of June 30, 2007. The County's net assets increased by \$8,357,729 for the fiscal year ended June 30, 2007. 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, \$61,874,983 (68.6%), of total net assets. Pickens County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Pickens County's investment in the capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Pickens County's net assets of \$13,515,893 (15.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,688,357 (16.4%) is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a collection rate of approximately 95%.
- Increased charges for services revenue due to growth in the EMS fees and the County participation in the State of South Carolina set-off debt collection program. This program enables political subdivisions of the State to file a lien against taxpayers for unpaid bills. If a citizen is due a refund from the State from excess income tax payments, the refund is first offset against any liens filed against the taxpayer. For fiscal year 2007, the County collected approximately \$180,000 for this program and for the three years Pickens County has participated in the program the County has collected \$547,000.
- Continued low cost of debt due to the County's high bond rating.

Pickens County's Changes in Net Assets
Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 12,394,349	\$ 10,105,090	\$ 1,398,186	\$ 1,502,386	\$ 13,792,535	\$ 11,607,476
Operating grants and contributions	5,090,312	5,751,643	-	110,896	5,090,312	5,862,539
Capital grants and contributions	609,054	585,721	710,863	10,672	1,319,917	596,393
General revenues:						
Property taxes	21,613,774	21,687,397	-	-	21,613,774	21,687,397
Other taxes	6,530,472	6,363,851	-	-	6,530,472	6,363,851
Grants and contributions not restricted to specific programs	6,139,217	5,495,186	-	-	6,139,217	5,495,186
Other	1,357,279	3,710,132	-	-	1,357,279	3,710,132
Total revenues	53,734,457	53,699,020	2,109,049	1,623,954	55,843,506	55,322,974
Expenses:						
General government	9,531,581	9,292,433	-	-	9,531,581	9,292,433
Public safety	17,381,994	17,028,781	-	-	17,381,994	17,028,781
Public works	10,182,540	10,061,181	-	-	10,182,540	10,061,181
Health and welfare	734,956	690,329	-	-	734,956	690,329
Culture and recreation	4,168,650	3,615,200	-	-	4,168,650	3,615,200
Economic development	568,792	562,665	-	-	568,792	562,665
Intergovernmental	1,769,773	1,573,120	-	-	1,769,773	1,573,120
Unallocated interest expense and fees	423,517	452,558	-	-	423,517	452,558
Public service commission	-	-	2,041,793	2,086,584	2,041,793	2,086,584
Airport	-	-	713,212	588,187	713,212	588,187
Total expenses	44,761,803	43,276,267	2,755,005	2,674,771	47,516,808	45,951,038
Increase in net assets before transfers	8,972,654	10,422,753	(645,956)	(1,050,817)	8,326,698	9,371,936
Transfers	(872,089)	(699,927)	872,089	699,927	-	-
Increase in net assets	8,100,565	9,722,826	226,133	(350,890)	8,326,698	9,371,936
Net assets, beginning	58,239,645	37,677,748	23,481,859	23,832,749	81,721,504	61,510,497
Prior period adjustment	50,000	10,839,071	(18,969)	-	31,031	10,839,071
Net assets, beginning (restated)	58,289,645	48,516,819	23,462,890	23,832,749	81,752,535	72,349,568
Net assets, ending	\$ 66,390,210	\$ 58,239,645	\$ 23,689,023	\$ 23,481,859	\$ 90,079,233	\$ 81,721,504

Governmental activities. Governmental activities increased the County's net assets by \$8,150,565. A key element of this increase was due to the conservative approach Council makes toward estimating revenues for the budget, increased rate of return on investments, attrition of County employees and deferral of acquisitions of capital items.

Business-type activities: Business-type activities increased Pickens County's net assets by \$207,164 accounting for a portion of the total growth in the government's net assets.

Financial Analysis of the County's Funds

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

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

The general fund is the chief operating fund of Pickens County. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$19,236,146, while total fund balance reached \$23,124,814. This is an increase of 24.9% and 27.6%, respectively. Several items contributed to this increase in Fund Balance, most notably charges for services and investment income. Approximately three years ago Pickens County embarked on a project of collecting E.M.S. patient information from a paper process to an in the field automated process. This has saved County time in processing information to Medicare, Medicaid, patients and insurance companies. Revenues for E.M.S. have increased 62.7% over the past three years. Increased interest income is another item which has increased to the fund balance of the General Fund. The County has been very conservative in estimating the amount of projected income from investments. The other major item which contributed to the large increase in the General Fund unreserved, undesignated fund balance was the attrition of employees. The County's turnover ratio for FY 2007 was 18.7%. This contributed to the County having an excess of funds from personnel services in the amount of \$950,000. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 61% of total General Fund expenditures, while total fund balance represents 74% of that same amount.

At June 30, 2007, the governmental funds of Pickens County reported a combined fund balance of \$37,890,087, a 14% increase over last year. The primary reason for this increase is due to an increase in revenue of EMS fees, Local Option Sales Tax and investment income.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on one occasion. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increase budgeted expenditures by \$91,804.

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 (\$93,545), and those for the Airport equaled (\$228,209). The total adjustment in net assets for both major funds was \$491,674 and (\$284,510) 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, 2007, totaled \$80,689,513 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, C.I.P. and vehicles.

Major capital asset transactions during the year include:

- Purchased new equipment for Sheriff's Office, Solid Waste, Roads & Bridges and Emergency Medical Service Department
- Purchased new Pumper trucks for Holly Springs Fire Department
- Purchased land for Solid Waste Department
- Installed sewer lines at the Industrial Park

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

Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2007	2006	2007	2006	2007	2006
Land	\$ 2,915,864	\$ 2,575,945	\$ 964,987	\$ 964,987	\$ 3,880,851	\$ 3,540,932
Buildings	21,648,511	22,367,779	551,350	570,721	22,199,861	22,938,500
Improvements and infrastructure	17,420,705	16,996,735	26,165,207	26,491,087	43,585,912	43,487,822
Machinery and equipment	7,636,199	7,610,458	185,905	162,454	7,822,104	7,772,912
Construction in progress	2,265,640	1,682,811	935,145	192,814	3,200,785	1,875,625
Total	\$ 51,886,919	\$ 51,233,728	\$ 28,802,594	\$ 28,382,063	\$ 80,689,513	\$ 79,615,791

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, 2007, Pickens County had total bonded debt outstanding of \$11,529,000 part of which is debt backed by the full faith and credit of the County.

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

Figure 4

	Governmental Activities	
	2007	2006
General obligation bonds	\$ 11,529,000	\$ 12,506,000

Pickens County's total long-term debt decreased by \$1,872,121 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 \$17,340,971. The County has \$14,368,521 in bonds and notes authorized at June 30, 2007, 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 the notes to the financial statements as listed in the table of contents.

Economic Factors and Next Year's Budgets and Rates

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

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

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

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

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

Budget Highlights for the Fiscal Year Ending June 30, 2008

Governmental Activities: Property taxes and revenues from charges for service are expected to lead the increase in revenue projections by 6.6%. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to rise approximately 6.6% to \$33,198,926. The largest increments are in employee compensation, including funding for a cost of living adjustment and health insurance for employees.

Requests for Information

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 35,823,262	\$ 588,978	\$ 36,412,240
Property taxes receivable	1,356,964	-	1,356,964
Accounts receivable - other	1,459,025	205,806	1,664,831
Due from other governments	4,093,692	10,640	4,104,332
Note receivable	50,975	-	50,975
Inventories	200,414	29,976	230,390
Prepaid items	99,334	792	100,126
	<u>43,083,666</u>	<u>836,192</u>	<u>43,919,858</u>
Noncurrent assets:			
Land held for resale	1,058,148	-	1,058,148
Deferred charges - issuance cost	140,825	-	140,825
Deferred charges - refunding	53,045	-	53,045
Capital assets, not being depreciated	5,181,504	1,900,132	7,081,636
Capital assets, net of accumulated depreciation	46,705,415	26,902,462	73,607,877
	<u>53,138,937</u>	<u>28,802,594</u>	<u>81,941,531</u>
	<u>\$ 96,222,603</u>	<u>\$ 29,638,786</u>	<u>\$ 125,861,389</u>
Liabilities			
Current liabilities:			
Bank overdraft	\$ 31,372	\$ 123,291	\$ 154,663
Accounts payable	2,502,768	356,830	2,859,598
Accrued payroll	850,597	16,273	866,870
Internal balances	(160,685)	160,685	-
Accrued interest payable	182,116	-	182,116
Current portion of long-term debt	2,049,132	121,085	2,170,217
Unearned revenue	515,749	-	515,749
	<u>5,971,049</u>	<u>778,164</u>	<u>6,749,213</u>
Noncurrent liabilities:			
Landfill closure and postclosure	4,250,246	-	4,250,246
Capital leases	1,452,502	-	1,452,502
Notes payable	6,413,738	5,149,321	11,563,059
General obligation bonds	10,497,000	-	10,497,000
Bond premium	17,921	-	17,921
Accrued compensated absences	1,229,937	22,278	1,252,215
	<u>23,861,344</u>	<u>5,171,599</u>	<u>29,032,943</u>
	<u>29,832,393</u>	<u>5,949,763</u>	<u>35,782,156</u>
Net Assets			
Investment in capital assets, net of related debt	38,341,795	23,533,188	61,874,983
Restricted for:			
Capital projects	671,084	-	671,084
Debt service	535,141	-	535,141
Public works	6,598,000	-	6,598,000
Public safety	3,561,845	-	3,561,845
Cultural and recreation	1,531,191	-	1,531,191
Intergovernmental	141,043	-	141,043
Other purposes	-	477,589	477,589
Unrestricted	15,010,111	(321,754)	14,688,357
	<u>66,390,210</u>	<u>23,689,023</u>	<u>90,079,233</u>
	<u>\$ 96,222,603</u>	<u>\$ 29,638,786</u>	<u>\$ 125,861,389</u>

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Primary Government						
Governmental activities:						
General government	\$ 9,531,581	\$ 1,676,604	\$ -	\$ (7,854,977)	\$ -	\$ (7,854,977)
Public safety	17,381,994	6,833,609	844,372	(9,349,585)	-	(9,349,585)
Public works	10,182,540	3,281,515	2,163,308	(4,488,660)	-	(4,488,660)
Health and welfare	734,956	28,988	23,945	(682,023)	-	(682,023)
Culture and recreation	4,168,650	551,901	499,125	(3,117,624)	-	(3,117,624)
Economic development	568,792	21,732	50,609	(490,882)	-	(490,882)
Assistance to other agencies	1,769,773	-	1,508,953	(260,820)	-	(260,820)
Unallocated interest expense and fees	423,517	-	-	(423,517)	-	(423,517)
	<u>\$ 44,761,803</u>	<u>\$ 12,394,349</u>	<u>\$ 5,090,312</u>	<u>(26,668,088)</u>	<u>-</u>	<u>(26,668,088)</u>
Business-type activities:						
Public service commission	2,041,793	1,111,067	-	-	(219,863)	(219,863)
Airport	713,212	287,119	-	-	(426,093)	(426,093)
	<u>\$ 2,755,005</u>	<u>\$ 1,398,186</u>	<u>\$ -</u>	<u>-</u>	<u>(645,956)</u>	<u>(645,956)</u>
General revenues:						
Property taxes	21,613,774			21,613,774	-	21,613,774
Sales taxes	6,383,530			6,383,530	-	6,383,530
Franchise taxes	146,942			146,942	-	146,942
Grants and contributions not restricted to specific programs	6,139,217			6,139,217	-	6,139,217
Investment earnings	966,546			966,546	-	966,546
Loss on sale of capital assets	(509)			(509)	-	(509)
Miscellaneous	391,242			391,242	-	391,242
Transfers	(872,089)			(872,089)	872,089	-
Total general revenues and transfers	34,768,653			34,768,653	872,089	35,640,742
Change in net assets	8,100,565			8,100,565	226,133	8,326,698
Net assets - beginning	58,239,645			58,239,645	23,481,859	81,721,504
Prior period adjustment	50,000			50,000	(18,969)	31,031
Net assets - beginning (restated)	58,289,645			58,289,645	23,462,890	81,752,535
Net assets - ending	\$ 66,390,210			\$ 66,390,210	\$ 23,689,023	\$ 90,079,233

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

PICKENS COUNTY, SOUTH CAROLINA
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2007

	General Fund	State Road C-Fund	Other Governmental Funds	Totals
Assets				
Cash and investments	\$ 21,311,930	\$ 4,305,533	\$ 10,205,799	\$ 35,823,262
Property taxes receivable	679,702	-	677,262	1,356,964
Accounts receivable - EMS	1,205,246	-	-	1,205,246
Accounts receivable - other	181,841	-	71,938	253,779
Due from other governments	2,468,830	1,360,060	264,802	4,093,692
Notes receivable	50,975	-	-	50,975
Advances to other funds	197,743	-	-	197,743
Inventories	200,414	-	-	200,414
Prepaid items	98,756	-	578	99,334
Land held for resale	1,058,148	-	-	1,058,148
	<u>\$ 27,453,585</u>	<u>\$ 5,665,593</u>	<u>\$ 11,220,379</u>	<u>\$ 44,339,557</u>
Liabilities				
Bank overdraft	\$ -	\$ -	\$ 31,372	\$ 31,372
Accounts payable	1,703,948	454,246	344,574	2,502,768
Accrued payroll	755,935	-	94,662	850,597
Advances from general fund	-	-	37,058	37,058
Unearned revenue	1,868,888	-	1,158,787	3,027,675
	<u>4,328,771</u>	<u>454,246</u>	<u>1,666,453</u>	<u>6,449,470</u>
Fund Balances				
Reserved for:				
Encumbrances	42,174	411,381	208,393	661,948
Advances to other funds	197,743	-	-	197,743
Inventories	200,414	-	-	200,414
Prepaid items	98,756	-	578	99,334
Assets held for sale	1,058,148	-	-	1,058,148
Debt service fund	-	-	535,141	535,141
Unreserved, designated for, reported in:				
General fund, future expenditures	204,000	-	-	204,000
General fund, recycling/solid waste	407,614	-	-	407,614
General fund, capital improvements	1,679,819	-	-	1,679,819
Special revenue funds	-	-	2,361,925	2,361,925
Unreserved, undesignated reported in:				
General fund	19,236,146	-	-	19,236,146
Special revenue funds	-	4,799,966	5,776,805	10,576,771
Capital project fund	-	-	671,084	671,084
	<u>23,124,814</u>	<u>5,211,347</u>	<u>9,553,926</u>	<u>37,890,087</u>
	<u>\$ 27,453,585</u>	<u>\$ 5,665,593</u>	<u>\$ 11,220,379</u>	<u>\$ 44,339,557</u>

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

PICKENS COUNTY, SOUTH CAROLINA
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
 JUNE 30, 2007

Total Governmental Fund Balances	\$ 37,890,087
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	51,886,919
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Deferred charges - issuance cost	140,825
Deferred charges - refunding	53,045
Deferred revenues reported in Governmental Funds Balance Sheet include balances of taxes receivable and other receivables. The balances were deferred because funds were not available to pay current-period expenditures.	2,511,926
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(182,116)
Long-term debt	<u>(25,910,476)</u>
Net Assets of Governmental Activities	<u><u>\$ 66,390,210</u></u>

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	General Fund	State Road C-Fund	Other Governmental Funds	Total
Revenues				
Taxes	\$ 21,741,730	\$ -	\$ 6,141,271	\$ 27,883,001
Intergovernmental	6,317,407	2,807,069	2,085,913	11,210,389
Fees, licenses and permits	620,677	-	4,488,238	5,108,915
Charges for services	6,255,158	-	143,470	6,398,628
Fines and forfeitures	668,008	-	274,133	942,141
Investment income	968,742	249,057	302,498	1,520,297
Rental income	17,303	-	-	17,303
Contributions	396	-	74,050	74,446
Miscellaneous	138,893	-	3,710	142,603
	<u>36,728,314</u>	<u>3,056,126</u>	<u>13,513,283</u>	<u>53,297,723</u>
Expenditures				
Current				
General government	9,037,233	-	118,000	9,155,233
Public safety	13,175,695	-	3,074,272	16,249,967
Public works	5,809,776	868,037	2,261,902	8,939,715
Health and welfare	690,162	-	-	690,162
Culture and recreation	509,158	-	3,354,028	3,863,186
Economic development and assistance	527,005	-	21,530	548,535
Other	169,233	-	-	169,233
Intergovernmental	418,202	-	1,159,463	1,577,665
Capital outlay	883,768	1,750,086	1,296,454	3,930,308
Debt service				
Principal retirement	98,896	-	1,668,905	1,767,801
Interest and fiscal charges	2,663	-	843,260	845,923
	<u>31,321,791</u>	<u>2,618,123</u>	<u>13,797,814</u>	<u>47,737,728</u>
Revenues Over (Under) Expenditures	<u>5,406,523</u>	<u>438,003</u>	<u>(284,531)</u>	<u>5,559,995</u>
Other Financing Sources (Uses)				
Transfers in (out)	(1,038,113)	-	166,024	(872,089)
	<u>(1,038,113)</u>	<u>-</u>	<u>166,024</u>	<u>(872,089)</u>
Net change in fund balances	4,368,410	438,003	(118,507)	4,687,906
Fund Balances, Beginning of Year	18,647,533	4,882,215	9,622,433	33,152,181
Prior Period Adjustment	108,871	(108,871)	50,000	50,000
Fund Balances, End of Year	<u>\$ 23,124,814</u>	<u>\$ 5,211,347</u>	<u>\$ 9,553,926</u>	<u>\$ 37,890,087</u>

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

PICKENS COUNTY, SOUTH CAROLINA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2007

Net Change in Fund Balances - Total Governmental Funds	\$ 4,687,906
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$3,330,143 exceeded depreciation expense of \$2,893,677 in the current period.	436,466
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the difference between the proceeds received from sale of assets and the loss on sale.	(22,212)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	114,302
Donated capital assets	239,888
Unearned revenues	104,910
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,767,801
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	23,881
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Landfill closure and postclosure costs	752,100
Compensated absences	25,548
Amortization expense	(29,870)
Change in Net Assets of Governmental Activities	<u>\$ 8,100,720</u>

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007

	Business-type Activities - Enterprise Funds		
	Public Service Commission	Airport	Total
Assets			
Current Assets			
Cash	\$ 588,978	\$ -	\$ 588,978
Accounts receivable - other	164,103	41,703	205,806
Due from other governments	10,640	-	10,640
Inventory	-	29,976	29,976
Prepaid expenses	210	582	792
	<u>763,931</u>	<u>72,261</u>	<u>836,192</u>
Capital assets			
Land	299,794	665,193	964,987
Construction in process	895,402	39,743	935,145
Capacity	5,938,636	-	5,938,636
Buildings	372,442	539,911	912,353
Improvements other than buildings	21,735,168	4,120,741	25,855,909
Machinery and equipment	402,711	129,729	532,440
Less accumulated depreciation	(4,527,453)	(1,809,423)	(6,336,876)
	<u>25,116,700</u>	<u>3,685,894</u>	<u>28,802,594</u>
	<u>\$ 25,880,631</u>	<u>\$ 3,758,155</u>	<u>\$ 29,638,786</u>
Liabilities			
Current Liabilities			
Bank overdraft	\$ -	\$ 123,291	\$ 123,291
Accounts payable	344,295	12,535	356,830
Accrued payroll	13,169	3,104	16,273
Advances from general fund	-	160,685	160,685
Current portion of long-term debt	120,785	300	121,085
	<u>478,249</u>	<u>299,915</u>	<u>778,164</u>
Long-term Liabilities			
Notes payable	5,149,321	-	5,149,321
Accrued compensated absences	21,723	555	22,278
	<u>5,171,044</u>	<u>555</u>	<u>5,171,599</u>
	<u>5,649,293</u>	<u>300,470</u>	<u>5,949,763</u>
Net Assets			
Invested in capital assets, net of related debt	19,847,294	3,685,894	23,533,188
Restricted for USDA	477,589	-	477,589
Unrestricted	(93,545)	(228,209)	(321,754)
	<u>20,231,338</u>	<u>3,457,685</u>	<u>23,689,023</u>
	<u>\$ 25,880,631</u>	<u>\$ 3,758,155</u>	<u>\$ 29,638,786</u>

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2007

	Business-type Activities - Enterprise Funds		
	Public Service Commission	Airport	Total
Operating Revenues			
Charges for services	\$ 1,111,067	\$ 287,119	\$ 1,398,186
Operating Expenses			
Salaries and benefits	430,049	88,438	518,487
Depreciation	781,159	296,371	1,077,530
Other expenses	581,921	328,403	910,324
	<u>1,793,129</u>	<u>713,212</u>	<u>2,506,341</u>
Operating income (loss)	(682,062)	(426,093)	(1,108,155)
Nonoperating Revenues (Expenses)			
Interest and fiscal charges	(248,664)	-	(248,664)
Income (loss) before contributions and transfers	(930,726)	(426,093)	(1,356,819)
Capital Contributions	710,863	-	710,863
Transfers In	711,537	160,552	872,089
Change in net assets	491,674	(265,541)	226,133
Total Net Assets - Beginning of Year	19,739,664	3,742,195	23,481,859
Prior Period Adjustment	-	(18,969)	(18,969)
Total Net Assets - End of Year	<u>\$ 20,231,338</u>	<u>\$ 3,457,685</u>	<u>\$ 23,689,023</u>

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2007

	Business-type Activities - Enterprise Funds		
	Public Service		Total
	Commission	Airport	
Cash Flows Provided (Used) by Operating Activities:			
Receipts from customers and users	\$ 1,109,902	\$ 294,462	\$ 1,404,364
Payments to suppliers	(583,170)	(252,369)	(835,539)
Payments to employees	(434,085)	(88,080)	(522,165)
Net cash provided (used) by operations	<u>92,647</u>	<u>(45,987)</u>	<u>46,660</u>
Cash Flows From Noncapital Financing Activities:			
Transfers from other funds	<u>339,307</u>	<u>160,552</u>	<u>499,859</u>
Net cash provided (used) by noncapital financing activities	<u>339,307</u>	<u>160,552</u>	<u>499,859</u>
Cash flows From Capital and Related Financing Activities:			
Capital contributions	11,323	-	11,323
Capital transfers from other funds	372,230	-	372,230
Acquisition and construction of capital assets	(436,593)	(79,743)	(516,336)
Principal paid on capital debt	(116,840)	-	(116,840)
Interest paid on capital debt	(248,664)	-	(248,664)
Repayment of advance from the general fund	-	(32,400)	(32,400)
Net cash provided (used) by capital and related financing activities	<u>(418,544)</u>	<u>(112,143)</u>	<u>(530,687)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	13,410	2,422	15,832
Cash and Cash Equivalents - Beginning of Year	<u>575,568</u>	<u>(125,713)</u>	<u>449,855</u>
Cash and Cash Equivalents - End of Year	<u>\$ 588,978</u>	<u>\$ (123,291)</u>	<u>\$ 465,687</u>
Reconciliation of Operating Income to Net Cash Provided (used) by operating activities:			
Operating loss	\$ (682,062)	\$ (426,093)	\$ (1,108,155)
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation	781,159	296,372	1,077,531
Changes in current assets and liabilities			
(Increase) decrease in accounts receivable	(3,058)	73,397	70,339
(Increase) decrease in inventory	-	1,406	1,406
(Increase) decrease in prepaid expenses	90	-	90
Increase (decrease) in accounts payable and accrued expenses	(3,482)	8,931	5,449
Net Cash Provided (Used) by Operations	<u>\$ 92,647</u>	<u>\$ (45,987)</u>	<u>\$ 46,660</u>
Noncash Investing, Capital and Financing Activities:			
Property, plant and equipment additions funded by: Capital Projects	<u>\$ 688,900</u>		

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

PICKENS COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2007

	<u>Total Agency Funds</u>
Assets	
Cash	\$ 32,283,849
Property taxes receivable	<u>2,191,309</u>
	<u>\$ 34,475,158</u>
Liabilities	
Accounts payable	\$ 82,506
Due to designated recipients	<u>34,392,652</u>
	<u>\$ 34,475,158</u>

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The basic financial statements of the County present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's financial statements to be misleading or incomplete.

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

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

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

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

B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. There are three categories of funds: governmental, proprietary, and fiduciary.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Basis of Presentation - Continued

Government-wide Financial Statements:

The statement of net assets and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

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

The major fund types are:

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

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

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

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

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

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

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation - Continued

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

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

C. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus and Basis of Accounting - Continued

All proprietary funds are accounted for on a flow of economic resources measurement focus. Under this method, the accrual basis of accounting is utilized. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of these funds are included on the statement of net assets. Proprietary fund type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net assets by distinguishing operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing or delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As permitted under GAAP, the County has elected not to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, for its proprietary funds.

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

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

D. Assets, Liabilities and Equity

Cash and Investments

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

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

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

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

Receivables and Payables

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity – Continued

Receivables and Payables – continued

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

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

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

Due from Other Governments

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

Note Receivable

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

Inventories and Prepaid Items

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

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

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

Land Held for Resale

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

Capital Assets and Depreciation

Capital assets, which include land, buildings, improvements, machinery and equipment, and infrastructure assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. All capital assets are valued at historical cost if purchased or constructed, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Equity – Continued

Capital Assets and Depreciation - continued

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

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

Long-term Obligations

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

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

Compensated Absences

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

Landfill Closure and Postclosure Care Costs

Federal and state laws and regulations require the County to place a final cover on its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. The liability reported as landfill closure and postclosure represents estimated total costs based on 100 percent use of the landfill capacity. There are no current costs remaining to be recognized. The landfill capacity used to date equals 100%. Actual cost may be higher due to inflation, changes in technology or changes in regulation. The County anticipates that available resources will be the primary source of funds to pay for closure and postclosure care costs.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Equity – Continued

Net Assets and Fund Balances

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

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

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

E. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and job related illnesses and accidents. The County pays premiums to a public entity risk pool for workman’s compensation insurance and for property and casualty coverage. The public entity risk pool promises to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years. The County continues to carry insurance for employee health and dental care under various plans.

F. Estimates

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

G. Reclassifications

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

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2007

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, certain special revenue funds including Tri-County Tech fund, library fund, victim rights fund, emergency phone system fund, the individual fire district funds, accommodation tax fund, tourism development fee fund and the debt service fund. The balance of the special revenue funds and the capital projects funds are budgeted over the life of the grant or project.

The various departments of the County are bound to the appropriated expenditures by object classification codes (i.e., salaries and wages, office furniture and equipment). The County Administrator is authorized to make transfers between the object classification codes within the same department. Council may 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, 2007, the governmental funds have reserve for encumbrances totaling \$ 661,948.

NOTE 3 - DEPOSITS AND INVESTMENTS

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

Deposits

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

The County's deposits had a carrying value of \$67,535,426 and the bank balance was \$67,713,434, of which \$1,896,898 that was covered by FDIC insurance and \$65,407,125 that was collateralized by securities held by the pledging bank's trust department or agent in the County's name. However, \$771,990 of the County's deposits with financial institutions was in excess of federal and state depository insurance limits and was uncollateralized.

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2007

NOTE 3 - DEPOSITS AND INVESTMENTS – Continued

Investments

As of June 30, 2007, the County had the following investments:

Investment Type	Carrying and Fair Value	Maturity	Rating
Repurchase Agreement	\$ 1,006,000	Overnight	N/A

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

Unrestricted cash, including time deposits	\$ 36,412,240
Bank overdraft	(154,663)
Agency fund cash (not included in government-wide statement)	<u>32,283,849</u>
	<u>\$ 68,541,426</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 automobiles which are annually assessed on the first day of the month the automobiles are registered) on the assessed value as of the prior December 31 for all real and personal property located in the County. Assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates ranging from 4 to 10.5 percent of the estimated market value. The assessed value as of June 30, 2007 was \$396,368,655. The estimated market value was \$6,870,455,103 making the assessed value approximately 5.7 percent of the estimated market value.

The County is permitted under the Home Rule Act to levy taxes without limit. The combined tax rate to finance general government services and principal and interest on long-term debt for the year ended June 30, 2007 was \$6.91 per \$100 of assessed value.

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

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2007

NOTE 4 - PROPERTY TAXES - Continued

Property taxes receivable and allowances for doubtful accounts at June 30, 2007 are summarized as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Agency Funds</u>
Gross taxes receivable	\$ 809,169	\$ 706,906	\$ 98,438	\$ 2,608,701
Allowance for doubtful accounts	<u>(129,467)</u>	<u>(112,430)</u>	<u>(15,652)</u>	<u>(417,392)</u>
	<u>\$ 679,702</u>	<u>\$ 594,476</u>	<u>\$ 82,786</u>	<u>\$ 2,191,309</u>

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2007 are summarized as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Enterprise Funds</u>
EMS fees	\$ 3,443,560	\$ -	\$ -
Less allowance for doubtful accounts	<u>(2,238,314)</u>	<u>-</u>	<u>-</u>
	<u>1,205,246</u>	<u>-</u>	<u>-</u>
Interest	93,955	23,829	-
Landfill	28,525	-	-
Sewer fees	-	-	164,103
Other	<u>59,361</u>	<u>48,109</u>	<u>41,703</u>
	<u>181,841</u>	<u>71,938</u>	<u>205,806</u>
	<u>\$ 1,387,087</u>	<u>\$ 71,938</u>	<u>\$ 205,806</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2007

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007, was as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,575,945	\$ 339,919	\$ -	\$ 2,915,864
Construction in progress	1,682,811	2,105,083	(1,522,254)	2,265,640
Total capital assets not being depreciated.	<u>4,258,756</u>	<u>2,445,002</u>	<u>(1,522,254)</u>	<u>5,181,504</u>
Capital assets being depreciated:				
Buildings	29,261,613	-	(77,000)	29,184,613
Improvements and infrastructure	23,045,520	1,062,626	-	24,108,146
Machinery and equipment	19,066,761	1,583,706	(674,835)	19,975,632
Total capital assets being depreciated	<u>71,373,894</u>	<u>2,646,332</u>	<u>(751,835)</u>	<u>73,268,391</u>
Less accumulated depreciation:				
Buildings	(6,893,834)	(719,268)	77,000	(7,536,102)
Improvements and infrastructure	(6,048,785)	(638,656)	-	(6,687,441)
Machinery and equipment	(11,456,303)	(1,535,753)	652,623	(12,339,433)
Total accumulated depreciation	<u>(24,398,922)</u>	<u>(2,893,677)</u>	<u>729,623</u>	<u>(26,562,976)</u>
Total capital assets being depreciated, net	<u>46,974,972</u>	<u>(247,345)</u>	<u>(22,212)</u>	<u>46,705,415</u>
Governmental activities capital assets, net	<u>\$ 51,233,728</u>	<u>\$ 2,197,657</u>	<u>\$ (1,544,466)</u>	<u>\$ 51,886,919</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 964,987	\$ -	\$ -	\$ 964,987
Construction in progress	192,814	742,331	-	935,145
Total capital assets not being depreciated.	<u>1,157,801</u>	<u>742,331</u>	<u>-</u>	<u>1,900,132</u>
Capital assets being depreciated:				
Capacity	5,938,636	-	-	5,938,636
Buildings	912,353	-	-	912,353
Improvements and infrastructure	25,167,009	688,900	-	25,855,909
Machinery and equipment	465,608	66,831	-	532,439
Total capital assets being depreciated	<u>32,483,606</u>	<u>755,731</u>	<u>-</u>	<u>33,239,337</u>
Less accumulated depreciation:				
Buildings	(341,632)	(19,371)	-	(361,003)
Capacity	(185,582)	(148,466)	-	(334,048)
Improvements and infrastructure	(4,428,976)	(866,314)	-	(5,295,290)
Machinery and equipment	(303,154)	(43,380)	-	(346,534)
Total accumulated depreciation	<u>(5,259,344)</u>	<u>(1,077,531)</u>	<u>-</u>	<u>(6,336,875)</u>
Total capital assets being depreciated, net	<u>27,224,262</u>	<u>(321,800)</u>	<u>-</u>	<u>26,902,462</u>
Business-type capital assets, net	<u>\$ 28,382,063</u>	<u>\$ 420,531</u>	<u>\$ -</u>	<u>\$ 28,802,594</u>

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2007

NOTE 6 - CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental activities as follows:

General government	\$	374,944
Public Safety		1,012,049
Public Works		1,123,710
Health and welfare		65,801
Cultural and recreation		296,916
Economic development		20,257
Total	<u>\$</u>	<u>2,893,677</u>

Construction in progress in the Governmental activities as of June 30, 2007, represents costs incurred to date on the Crosswell Fire Station, the bridges located on Old Central road, Odom road and Woodbine road. The construction in progress in the Business-type activities as of June 30, 2007, represent costs of construction for the Cramer pump station, the Roper wastewater treatment facilities upgrade, the Catechee Village wastewater treatment project and the Airport Terminal Building.

NOTE 7 - LONG-TERM DEBT

A. Governmental Activities Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 12,506,000	\$ -	\$ 977,000	\$ 11,529,000	\$ 1,032,000
Capital leases	2,314,240	-	474,064	1,840,176	387,674
Notes payable	7,059,933	-	316,737	6,743,196	329,458
Compensated absences	1,410,485	231,937	257,485	1,384,937	155,000
Landfill closure and postclosure	5,147,346	-	752,100	4,395,246	145,000
Total	<u>\$ 28,438,004</u>	<u>\$ 231,937</u>	<u>\$ 2,777,386</u>	<u>\$ 25,892,555</u>	<u>\$ 2,049,132</u>

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2007

NOTE 7 - LONG-TERM DEBT - Continued

A. Governmental Activities Debt - Continued

General obligation (general purpose) bonds payable at June 30, 2007 are comprised of the following individual issues:

\$4,100,000 1995 general obligation bonds due in annual installments of \$125,000 to \$475,000 through March 1, 2011; interest at 4.25% to 6.25%	\$	1,750,000
\$3,690,000 2002 general obligation refunding bond due in annual installments of \$320,000 to \$390,000 through March 1, 2013; interest at 2.30% to 4.30%.		2,090,000
\$6,665,000 2003 general obligation bonds due in annual installments of \$125,000 to \$1,300,000 through March 1, 2016; interest at 3.00% to 3.25%.		6,075,000
\$1,100,000 2004 general obligation bonds due in annual installments of \$40,000 to \$102,000 through March 1, 2019; interest at 4.134%.		949,000
\$800,000 2005 general obligation bonds due in annual installments of \$65,000 to \$95,000 through March 1, 2015; interest at 3.130%.		<u>665,000</u>
		11,529,000
Less current portion		<u>1,032,000</u>
Long-term portion outstanding		<u>\$ 10,497,000</u>

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2007 are as follows:

Year Ending June 30	Principal	Interest	Totals
2008	\$ 1,032,000	\$ 442,519	\$ 1,474,519
2009	1,072,000	395,895	1,467,895
2010	1,135,000	347,434	1,482,434
2011	1,185,000	301,508	1,486,508
2012	1,271,000	254,173	1,525,173
2013 to 2017	5,634,000	542,493	6,176,493
2018 to 2021	200,000	12,485	212,485
	<u>\$ 11,529,000</u>	<u>\$ 2,296,507</u>	<u>\$ 13,825,507</u>

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2007

NOTE 7 - LONG-TERM DEBT – Continued

A. Governmental Activities Debt – Continued

Capital leases payable at June 30, 2007 are comprised of the following individual leases:

\$284,300 capital lease to BB&T payable in annual installments of principal and interest of \$34,374 through June 2015 at 3.610%; collateralized by equipment.	\$ 235,207
\$154,287 capital lease to an equipment vendor payable in annual installments of principal and interest of \$18,824 through June 2013 at 3.79%; collateralized by equipment	99,355
\$819,636 capital lease to BB&T payable in annual installments of principal and interest of \$100,000 through May 2013 at 3.79%; collateralized by the real property.	527,817
\$775,256 capital lease payable to Bank of America payable in annual installments of principal and interest of \$167,545 through October 2008 at 2.640%; collateralized by equipment.	312,844
\$224,891 capital lease payable to Bank of America payable in annual installments of principal and interest of \$27,534 through October 2013 at 3.86%; collateralized by equipment.	175,548
\$222,725 capital lease payable to Bank of America payable in annual installments of principal and interest of \$27,459 through March 2016 at 4.00%; collateralized by equipment.	204,173
\$350,000 capital lease payable to Bank of America payable in annual installments of principal and interest of \$78,366 through March 2011 at 3.86%; collateralized by equipment.	<u>285,232</u>
	<u>1,840,176</u>
Less current portion	<u>387,674</u>
Long-term portion outstanding	<u><u>\$ 1,452,502</u></u>

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2007

NOTE 7 - LONG-TERM DEBT – Continued

A. Governmental Activities Debt – Continued

Annual requirements to amortize all capital leases outstanding as of June 30, 2007 are as follows:

Year Ending June 30	Principal	Interest	Totals
2008	\$ 387,674	\$ 66,428	\$ 454,102
2009	400,610	53,491	454,101
2010	246,447	40,110	286,557
2011	255,866	30,691	286,557
2012	187,280	20,911	208,191
2013 to 2016	362,299	24,552	386,851
	<u>\$ 1,840,176</u>	<u>\$ 236,183</u>	<u>\$ 2,076,359</u>

As of June 30, 2007, the County had assets under capital lease with a total cost of \$3,935,853.

Notes payable at June 30, 2007 are comprised of the following individual notes:

\$3,256,865 note to the SC Water Pollution Control Revolving Fund payable in quarterly installments of principal and interest of \$59,336 through October 2019 at 4.0%	\$ 2,289,675
\$3,112,288 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority payable in monthly installments of principal and interest of \$19,067 through October 2023 at 4.0%	2,816,802
\$1,988,315 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority payable in monthly installments of principal and interest of \$11,855 through September 2024 at 3.75%	<u>1,636,719</u>
	6,743,196
Less current portion	<u>329,458</u>
Long-term portion outstanding	<u>\$ 6,413,738</u>

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2007

NOTE 7 - LONG-TERM DEBT – Continued

A. Governmental Activities Debt – Continued

Annual requirements to amortize all notes payable outstanding as of June 30, 2007 are as follows:

Year Ending June 30	Principal	Interest	Totals
2008	\$ 329,458	\$ 260,206	\$ 589,664
2009	342,690	246,974	589,664
2010	356,454	233,210	589,664
2011	370,771	218,893	589,664
2012	385,663	204,001	589,664
2013 to 2017	2,173,512	774,808	2,948,320
2018 to 2022	1,960,259	335,361	2,295,620
2023 to 2026	824,389	41,829	866,218
	<u>\$ 6,743,196</u>	<u>\$ 2,315,282</u>	<u>\$ 9,058,478</u>

B. Business-type Activities Debt

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

	Balance July 1, 2006	Additions	Retirements	Balance June 30, 2007	Due Within One Year
Notes payable	\$ 5,386,245	\$ -	\$ 116,839	\$ 5,269,406	\$ 120,085
Compensated absences	31,758	12,993	21,473	23,278	1,000
Total	<u>\$ 5,418,003</u>	<u>\$ 12,993</u>	<u>\$ 138,312</u>	<u>\$ 5,292,684</u>	<u>\$ 121,085</u>

Notes payable recorded in the Public Service Commission Enterprise Fund at June 30, 2007 are comprised of the following individual notes:

\$1,988,200 USDA Rural Development note payable in monthly installments of principal and interest of \$9,345 through October 2039 at 4.75%	\$ 1,847,671
\$3,605,700 USDA Rural Development note payable in monthly installments of principal and interest of \$16,947 through October 2039 at 4.75%	3,350,902
\$400,000 non-interest bearing note to the Blue Ridge Electric Cooperative payable in monthly installments of \$4,167 through November 2008	<u>70,833</u>
	5,269,406
Less current portion	<u>120,085</u>
Long-term portion outstanding	<u>\$ 5,149,321</u>

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2007

NOTE 7 - LONG-TERM DEBT – Continued

B. Business-type Activities Debt - Continued

Annual requirements to amortize all notes payable outstanding as of June 30, 2007 are as follows:

Year Ending June 30	Principal	Interest	Totals
2008	\$ 120,085	\$ 245,419	\$ 365,504
2009	94,320	242,017	336,337
2010	77,055	238,449	315,504
2011	80,796	234,708	315,504
2012	84,718	230,786	315,504
2013 to 2017	489,425	1,088,095	1,577,520
2018 to 2022	620,336	957,184	1,577,520
2023 to 2027	786,264	791,256	1,577,520
2028 to 2032	996,575	580,945	1,577,520
2033 to 2037	1,263,139	314,381	1,577,520
2038 to 2041	656,693	36,154	692,847
	<u>\$ 5,269,406</u>	<u>\$ 4,959,394</u>	<u>\$ 10,228,800</u>

Under the note payable agreements with the USDA Rural Development, the Public Service Commission is required to maintain certain reservations of retained earnings. At June 30, 2007 the Public Service Commission was in compliance with the following reserve requirements:

Reserved for debt service	\$ 238,795
Reserved for depreciation funding	119,397
Reserved for contingency fund	<u>119,397</u>
Total	<u>\$ 477,589</u>

NOTE 8 - CAPITAL CONTRIBUTIONS

Capital contributions for the year ended June 30, 2007 have been recognized in the government-wide financial statements and proprietary funds as non-operating revenue. For the proprietary (enterprise) funds, contributed capital during the year ended June 30, 2007 was as follows:

	Public Service Commission	Airport	Totals
Grants and other cash contributions	<u>\$ 710,863</u>	<u>\$ -</u>	<u>\$ 710,863</u>

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2007

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

	<u>Advance Receivable</u>	<u>Advance Payable</u>
Major Governmental Fund		
General Fund	\$ 197,743	\$ -
Nonmajor Governmental Funds	-	37,058
Major Enterprise Fund		
Airport Fund	-	160,685
	<u>\$ 197,743</u>	<u>\$ 197,743</u>

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

B. Transfers

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Fund:		
General Fund	\$ 515,317	\$ 1,553,430
Nonmajor Governmental Funds	1,062,571	896,547
Major Enterprise Funds		
Public Service Commission Fund	711,537	-
Airport	160,552	-
	<u>\$ 2,449,977</u>	<u>\$ 2,449,977</u>

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

NOTE 10 - EMPLOYEE PENSION PLANS

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

PICKENS COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2007

NOTE 10 - EMPLOYEE PENSION PLANS – Continued

SCRS and PORS Class II plan members are required to contribute 6.50% of their annual covered salary. The County is required to contribute an actuarially determined rate. The current rates for the SCRS and PORS Class II are 8.05% and 10.30% of annual covered payroll, respectively. In addition to the preceding rates, participating employers contribute .15% and .2% of covered payroll to a group life insurance benefit for their SCRS and PORS participants, respectively.

Additionally, participating employers contribute .2% of covered payroll to provide an accidental death benefit for their PORS participants. The contribution requirements of plan members and the County are established under Title 9 of the South Carolina Code of Laws. The County's contributions to SCRS and the PORS (average membership of 585) are summarized as follows:

Year Ended June 30,	Employer			
	SCRS	Percent of Covered Payroll	PORS	Percent of Covered Payroll
2007	\$ 1,110,709	8.20%	\$ 532,614	10.70%
2006	1,009,682	7.70%	501,056	10.70%
2005	833,831	6.85%	442,945	10.70%

Year Ended June 30,	Employee			
	SCRS	Percent of Covered Payroll	PORS	Percent of Covered Payroll
2007	\$ 858,655	6.50%	\$ 323,552	6.50%
2006	815,017	6.25%	302,519	6.50%
2005	693,413	6.00%	213,623	6.50%

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

NOTE 11 - POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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

As of year end, there were 24 employees retired and under the age of 65 that were receiving full premium-coverage benefits. For the year ended June 30, 2007, the County incurred net expenditures for the plan of approximately \$93,115 financed on a pay-as-you go basis.

PICKENS COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2007

NOTE 12 - CONTINGENCIES

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

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

NOTE 13 - PRIOR PERIOD ADJUSTMENT

Prior period adjustments have been recorded in four funds: General Fund, State Road C-Fund, Library Fund and the Airport Fund. During fiscal year 2006 interest was erroneously allocated to the State Road C-Fund that should have been allocated to the General Fund; therefore, a prior period adjustment in the amount of \$108,871 was recorded in both funds. In prior years, donations received by the Library were deferred to the following year and it was determined during the current year that those revenues should not have been deferred causing the County to adjust the Library's fund balance by \$50,000. The Airport's ending fuel inventory for fiscal year end 2006 was understated by \$31,383. It was also discovered during the current year that an asset placed into service during fiscal year 2006 was not depreciated and an adjustment in the amount of \$50,352 was made to reflect the prior year's depreciation. The net effect of those two adjustments was a decrease in the Airport's fund balance in the amount of \$18,969.

REQUIRED SUPPLEMENTARY INFORMATION

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PICKENS COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 21,493,978	\$ 21,493,978	\$ 21,741,730	\$ 247,752
Fees, licenses and permits	549,300	549,300	620,677	71,377
Intergovernmental	6,086,095	6,101,545	6,317,407	215,862
Charges for services	5,180,155	5,180,155	6,255,158	1,075,003
Fines and forfeitures	630,000	630,000	668,008	38,008
Investment income	401,461	401,461	968,742	567,281
Rental income	20,000	20,000	17,303	(2,697)
Contributions	1,300	6,254	396	(5,858)
Miscellaneous	81,000	81,000	138,893	57,893
	<u>34,443,289</u>	<u>34,463,693</u>	<u>36,728,314</u>	<u>2,264,621</u>
Expenditures				
Current				
General government				
County council	190,914	201,175	190,826	10,349
County attorney	93,000	93,345	89,312	4,033
State solicitor	708,708	708,708	686,991	21,717
Public defender	41,356	41,356	38,861	2,495
Probate judge	260,062	262,822	245,637	17,185
Register of deeds	366,528	368,119	333,596	34,523
Clerk of court	610,988	618,884	566,861	52,023
Administrator	524,129	457,892	374,663	83,229
Purchasing	196,156	196,156	193,681	2,475
Finance	380,331	390,451	386,002	4,449
Building maintenance	1,332,993	1,332,993	1,273,394	59,599
Human resources	183,457	196,147	195,312	835
Delinquent tax	253,482	274,375	267,797	6,578
Circuit judge	5,225	5,225	4,568	657
Treasurer	404,842	406,132	398,461	7,671
Auditor	352,592	355,820	326,614	29,206
Tax assessor	894,180	896,893	810,481	86,412
Board of appeals	2,000	2,000	1,645	355
GIS mapping	279,060	283,348	280,874	2,474
Registration and elections	175,357	192,884	188,639	4,245
Planning commission	172,921	174,225	173,170	1,055
Information services	918,864	935,905	898,672	37,233
County magistrates	624,858	627,646	633,503	(5,857)
Vehicle maintenance	490,548	491,103	477,673	13,430
	<u>9,462,551</u>	<u>9,513,604</u>	<u>9,037,233</u>	<u>476,371</u>
Public safety				
Sheriff's department	7,348,995	7,365,995	7,151,645	214,350
Emergency management	235,691	242,954	217,138	25,816
County coroner	136,811	137,577	139,523	(1,946)
Prison camp	1,066,066	1,067,266	1,068,710	(1,444)
Emergency medical services	4,433,871	4,437,318	4,043,134	394,184
Building codes	440,659	444,693	420,273	24,420
County radio system	22,000	22,000	24,622	(2,622)
E-911	113,914	113,914	110,650	3,264
	<u>13,798,007</u>	<u>13,831,717</u>	<u>13,175,695</u>	<u>656,022</u>

PICKENS COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public works				
Roads and bridges	2,129,849	2,097,571	1,985,425	112,146
Solid waste department	3,622,794	3,609,130	3,594,523	14,607
Engineering	141,323	142,552	143,028	(476)
Environmental services	89,586	90,482	86,800	3,682
	<u>5,983,552</u>	<u>5,939,735</u>	<u>5,809,776</u>	<u>129,959</u>
Health and welfare				
Health department	54,753	54,753	48,261	6,492
Animal control	305,221	338,746	328,655	10,091
Humane society	100,000	100,000	66,702	33,298
Veterans affairs	119,766	121,664	121,992	(328)
Storm water management	99,418	111,650	99,552	12,098
Pickens county health partners	25,000	25,000	25,000	-
	<u>704,158</u>	<u>751,813</u>	<u>690,162</u>	<u>61,651</u>
Culture and recreation				
Cultural commission	270,642	271,350	259,217	12,133
Parks department	222,390	222,390	213,941	8,449
Pickens heritage corridor	18,000	18,000	36,000	(18,000)
	<u>511,032</u>	<u>511,740</u>	<u>509,158</u>	<u>2,582</u>
Economic development and assistance				
Economic development	407,204	407,204	527,005	(119,801)
Intergovernmental				
Legislative delegation	28,698	28,698	23,705	4,993
Seniors unlimited	20,000	20,000	20,000	-
Department of social services	46,179	46,179	43,168	3,011
Mental health center	20,000	20,000	20,000	-
Medically indigent fund	228,716	228,716	210,441	18,275
SC Appalachian Council of Governments	45,593	45,593	45,593	-
Clemson extension	19,725	19,725	20,457	(732)
Soil and water conservation	39,925	39,925	34,838	5,087
	<u>448,836</u>	<u>448,836</u>	<u>418,202</u>	<u>30,634</u>
Other				
Unemployment Insurance	15,000	15,000	-	15,000
Reclassifications	44,747	18,907	-	18,907
Contingency	419,875	409,875	150,208	259,667
Non-departmental	19,025	19,025	19,025	-
	<u>498,647</u>	<u>462,807</u>	<u>169,233</u>	<u>293,574</u>
Capital outlay	<u>1,283,380</u>	<u>1,321,715</u>	<u>883,768</u>	<u>437,947</u>
Debt service				
Principal retirement	98,896	98,896	98,896	-
Interest and fiscal charges	2,663	2,663	2,663	-
	<u>101,559</u>	<u>101,559</u>	<u>101,559</u>	<u>-</u>
Total Expenditures	<u>33,198,926</u>	<u>33,290,730</u>	<u>31,321,791</u>	<u>1,968,939</u>

PICKENS COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues Over (Under) Expenditures	<u>1,244,363</u>	<u>1,172,963</u>	<u>5,406,523</u>	<u>4,233,560</u>
Other Financing Sources (Uses)				
Transfers in (out)	<u>(1,244,363)</u>	<u>(1,244,363)</u>	<u>(1,038,113)</u>	<u>206,250</u>
	<u>(1,244,363)</u>	<u>(1,244,363)</u>	<u>(1,038,113)</u>	<u>206,250</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (71,400)</u>	4,368,410	<u>\$ 4,439,810</u>
Fund Balances, Beginning of Year			18,647,533	
Prior Period Adjustment			<u>108,871</u>	
Fund Balances, End of Year			<u>\$ 23,124,814</u>	

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

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**COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES**

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PICKENS COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2007

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 8,999,208	\$ 533,170	\$ 673,421	\$ 10,205,799
Property taxes receivable	594,476	82,786	-	677,262
Accounts receivable - other	71,610	328	-	71,938
Due from other governments	264,802	-	-	264,802
Prepaid expenses	578	-	-	578
	<u>\$ 9,930,674</u>	<u>\$ 616,284</u>	<u>\$ 673,421</u>	<u>\$ 11,220,379</u>
Liabilities and Fund Balances				
Liabilities				
Bank overdraft	\$ 31,372	\$ -	\$ -	\$ 31,372
Accounts payable	341,987	250	2,337	344,574
Accrued payroll	94,662	-	-	94,662
Advances from general fund	37,058	-	-	37,058
Unearned revenue	1,077,894	80,893	-	1,158,787
	<u>1,582,973</u>	<u>81,143</u>	<u>2,337</u>	<u>1,666,453</u>
Fund balances				
Reserved for:				
Encumbrances	208,393	-	-	208,393
Prepaid items	578	-	-	578
Debt service	-	535,141	-	535,141
Unreserved:				
Designated for future expenditures	2,361,925	-	-	2,361,925
Undesignated	5,776,805	-	671,084	6,447,889
	<u>8,347,701</u>	<u>535,141</u>	<u>671,084</u>	<u>9,553,926</u>
	<u>\$ 9,930,674</u>	<u>\$ 616,284</u>	<u>\$ 673,421</u>	<u>\$ 11,220,379</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2007

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 4,323,524	\$ 1,817,747	\$ -	\$ 6,141,271
Fees, licenses and permits	4,488,238	-	-	4,488,238
Intergovernmental	1,992,052	88,292	5,569	2,085,913
Charges for services	143,470	-	-	143,470
Fines and forfeitures	274,133	-	-	274,133
Investment income	247,597	4,292	50,609	302,498
Contributions	74,050	-	-	74,050
Miscellaneous	3,710	-	-	3,710
	<u>11,546,774</u>	<u>1,910,331</u>	<u>56,178</u>	<u>13,513,283</u>
Expenditures				
General government	118,000	-	-	118,000
Public safety	3,074,272	-	-	3,074,272
Public works	2,261,902	-	-	2,261,902
Culture and recreation	3,350,695	-	3,333	3,354,028
Economic development and assistance	-	-	21,530	21,530
Intergovernmental	1,159,463	-	-	1,159,463
Capital outlay	1,290,885	-	5,569	1,296,454
Debt service				
Principal retirement	224,755	1,444,150	-	1,668,905
Interest and fiscal charges	68,902	774,358	-	843,260
	<u>11,548,874</u>	<u>2,218,508</u>	<u>30,432</u>	<u>13,797,814</u>
Revenues Over (Under) Expenditures	<u>(2,100)</u>	<u>(308,177)</u>	<u>25,746</u>	<u>(284,531)</u>
Other Financing Sources (Uses)				
Transfers in (out)	743,802	-	(577,778)	166,024
	<u>743,802</u>	<u>-</u>	<u>(577,778)</u>	<u>166,024</u>
Net change in fund balances	741,702	(308,177)	(552,032)	(118,507)
Fund Balances, Beginning of Year	7,555,999	843,318	1,223,116	9,622,433
Prior Period Adjustment	50,000	-	-	50,000
Fund Balances, End of Year	<u>\$ 8,347,701</u>	<u>\$ 535,141</u>	<u>\$ 671,084</u>	<u>\$ 9,553,926</u>

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

Nonmajor Special Revenue Funds

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

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

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

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

Library – This fund is used to account for revenues and expenditures associated with the County’s public library system.

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

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

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

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

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

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

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

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

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

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

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

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PICKENS COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2007

	Tri-County Tech	Fixed Nuclear Fund	Sheriff Special Fund	Library Fund	Victim Rights	Grants Fund	Emergency Phone System	Fire Districts
Assets								
Cash and investments	\$ 135,799	\$ 35,036	\$ 502,998	\$ 1,095,534	\$ 134,118	\$ 349,014	\$ 365,985	\$ 2,544,931
Property taxes receivable	46,758	-	-	97,312	-	-	-	450,406
Accounts receivable - other	-	-	2,188	-	-	-	25,498	15,531
Due from other governments	1,441	-	-	-	-	181,845	-	22,738
Prepaid expenses	-	-	-	-	-	-	-	578
	\$ 183,998	\$ 35,036	\$ 505,186	\$ 1,192,846	\$ 134,118	\$ 530,859	\$ 391,483	\$ 3,034,184

Liabilities and Fund Balances

Liabilities								
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	457	-	70,968	360	9,623	18,121	24,540
Accrued payroll	-	1,036	-	61,629	6,070	8,795	1,666	15,466
Advances from general fund	-	-	-	-	-	-	-	37,058
Unearned revenue	42,955	-	-	88,368	1,893	512,441	-	431,495
	42,955	1,493	-	220,965	8,323	530,859	19,787	508,559
Fund Balances								
Reserved for:								
Encumbrances	-	-	-	-	-	17,316	-	186,220
Prepaid items	-	-	-	-	-	-	-	578
Unreserved:								
Designated for future expenditures	99,319	-	-	67,300	42,465	-	-	819,354
Undesignated	41,724	33,543	505,186	904,581	83,330	(17,316)	371,696	1,519,473
	141,043	33,543	505,186	971,881	125,795	-	371,696	2,525,625
	\$ 183,998	\$ 35,036	\$ 505,186	\$ 1,192,846	\$ 134,118	\$ 530,859	\$ 391,483	\$ 3,034,184

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2007

	Law Enforcement Grants	Accommodations Tax Fund	Museum Restricted Resources	Road Fee	Tourism Development Fee	Recreation Capital	Public Safety Capital Replacement	Totals
Assets								
Cash and investments	\$ 2,830	\$ -	\$ 306,825	\$ 1,576,866	\$ 218,983	\$ 281,940	\$ 1,448,349	\$ 8,999,208
Property taxes receivable	-	-	-	-	-	-	-	594,476
Accounts receivable - other	-	-	6,394	-	21,999	-	-	71,610
Due from other governments	-	58,778	-	-	-	-	-	264,802
Prepaid expenses	-	-	-	-	-	-	-	578
	<u>\$ 2,830</u>	<u>\$ 58,778</u>	<u>\$ 313,219</u>	<u>\$ 1,576,866</u>	<u>\$ 240,982</u>	<u>\$ 281,940</u>	<u>\$ 1,448,349</u>	<u>\$ 9,930,674</u>
Liabilities and Fund Balances								
Liabilities								
Bank overdraft	\$ -	\$ 31,372	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,372
Accounts payable	2,088	21,693	604	190,213	-	3,320	-	341,987
Accrued payroll	-	-	-	-	-	-	-	94,662
Advances from general fund	-	-	-	-	-	-	-	37,058
Unearned revenue	742	-	-	-	-	-	-	1,077,894
	<u>2,830</u>	<u>53,065</u>	<u>604</u>	<u>190,213</u>	<u>-</u>	<u>3,320</u>	<u>-</u>	<u>1,582,973</u>
Fund Balances								
Reserved for:								
Encumbrances	-	-	4,857	-	-	-	-	208,393
Prepaid items	-	-	-	-	-	-	-	578
Unreserved:								
Designated for future expenditures	-	-	-	1,272,027	61,460	-	-	2,361,925
Undesignated	-	5,713	307,758	114,626	179,522	278,620	1,448,349	5,776,805
	<u>-</u>	<u>5,713</u>	<u>312,615</u>	<u>1,386,653</u>	<u>240,982</u>	<u>278,620</u>	<u>1,448,349</u>	<u>8,347,701</u>
	<u>\$ 2,830</u>	<u>\$ 58,778</u>	<u>\$ 313,219</u>	<u>\$ 1,576,866</u>	<u>\$ 240,982</u>	<u>\$ 281,940</u>	<u>\$ 1,448,349</u>	<u>\$ 9,930,674</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2007

	Tri-County Tech	Fixed Nuclear Fund	Sheriff Special Fund	Library Fund	Victim Rights	Grants Fund	Emergency Phone System	Fire Districts
Revenues								
Taxes	\$ 1,085,754	\$ -	\$ -	\$ 2,543,890	\$ -	\$ -	\$ -	\$ 693,880
Intergovernmental	-	49,275	-	388,658	107	1,184,595	174,348	35,950
Fees, licenses and permits	-	-	-	-	-	-	358,964	1,976,528
Charges for services	-	-	-	86,111	-	-	-	-
Fines and forfeitures	-	-	94,012	-	180,121	-	-	-
Investment income	-	-	12,148	9,646	-	-	13,470	94,904
Contributions	-	-	4,110	42,199	-	-	-	-
Miscellaneous	-	-	-	55	-	-	-	3,655
	<u>1,085,754</u>	<u>49,275</u>	<u>110,270</u>	<u>3,070,559</u>	<u>180,228</u>	<u>1,184,595</u>	<u>546,782</u>	<u>2,804,917</u>
Expenditures								
General government	-	-	-	-	-	118,000	-	-
Public safety	-	54,450	90,931	-	193,273	251,268	286,058	2,166,756
Public works	-	-	-	-	-	454,775	-	-
Culture and recreation	-	-	-	2,838,174	-	-	-	-
Intergovernmental	1,159,463	-	-	-	-	-	-	-
Capital outlay	-	-	-	19,857	-	360,552	-	257,274
Debt service	-	-	-	-	-	-	64,768	82,912
Principal retirement	-	-	-	-	-	-	13,599	32,378
Interest and fiscal charges	-	-	-	-	-	-	364,425	2,539,320
	<u>(73,709)</u>	<u>(5,175)</u>	<u>19,339</u>	<u>212,528</u>	<u>(13,045)</u>	<u>-</u>	<u>182,357</u>	<u>265,597</u>
Revenues Over (Under) Expenditures								
Other Financing Sources (Uses)	-	13,280	-	-	75,563	-	-	-
Transfers in (out)	-	13,280	-	-	75,563	-	-	-
Net change in fund balances	(73,709)	8,105	19,339	212,528	62,518	-	182,357	265,597
Fund Balances, Beginning of Year	214,752	25,438	485,847	709,353	63,277	-	189,339	2,260,028
Prior Period Adjustment	-	-	-	50,000	-	-	-	-
Fund Balances, End of Year	<u>\$ 141,043</u>	<u>\$ 33,543</u>	<u>\$ 505,186</u>	<u>\$ 971,881</u>	<u>\$ 125,795</u>	<u>\$ -</u>	<u>\$ 371,696</u>	<u>\$ 2,525,625</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2007

	Law Enforcement Block Grants	Accommodations Tax Fund	Museum Restricted Resources	Road Fee	Tourism Development Fee	Recreation Capital	Public Safety Capital Replacement	Totals
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,323,524
Intergovernmental	47,752	97,311	14,056	-	-	-	-	1,992,052
Fees, licenses and permits	-	-	-	1,926,160	226,586	-	-	4,488,238
Charges for services	-	-	57,359	-	-	-	-	143,470
Fines and forfeitures	-	-	-	-	-	-	-	274,133
Investment income	1,648	480	6,394	98,956	9,951	-	-	247,597
Contributions	-	-	27,741	-	-	-	-	74,050
Miscellaneous	-	-	-	-	-	-	-	3,710
	49,400	97,791	105,550	2,025,116	236,537	-	-	11,546,774
Expenditures								
General government	-	-	-	-	-	-	-	118,000
Public safety	31,536	-	-	-	-	-	-	3,074,272
Public works	-	-	-	1,807,127	-	-	-	2,261,902
Culture and recreation	-	67,692	73,709	-	-	371,120	-	3,350,695
Intergovernmental	-	-	-	-	-	-	-	1,159,463
Capital outlay	17,864	-	-	226,469	-	-	408,869	1,290,885
Debt service	-	-	-	-	77,075	-	-	224,755
Principal retirement	-	-	-	-	22,925	-	-	68,902
Interest and fiscal charges	-	-	-	-	-	-	-	-
	49,400	67,692	73,709	2,033,596	100,000	371,120	408,869	11,548,874
Revenues Over (Under) Expenditures	-	30,099	31,841	(8,480)	136,537	(371,120)	(408,869)	(2,100)
Other Financing Sources (Uses)								
Transfers in (out)	-	(37,616)	9,000	(76,895)	-	366,680	393,790	743,802
	-	(37,616)	9,000	(76,895)	-	366,680	393,790	743,802
Net change in fund balances	-	(7,517)	40,841	(85,375)	136,537	(4,440)	(15,079)	741,702
Fund Balances, Beginning of Year	-	13,230	271,774	1,472,028	104,445	283,060	1,463,428	7,555,999
Prior Period Adjustment	-	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ 5,713	\$ 312,615	\$ 1,386,653	\$ 240,982	\$ 278,620	\$ 1,448,349	\$ 8,347,701

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRI-COUNTY TECH FUND
 YEAR ENDED JUNE 30, 2007

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	\$ 1,037,213	\$ 1,085,754	\$ 48,541
	<u>1,037,213</u>	<u>1,085,754</u>	<u>48,541</u>
Expenditures			
Current	1,037,213	1,159,463	(122,250)
Intergovernmental	<u>1,037,213</u>	<u>1,159,463</u>	<u>(122,250)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	(73,709)	<u>\$ (73,709)</u>
Fund Balances, Beginning of Year		<u>214,752</u>	
Fund Balances, End of Year		<u>\$ 141,043</u>	

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Operations	State Aid	Totals	Variance with Final Budget Positive (Negative)
Revenues						
Taxes	\$ 2,410,648	\$2,410,648	\$2,543,890	\$ -	\$ 2,543,890	\$ 133,242
Intergovernmental	220,000	388,658	166,346	222,312	388,658	-
Charges for services	80,000	80,000	86,111	-	86,111	6,111
Investment income	-	-	9,646	-	9,646	9,646
Contributions	-	43,000	42,199	-	42,199	(801)
Miscellaneous	-	-	55	-	55	55
	<u>2,710,648</u>	<u>2,922,306</u>	<u>2,848,247</u>	<u>222,312</u>	<u>3,070,559</u>	<u>148,253</u>
Expenditures						
Current						
Salaries	1,939,165	1,899,165	1,879,755	-	1,879,755	19,410
Office supplies	35,450	35,450	34,453	-	34,453	997
Postage	6,000	6,000	5,932	-	5,932	68
Dues and subscriptions	1,900	1,900	1,360	-	1,360	540
Travel expense	3,500	5,451	4,648	-	4,648	803
Fuel and oil	1,170	1,170	1,295	-	1,295	(125)
Electricity and heating fuel	120,000	120,000	109,713	-	109,713	10,287
Telephone	20,450	20,450	23,316	-	23,316	(2,866)
Water and sewer	8,000	8,000	7,251	-	7,251	749
Maintenance and service contracts	70,450	74,839	67,007	-	67,007	7,832
Repairs to equipment	3,000	4,000	3,413	-	3,413	587
Repairs to buildings and grounds	57,000	66,063	33,354	-	33,354	32,709
Repairs to vehicles	400	900	822	-	822	78
Food	500	500	396	-	396	104
Cleaning and sanitation	7,000	9,600	9,139	-	9,139	461
Insurance, bonds, license	37,584	37,934	37,789	-	37,789	145
Rent - building, equipment	40,750	40,750	37,271	-	37,271	3,479
Training	2,800	1,849	1,848	-	1,848	1
Consulting and contractual	4,000	134,525	118,135	-	118,135	16,390
Books	150,000	150,000	131,927	-	131,927	18,073
Foundation	-	35,000	35,000	-	35,000	-
Library miscellaneous donations	-	8,000	7,171	-	7,171	829
Office furniture and equipment	52,450	76,249	33,364	-	33,364	42,885
Equipment	-	19,355	17,901	-	17,901	1,454
Software	2,731	16,333	13,602	-	13,602	2,731
Capital outlay	-	19,857	19,857	-	19,857	-
Books	220,000	135,323	-	138,803	138,803	(3,480)
A/V materials	-	19,950	-	19,293	19,293	657
Binding	-	157	-	157	157	-
Periodicals	-	24,206	-	24,205	24,205	1
Software - state aid	-	8,276	-	8,275	8,275	1
Large type	-	12,000	-	9,658	9,658	2,342
Continuations	-	22,400	-	21,921	21,921	479
	<u>2,784,300</u>	<u>3,015,652</u>	<u>2,635,719</u>	<u>222,312</u>	<u>2,858,031</u>	<u>157,621</u>
Revenues Over (Under) Expenditures	<u>\$ (73,652)</u>	<u>\$ (93,346)</u>	212,528	-	212,528	<u>\$ 305,874</u>
Fund Balances, Beginning of Year			709,353	-	709,353	
Prior Period Adjustment			50,000	-	50,000	
Fund Balances, End of Year			<u>\$ 971,881</u>	<u>\$ -</u>	<u>\$ 971,881</u>	

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 VICTIM RIGHTS FUND
 YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 146,500	\$ 146,500	\$ 180,121	\$ 33,621
Intergovernmental	-	-	107	107
	<u>146,500</u>	<u>146,500</u>	<u>180,228</u>	<u>33,728</u>
Expenditures				
Current				
Salaries	173,864	173,864	173,257	607
Office supplies	4,500	4,500	3,355	1,145
Dues and subscriptions	285	285	-	285
Postage	1,900	1,900	1,385	515
Software	1,175	1,175	-	1,175
Travel expense	100	100	54	46
Fuel and oil	2,295	2,295	2,252	43
Telephone	2,600	2,600	2,257	343
Equipment	3,420	3,420	3,275	145
Maintenance and service contracts	2,067	2,067	1,592	475
Repairs to vehicles	400	400	226	174
Uniforms and clothing	2,000	2,000	1,625	375
Insurance, bonds and licenses	3,172	3,172	2,994	178
Local grant match	23,085	23,085	-	23,085
Direct assistance	-	2,000	107	1,893
Training	1,200	1,200	894	306
	<u>222,063</u>	<u>224,063</u>	<u>193,273</u>	<u>30,790</u>
Revenues Over (Under) Expenditures	(75,563)	(77,563)	(13,045)	64,518
Other Financing Sources (Uses)				
Fund balance appropriated				
Transfers in (out)	75,563	75,563	75,563	-
Net change in fund balances	<u>\$ -</u>	<u>\$ (2,000)</u>	62,518	<u>\$ 64,518</u>
Fund Balances, Beginning of Year			<u>63,277</u>	
Fund Balances, End of Year			<u>\$ 125,795</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 387,000	\$ 387,000	\$ 358,964	\$ (28,036)
Investment income	1,000	1,000	13,470	12,470
Intergovernmental	28,000	28,000	174,348	146,348
	<u>416,000</u>	<u>416,000</u>	<u>546,782</u>	<u>130,782</u>
Expenditures				
Current				
Salaries	46,917	46,917	46,725	192
Office supplies	400	400	393	7
Software	2,500	2,500	-	2,500
Dues and subscriptions	200	200	206	(6)
Travel	1,000	1,000	12	988
Telephone	215,450	215,450	213,842	1,608
Maintenance and service contracts	27,500	27,599	9,046	18,553
Repairs to equipment	1,000	1,000	-	1,000
Uniforms & clothing	100	100	87	13
Insurance, bonds, licenses	795	795	938	(143)
Training	9,500	9,500	5,672	3,828
Special departmental supplies	2,000	2,000	1,624	376
Office furniture and equipment	16,000	16,000	7,513	8,487
Debt service				
Principal retirement	64,768	64,768	64,768	-
Interest and fiscal charges	13,599	13,599	13,599	-
	<u>401,729</u>	<u>401,828</u>	<u>364,425</u>	<u>37,403</u>
Revenues Over (Under) Expenditures	<u>\$ 14,271</u>	<u>\$ 14,172</u>	182,357	<u>\$ 168,185</u>
Fund Balances, Beginning of Year			<u>189,339</u>	
Fund Balances, End of Year			<u>\$ 371,696</u>	

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 FIRE DISTRICTS
 JUNE 30, 2007

	Easley	Liberty	Pumpkintown	Crosswell	Six Mile	Pickens	Dacusville
Assets							
Cash	\$ 100,031	\$ 199,344	\$ 73,502	\$ 806,929	\$ 370,933	\$ 117,224	\$ 247,113
Property taxes receivable, net	86,945	72,078	16,572	102,593	41,318	46,367	48,813
Accounts receivable, other	333	736	277	3,623	4,628	2,441	876
Due from other governments	-	-	-	-	-	-	21,324
Prepaid items	-	-	-	-	-	-	578
	<u>\$ 187,309</u>	<u>\$ 272,158</u>	<u>\$ 90,351</u>	<u>\$ 913,145</u>	<u>\$ 416,879</u>	<u>\$ 166,032</u>	<u>\$ 318,704</u>

Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 2,929	\$ -	\$ 6,393	\$ -	\$ 1,000	\$ 1,743	\$ 1,774
Accrued payroll	-	-	-	-	-	-	-
Advances from general fund	-	-	37,058	-	-	-	-
Unearned revenue	81,889	70,447	15,700	97,443	40,589	44,987	45,432
	<u>84,818</u>	<u>70,447</u>	<u>59,151</u>	<u>97,443</u>	<u>41,589</u>	<u>46,730</u>	<u>47,206</u>

Fund Balances							
Reserved for encumbrances	-	-	-	9,875	-	5,179	-
Reserved for prepaid items	-	-	-	-	269,890	-	578
Designated for future expenditures	-	-	-	481,567	105,400	-	5,213
Unreserved	102,491	201,711	31,200	324,260	105,400	114,123	265,707
	<u>102,491</u>	<u>201,711</u>	<u>31,200</u>	<u>815,702</u>	<u>375,290</u>	<u>119,302</u>	<u>271,498</u>
	<u>\$ 187,309</u>	<u>\$ 272,158</u>	<u>\$ 90,351</u>	<u>\$ 913,145</u>	<u>\$ 416,879</u>	<u>\$ 166,032</u>	<u>\$ 318,704</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 FIRE DISTRICTS
 JUNE 30, 2007

	Holly Springs	Central	Shady Grove	Rocky Bottom	Vineyards	Total
Assets						
Cash	\$ 43,213	\$ 216,040	\$ 289,460	\$ 18,610	\$ 62,532	\$ 2,544,931
Property taxes receivable, net	10,249	18,210	3,051	138	4,072	450,406
Accounts receivable, other	722	690	843	34	328	15,531
Due from other governments	1,414	-	-	-	-	22,738
Prepaid items	-	-	-	-	-	578
	<u>\$ 55,598</u>	<u>\$ 234,940</u>	<u>\$ 293,354</u>	<u>\$ 18,782</u>	<u>\$ 66,932</u>	<u>\$ 3,034,184</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 2,144	\$ 3,802	\$ 541	\$ -	\$ 4,214	\$ 24,540
Accrued payroll	-	-	-	-	15,466	15,466
Advances from general fund	-	-	-	-	-	37,058
Unearned revenue	9,899	17,607	2,914	138	4,450	431,495
	<u>12,043</u>	<u>21,409</u>	<u>3,455</u>	<u>138</u>	<u>24,130</u>	<u>508,559</u>
Fund Balances						
Reserved for encumbrances	-	-	171,166	-	-	186,220
Reserved for prepaid items	-	-	-	-	-	578
Designated for future expenditures	1,000	-	22,000	-	39,684	819,354
Unreserved	42,555	213,531	96,733	18,644	3,118	1,519,473
	<u>43,555</u>	<u>213,531</u>	<u>289,899</u>	<u>18,644</u>	<u>42,802</u>	<u>2,525,625</u>
	<u>\$ 55,598</u>	<u>\$ 234,940</u>	<u>\$ 293,354</u>	<u>\$ 18,782</u>	<u>\$ 66,932</u>	<u>\$ 3,034,184</u>

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 EASLEY FIRE DISTRICT FUND
 YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 391,185	\$ 391,185	\$ 410,294	\$ 19,109
Investment income	3,000	3,000	4,803	1,803
	<u>394,185</u>	<u>394,185</u>	<u>415,097</u>	<u>20,912</u>
Expenditures				
Current				
Contract services	391,185	391,185	407,667	(16,482)
Contingency expense	3,000	3,000	-	3,000
	<u>394,185</u>	<u>394,185</u>	<u>407,667</u>	<u>(13,482)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	7,430	<u>\$ 7,430</u>
Fund Balances, Beginning of Year			<u>95,061</u>	
Fund Balances, End of Year			<u>\$ 102,491</u>	

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LIBERTY FIRE DISTRICT
 YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 305,000	\$ 305,000	\$ 312,678	\$ 7,678
Investment income	2,000	2,000	5,280	3,280
	<u>307,000</u>	<u>307,000</u>	<u>317,958</u>	<u>10,958</u>
Expenditures				
Current				
Land, buildings, rights of way	2,500	2,500	-	2,500
Contract services	144,500	144,500	144,000	500
Repairs to vehicles	5,000	5,000	4,805	195
Office supplies	500	500	335	165
Insurance, bonds, and licenses	10,000	10,000	7,298	2,702
Routine maintenance	4,000	4,000	467	3,533
Repairs to equipment	5,000	5,000	1,141	3,859
Training	6,500	6,500	748	5,752
Fire calls/professional services	30,000	30,000	30,000	-
Machinery and equipment	30,000	30,000	4,875	25,125
Travel	1,000	1,000	-	1,000
Medical services and supplies	4,000	4,000	3,127	873
Capital Outlay	25,000	25,000	-	25,000
Contingency expense	39,000	39,000	-	39,000
	<u>307,000</u>	<u>307,000</u>	<u>196,796</u>	<u>110,204</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	121,162	<u>\$ 121,162</u>
Fund Balances, Beginning of Year			<u>80,549</u>	
Fund Balances, End of Year			<u>\$ 201,711</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ -	\$ -	\$ 161	\$ 161
Fee, licenses and permits	96,974	96,974	98,362	1,388
Investment income	750	750	2,621	1,871
Intergovernmental	-	7,730	7,879	149
	<u>97,724</u>	<u>105,454</u>	<u>109,023</u>	<u>3,569</u>
Expenditures				
Current				
Operating	6,000	6,000	4,130	1,870
Office supplies	1,400	1,400	1,812	(412)
Electricity and heating fuel	3,200	3,200	3,904	(704)
Telephone	3,600	3,600	3,056	544
Insurance, bonds, and licenses	20,000	20,000	15,472	4,528
Routine maintenance	1,350	1,350	1,091	259
Repairs to equipment	14,350	14,350	12,038	2,312
Training	3,500	3,500	3,097	403
Machinery and equipment	6,900	16,074	26,996	(10,922)
Medical services and supplies	1,500	1,500	244	1,256
Contingency expense	3,000	1,821	-	1,821
Contract services	1,000	1,000	316	684
Debt service				
Principal retirement	26,148	26,148	14,508	11,640
Interest and fiscal charges	5,776	5,776	5,776	-
	<u>97,724</u>	<u>105,719</u>	<u>92,440</u>	<u>13,279</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (265)</u>	16,583	<u>\$ 16,848</u>
Fund Balances, Beginning of Year			<u>14,617</u>	
Fund Balances, End of Year			<u>\$ 31,200</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 370,000	\$ 370,000	\$ 391,246	\$ 21,246
Investment income	3,000	3,000	28,831	25,831
	<u>373,000</u>	<u>373,000</u>	<u>420,077</u>	<u>47,077</u>
Expenditures				
Current				
Contract services	250,000	250,000	249,135	865
Office supplies	1,000	1,000	106	894
Capital outlay	350,000	350,000	25,375	324,625
Contingency expense	10,000	10,000	-	10,000
	<u>611,000</u>	<u>611,000</u>	<u>274,616</u>	<u>336,384</u>
Revenues Over (Under) Expenditures	<u>\$ (238,000)</u>	<u>\$ (238,000)</u>	145,461	<u>\$ 383,461</u>
Fund Balances, Beginning of Year			<u>670,241</u>	
Fund Balances, End of Year			<u>\$ 815,702</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 132,000	\$ 132,000	\$ 133,036	\$ 1,036
Investment income	1,000	1,000	14,592	13,592
	<u>133,000</u>	<u>133,000</u>	<u>147,628</u>	<u>14,628</u>
Expenditures				
Current				
Contract services	102,000	102,000	82,093	19,907
Office	400	400	-	400
Insurance, bonds, and licenses	5,000	5,000	-	5,000
Training	400	400	-	400
Machinery and equipment	10,000	10,000	-	10,000
Capital outlay	250,000	250,000	-	250,000
	<u>367,800</u>	<u>367,800</u>	<u>82,093</u>	<u>285,707</u>
Revenues Over (Under) Expenditures	<u>\$ (234,800)</u>	<u>\$ (234,800)</u>	\$ 65,535	<u>\$ 300,335</u>
Fund Balances, Beginning of Year			<u>309,755</u>	
Fund Balances, End of Year			<u>\$ 375,290</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 242,000	\$ 242,000	\$ 249,782	\$ 7,782
Investment income	2,000	2,000	6,083	4,083
	<u>244,000</u>	<u>244,000</u>	<u>255,865</u>	<u>11,865</u>
Expenditures				
Current				
Contract services	229,900	229,900	237,550	(7,650)
Machinery and equipment	-	-	4,347	(4,347)
Operating	-	-	12	(12)
Contingency expense	14,100	14,100	-	14,100
	<u>244,000</u>	<u>244,000</u>	<u>241,909</u>	<u>2,091</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	13,956	<u>\$ 13,956</u>
Fund Balances, Beginning of Year			<u>105,346</u>	
Fund Balances, End of Year			<u>\$ 119,302</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 161,987	\$ 161,987	\$ 168,695	\$ 6,708
Investment income	1,000	1,000	9,737	8,737
Intergovernmental	-	49,260	23,136	(26,124)
	<u>162,987</u>	<u>212,247</u>	<u>201,568</u>	<u>(10,679)</u>
Expenditures				
Current				
Contract services	5,500	5,500	4,648	852
Salaries and benefits	39,094	39,094	-	39,094
Operating	2,500	2,500	6,673	(4,173)
Office Supplies	17,718	17,718	7,203	10,515
Electricity and heating fuel	8,000	8,000	8,246	(246)
Telephone	1,300	1,300	1,353	(53)
Insurance, bonds, and licenses	33,000	33,000	22,740	10,260
Repairs to equipment	2,500	2,500	4,491	(1,991)
Training	6,500	6,500	18,979	(12,479)
Uniforms	4,500	4,500	2,285	2,215
Machinery and equipment	5,000	5,000	2,513	2,487
Medical services and supplies	3,000	3,000	-	3,000
Capital outlay	-	49,945	22,446	27,499
Debt service				
Principal retirement	24,982	24,982	24,982	-
Interest and fiscal charges	9,393	9,393	9,393	-
	<u>162,987</u>	<u>212,932</u>	<u>135,952</u>	<u>76,980</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (685)</u>	65,616	<u>\$ 66,301</u>
Fund Balances, Beginning of Year			<u>205,882</u>	
Fund Balances, End of Year			<u>\$ 271,498</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 57,000	\$ 57,000	\$ 58,061	\$ 1,061
Investment income	300	300	2,229	1,929
Intergovernmental	-	-	1,414	1,414
Miscellaneous	-	-	2,284	2,284
	<u>57,300</u>	<u>57,300</u>	<u>63,988</u>	<u>6,688</u>
Expenditures				
Current				
Operating	4,722	4,722	3,412	1,310
Medical service supplies	4,040	4,040	5,858	(1,818)
Supplies	5,470	5,470	597	4,873
Electricity and heating fuel	3,500	3,500	1,564	1,936
Telephone	1,500	1,500	2,021	(521)
Insurance, bonds, and licenses	5,000	5,600	5,598	2
Routine maintenance	-	-	915	(915)
Repairs to equipment	5,450	4,850	2,356	2,494
Training	2,000	2,000	653	1,347
Contingency expense	3,000	3,000	-	3,000
Capital outlay	-	262,725	222,741	39,984
Debt service				
Principal retirement	18,574	18,574	18,552	22
Interest and fiscal charges	8,920	8,920	8,907	13
	<u>62,176</u>	<u>324,901</u>	<u>273,174</u>	<u>51,727</u>
Revenues Over (Under) Expenditures	<u>\$ (4,876)</u>	<u>\$ (267,601)</u>	(209,186)	<u>\$ 58,415</u>
Fund Balances, Beginning of Year			<u>252,741</u>	
Fund Balances, End of Year			<u>\$ 43,555</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 150,436	\$ 150,436	\$ 151,180	\$ 744
Investment income	2,000	2,000	7,670	5,670
	<u>152,436</u>	<u>152,436</u>	<u>158,850</u>	<u>6,414</u>
Expenditures				
Current				
Salaries and benefits	5,832	5,832	1,500	4,332
Contract services	63,009	63,009	67,609	(4,600)
Operating	680	680	711	(31)
Office	2,675	2,675	758	1,917
Electricity and heating fuel	3,200	3,200	2,000	1,200
Telephone	1,144	1,144	1,217	(73)
Insurance, bonds, and licenses	4,537	4,537	4,100	437
Routine maintenance	1,700	1,700	239	1,461
Repairs to equipment	5,000	5,000	3,731	1,269
Training	3,000	3,000	1,167	1,833
Uniforms	4,000	4,000	3,936	64
Machinery and equipment	23,000	23,000	8,893	14,107
Medical services and supplies	3,500	3,500	3,100	400
Contingency expense	3,355	3,355	-	3,355
Debt service				
Principal retirement	19,851	19,851	20,337	(486)
Interest and fiscal charges	7,953	7,953	7,197	756
	<u>152,436</u>	<u>152,436</u>	<u>126,495</u>	<u>25,941</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	32,355	<u>\$ 32,355</u>
Fund Balances, Beginning of Year			<u>181,176</u>	
Fund Balances, End of Year			<u>\$ 213,531</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 210,000	\$ 210,000	\$ 235,114	\$ 25,114
Investment income	5,000	5,000	8,616	3,616
Miscellaneous	-	-	1,371	1,371
	<u>215,000</u>	<u>215,000</u>	<u>245,101</u>	<u>30,101</u>
Expenditures				
Current				
Contract services	182,000	182,000	182,812	(812)
Contingency expense	25,000	25,000	1,478	23,522
Insurance, bonds, and licenses	2,500	2,500	5,740	(3,240)
Office	260	260	38	222
Machinery and equipment	240	240	-	240
Capital outlay	172,000	202,000	9,159	192,841
	<u>382,000</u>	<u>412,000</u>	<u>199,227</u>	<u>212,773</u>
Revenues Over (Under) Expenditures	<u>\$ (167,000)</u>	<u>\$ (197,000)</u>	45,874	<u>\$ 242,874</u>
Fund Balances, Beginning of Year			<u>244,025</u>	
Fund Balances, End of Year			<u>\$ 289,899</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fee, licenses and permits	\$ 3,803	\$ 3,803	\$ 3,194	\$ (609)
Investment income	-	-	409	409
	<u>3,803</u>	<u>3,803</u>	<u>3,603</u>	<u>(200)</u>
Expenditures				
Current				
Contract services	2,719	2,719	2,284	435
Office supplies	490	490	-	490
Contingency expense	594	594	-	594
	<u>3,803</u>	<u>3,803</u>	<u>2,284</u>	<u>1,519</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	1,319	<u>\$ 1,319</u>
Fund Balances, Beginning of Year			<u>17,325</u>	
Fund Balances, End of Year			<u>\$ 18,644</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 422,177	\$ 422,177	\$ 458,605	\$ 36,428
Investment income	-	-	4,033	4,033
Intergovernmental	-	3,521	3,521	-
	<u>422,177</u>	<u>425,698</u>	<u>466,159</u>	<u>40,461</u>
Expenditures				
Current				
Salaries and benefits	393,020	381,220	405,662	(24,442)
Operating	8,750	10,250	10,090	160
Office	7,200	6,800	5,898	902
Electricity and heating fuel	7,000	7,000	7,419	(419)
Telephone	6,750	7,150	7,036	114
Insurance, bonds, and licenses	11,000	11,600	11,574	26
Routine maintenance	5,000	5,000	4,597	403
Repairs to equipment	6,250	8,150	8,882	(732)
Training	7,000	8,000	7,364	636
Machinery and equipment	10,500	21,954	17,177	4,777
Uniforms	9,000	11,800	11,727	73
Travel	1,000	2,000	2,460	(460)
Medical services and supplies	8,000	7,300	1,143	6,157
Contingency expense	11,805	11,805	-	11,805
Debt service				
Principal retirement	4,533	4,533	4,533	-
Interest and fiscal charges	369	369	1,105	(736)
	<u>497,177</u>	<u>504,931</u>	<u>506,667</u>	<u>(1,736)</u>
Revenues Over (Under) Expenditures	<u>\$ (75,000)</u>	<u>\$ (79,233)</u>	(40,508)	<u>\$ 38,725</u>
Fund Balances, Beginning of Year			<u>83,310</u>	
Fund Balances, End of Year			<u>\$ 42,802</u>	

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ACCOMMODATION TAX FUND
 YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 80,880	\$ 80,880	\$ 97,311	\$ 16,431
Investment income	-	-	480	480
	<u>80,880</u>	<u>80,880</u>	<u>97,791</u>	<u>16,911</u>
 Expenditures				
Current				
Culture and recreation	53,086	53,086	67,692	(14,606)
	<u>53,086</u>	<u>53,086</u>	<u>67,692</u>	<u>(14,606)</u>
 Revenues Over (Under) Expenditures	27,794	27,794	30,099	2,305
 Other Financing Sources (Uses):				
Transfers in (out)	(27,794)	(27,794)	(37,616)	(9,822)
 Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(7,517)	<u>\$ (7,517)</u>
 Fund Balances, Beginning of Year			<u>13,230</u>	
 Fund Balances, End of Year			<u>\$ 5,713</u>	

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 MUSEUM RESTRICTED RESOURCES FUND
 YEAR ENDED JUNE 30, 2007

	Actual
Revenues	
Intergovernmental	\$ 14,056
Investment income	6,394
Charges for services	57,359
Contributions	27,741
	105,550
Expenditures	
Current	
Office supplies	72
Consulting and contractual	5,000
Furniture and equipment	6,395
Operating supplies	62,242
	73,709
Revenues Over (Under) Expenditures	31,841
Other Financing Sources (Uses):	
Transfers in (out)	9,000
	40,841
Net change in fund balance	40,841
Fund Balance, Beginning of Year	271,774
	\$ 312,615

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

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TOURISM DEVELOPMENT FEE FUND
 YEAR ENDED JUNE 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fees, licenses and permits	\$ 160,000	\$ 160,000	\$ 226,586	\$ 66,586
Investment income	1,500	1,500	9,951	8,451
	<u>161,500</u>	<u>161,500</u>	<u>236,537</u>	<u>75,037</u>
Expenditures				
Current				
Direct assistance	61,500	61,500	-	61,500
Debt service:				
Principal	77,075	77,075	77,075	-
Interest	22,925	22,925	22,925	-
	<u>161,500</u>	<u>161,500</u>	<u>100,000</u>	<u>61,500</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	136,537	<u>\$ 136,537</u>
Fund Balances, Beginning of Year			<u>104,445</u>	
Fund Balances, End of Year			<u>\$ 240,982</u>	

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**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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 2,127,683	\$ 2,127,683	\$ 1,817,747	\$ (309,936)
Intergovernmental	88,292	88,292	88,292	-
Investment income	-	-	4,292	4,292
	<u>2,215,975</u>	<u>2,215,975</u>	<u>1,910,331</u>	<u>(305,644)</u>
Expenditures				
Debt Service:				
Principal retirement	1,444,151	1,444,151	1,444,150	1
Interest and fiscal charges	771,824	771,824	774,358	(2,534)
	<u>2,215,975</u>	<u>2,215,975</u>	<u>2,218,508</u>	<u>(2,533)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(308,177)	<u>\$ (308,177)</u>
Fund Balances, Beginning of Year			<u>843,318</u>	
Fund Balances, End of Year			<u>\$ 535,141</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 ASSETS AND LIABILITIES
 AGENCY FUND
 JUNE 30, 2007

	School District Fund	Municipal Fund	Magistrates Fund	Family Court Fund	Clerk of Court Fund	Museum	Library Foundation	Total
Assets								
Cash	\$ 31,183,357	\$ 82,506	\$ 134,831	\$ 31,551	\$ 786,384	\$ 10,656	\$ 54,564	\$ 32,283,849
Property taxes receivable	1,925,311	265,998	-	-	-	-	-	2,191,309
	<u>\$ 33,108,668</u>	<u>\$ 348,504</u>	<u>\$ 134,831</u>	<u>\$ 31,551</u>	<u>\$ 786,384</u>	<u>\$ 10,656</u>	<u>\$ 54,564</u>	<u>\$ 34,475,158</u>
Liabilities								
Accounts payable	\$ -	\$ 82,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,506
Due to other taxing units	33,108,668	265,998	134,831	31,551	786,384	10,656	54,564	34,392,652
	<u>\$ 33,108,668</u>	<u>\$ 348,504</u>	<u>\$ 134,831</u>	<u>\$ 31,551</u>	<u>\$ 786,384</u>	<u>\$ 10,656</u>	<u>\$ 54,564</u>	<u>\$ 34,475,158</u>

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF CHANGES IN
 ASSETS AND LIABILITIES - AGENCY FUNDS
 YEAR ENDED JUNE 30, 2007

	Balance June 30, 2006 (Restated)	Additions	Deductions	Balance June 30, 2007
School District Fund				
Assets				
Cash and cash equivalents	\$ 25,459,334	\$ 144,505,682	\$ 138,781,659	\$ 31,183,357
Accounts receivable - other	-	175,044	28,007	1,925,311
Property taxes receivable	1,778,274			
	<u>\$ 27,237,608</u>	<u>\$ 144,680,726</u>	<u>\$ 138,809,666</u>	<u>\$ 33,108,668</u>
Liabilities				
Due to others	27,237,608	144,680,726	138,809,666	33,108,668
	<u>\$ 27,237,608</u>	<u>\$ 144,680,726</u>	<u>\$ 138,809,666</u>	<u>\$ 33,108,668</u>
Municipal Fund				
Assets				
Cash	\$ 85,819	\$ 7,283,421	\$ 7,286,734	\$ 82,506
Property taxes receivable	245,877	23,954	3,833	265,998
	<u>\$ 331,696</u>	<u>\$ 7,307,375</u>	<u>\$ 7,290,567</u>	<u>\$ 348,504</u>
Liabilities				
Accrued payable	\$ 10,000		\$ 10,000	\$ -
Accounts payable	75,820	7,105,451	7,098,765	82,506
Due to others	245,876	24,204	4,082	265,998
	<u>\$ 331,696</u>	<u>\$ 7,129,655</u>	<u>\$ 7,112,847</u>	<u>\$ 348,504</u>
Mini-Bottle Fund				
Assets				
Cash	\$ -	\$ 360,394	\$ 360,394	\$ -
Liabilities				
Due to others	\$ -	\$ 360,394	\$ 360,394	\$ -
Fire District Fund				
Assets				
Cash	\$ -	\$ 321,580	\$ 321,580	\$ -
Liabilities				
Due to others	\$ -	\$ 321,580	\$ 321,580	\$ -
Magistrates Fund				
Assets				
Cash	\$ 224,634	\$ 545,460	\$ 635,263	\$ 134,831
Liabilities				
Due to others	\$ 224,634	\$ 545,460	\$ 635,263	\$ 134,831
Family Court Fund				
Assets				
Cash	\$ 31,103	\$ 7,020,136	\$ 7,019,688	\$ 31,551
Liabilities				
Due to others	\$ 31,103	\$ 7,020,136	\$ 7,019,688	\$ 31,551
Clerk of Court				
Assets				
Cash	\$ 601,378	\$ 2,264,570	\$ 2,079,564	\$ 786,384
Liabilities				
Due to others	\$ 601,378	\$ 2,264,570	\$ 2,079,564	\$ 786,384

PICKENS COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF CHANGES IN
 ASSETS AND LIABILITIES - AGENCY FUNDS
 YEAR ENDED JUNE 30, 2007

	Balance June 30, 2006 (Restated)	Additions	Deductions	Balance June 30, 2007
Museum Fund				
Assets				
Cash	\$ 10,680	\$ 33,169	\$ 33,193	\$ 10,656
Liabilities				
Due to others	\$ 10,680	\$ 33,169	\$ 33,193	\$ 10,656
Library Foundation Fund				
Assets				
Cash	\$ 87,870	\$ 2,151	\$ 35,457	\$ 54,564
Liabilities				
Due to others	\$ 87,870	\$ 2,151	\$ 35,457	\$ 54,564

ASSETS

Cash and cash equivalents	\$ 26,500,818	\$ 162,336,564	\$ 156,553,533	\$ 32,283,849
Property tax receivable	2,024,151	198,998	31,840	2,191,309
Total assets	\$ 28,524,969	\$ 162,535,562	\$ 156,585,373	\$ 34,475,158

LIABILITIES

Accrued Payable	\$ 10,000	\$ -	\$ 10,000	\$ -
Accounts Payable	75,820	7,105,452	7,098,766	82,506
Due to other taxing units	28,439,149	155,252,390	149,298,887	34,392,652
Total liabilities	\$ 28,524,969	\$ 162,357,842	\$ 156,407,653	\$ 34,475,158

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

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PICKENS COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
JUNE 30, 2007

Function and Activity	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Improvements and Infrastructure	Total
General government administration						\$ 6,851,138
County council	\$ 1,288,138	-	\$ 5,563,000	-	-	\$ 41,790
State solicitor	-	-	-	30,202	-	30,202
Probate judge	-	-	-	41,788	-	41,788
Register of deeds	-	-	4,340,362	53,134	-	4,393,496
Clerk of court	-	-	-	63,882	-	63,882
Administrator	-	-	-	35,623	-	35,623
Purchasing	-	-	258,976	376,576	-	635,552
Building maintenance	-	-	-	124,062	-	124,062
Tax assessor	-	-	-	276,466	-	276,466
GIS mapping	-	-	-	6,840	-	6,840
Voter registration and elections	-	-	-	20,289	-	20,289
Planning commission	-	-	-	200,704	-	200,704
Information systems	-	-	730,206	326,155	-	1,056,361
Vehicle maintenance	-	-	-	-	-	-
	<u>1,288,138</u>	<u>-</u>	<u>10,892,544</u>	<u>1,597,511</u>	<u>-</u>	<u>13,778,193</u>
Public safety						58,697
Victim services	-	-	-	58,697	-	125,642
Building codes	-	-	-	1,013,164	-	1,013,164
E-911 communications	25,101	-	1,626,636	2,667,046	-	4,318,783
Sheriff	-	-	21,200	667,607	67,524	756,331
Emergency management	-	-	-	56,810	-	56,810
County coroner	-	-	648,615	76,463	25,227	750,305
Prison camp	33,800	-	1,578,978	1,633,199	-	3,245,977
Emergency medical services	118,450	36,051	1,334,183	2,475,535	-	3,964,219
Fire districts	-	-	-	-	-	-
	<u>177,351</u>	<u>36,051</u>	<u>5,209,612</u>	<u>8,774,163</u>	<u>92,751</u>	<u>14,289,928</u>
Public works						28,822,301
Roads and bridges	665,364	2,229,589	405,000	3,535,519	21,986,829	28,822,301
Engineering	-	-	-	28,455	-	28,455
Solid waste	353,356	-	827,756	5,087,001	1,420,845	7,688,958
Environmental services	-	-	6,610	-	-	6,610
	<u>1,018,720</u>	<u>2,229,589</u>	<u>1,239,366</u>	<u>8,650,975</u>	<u>23,407,674</u>	<u>36,546,324</u>
Public health and welfare						52,554
Stormwater management	26,902	-	-	25,652	-	52,554
Health department	-	-	875,000	-	-	875,000
Animal control	-	-	43,334	175,854	-	219,188
Veterans affairs	-	-	79,966	5,268	-	85,234
	<u>26,902</u>	<u>-</u>	<u>998,300</u>	<u>206,774</u>	<u>-</u>	<u>1,231,976</u>
Culture and recreation						2,012,981
Cultural commission	-	-	2,004,344	8,637	-	2,012,981
Library	404,754	-	7,635,447	669,319	-	8,709,520
Parks department	-	-	290,000	61,050	-	351,050
	<u>404,754</u>	<u>-</u>	<u>9,929,791</u>	<u>739,006</u>	<u>-</u>	<u>11,073,551</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,203</u>	<u>607,720</u>	<u>614,923</u>
Economic development						
Intergovernmental						915,000
Department of Social Services	-	-	915,000	-	-	915,000
Total governmental funds capital assets	<u>\$ 2,915,865</u>	<u>\$ 2,265,640</u>	<u>\$ 29,184,613</u>	<u>\$ 19,975,632</u>	<u>\$ 24,108,145</u>	<u>\$ 78,449,895</u>

PICKENS COUNTY, SOUTH CAROLINA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
 YEAR ENDED JUNE 30, 2007

Function and Activity	Beginning of Year Restated	Additions	Deletions	End of Year
General government administration				
County council	\$ 6,851,138	\$ -	\$ -	\$ 6,851,138
State solicitor	50,553	-	8,763	41,790
Probate judge	30,202	-	-	30,202
Register of deeds	41,788	-	-	41,788
Clerk of court	4,393,496	-	-	4,393,496
Administrator	63,882	-	-	63,882
Purchasing	35,623	-	-	35,623
Building maintenance	649,614	14,966	29,028	635,552
Tax assessor	124,062	-	-	124,062
GIS mapping	283,192	-	6,726	276,466
Voter registration and elections	6,840	-	-	6,840
Planning commission	20,289	-	-	20,289
Information systems	399,521	6,569	205,386	200,704
Vehicle maintenance	1,091,956	-	35,595	1,056,361
	<u>14,042,156</u>	<u>21,535</u>	<u>285,498</u>	<u>13,778,193</u>
Public safety				
Victim services	58,697	-	-	58,697
Building codes	138,993	-	13,351	125,642
E-911 communications	1,013,164	-	-	1,013,164
Sheriff	4,048,385	425,616	155,218	4,318,783
Emergency management	451,605	304,726	-	756,331
County coroner	56,810	-	-	56,810
Prison camp	765,969	-	15,664	750,305
Emergency medical services	3,135,219	179,671	68,913	3,245,977
Fire districts	3,706,945	257,274	-	3,964,219
	<u>13,375,787</u>	<u>1,167,287</u>	<u>253,146</u>	<u>14,289,928</u>
Public works				
Roads and bridges	26,580,196	2,344,405	102,300	28,822,301
Engineering	28,455	-	-	28,455
Solid waste	7,104,968	617,884	33,894	7,688,958
Environmental services	6,610	-	-	6,610
	<u>33,720,229</u>	<u>2,962,289</u>	<u>136,194</u>	<u>36,546,324</u>
Public health and welfare				
Stormwater management	52,554	-	-	52,554
Health department	875,000	-	-	875,000
Animal control	219,188	-	-	219,188
Veterans affairs	85,234	-	-	85,234
	<u>1,231,976</u>	<u>-</u>	<u>-</u>	<u>1,231,976</u>
Culture and recreation				
Cultural commission	2,012,981	-	-	2,012,981
Library	8,760,095	26,425	77,000	8,709,520
Parks department	351,050	-	-	351,050
	<u>11,124,126</u>	<u>26,425</u>	<u>77,000</u>	<u>11,073,551</u>
Economic development	<u>1,223,376</u>	<u>80,447</u>	<u>688,900</u>	<u>614,923</u>
Intergovernmental				
Department of Social Services	915,000	-	-	915,000
Total governmental funds capital assets	<u>\$ 75,632,650</u>	<u>\$ 4,257,983</u>	<u>\$ 1,440,738</u>	<u>\$ 78,449,895</u>

STATISTICAL SECTION

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Statistical Section

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

CONTENTS	PAGE
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.	105-109
Revenue Capacity These schedules contain trend information to help the reader assess the government's most significant local revenue sources.	110-113
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.	114-116
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.	117-118
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	119-121

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

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

	Fiscal Year				
	2003	2004	2005	2006	2007
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
Restricted	14,577,050	17,772,051	14,398,760	12,205,788	13,038,304
Unrestricted	14,079,175	7,576,829	10,188,977	16,849,075	15,010,111
Total governmental activities net assets	<u>33,996,306</u>	<u>30,780,882</u>	<u>37,677,748</u>	<u>47,364,838</u>	<u>66,390,210</u>
Business-type Activities					
Invested in capital assets, net of related debt	18,311,254	21,954,538	23,508,097	22,851,882	23,533,188
Restricted	225,157	288,265	351,373	414,481	477,589
Unrestricted (Deficit)	353,553	524,982	(26,653)	215,564	(321,754)
Total business-type activities net assets	<u>18,889,964</u>	<u>22,767,785</u>	<u>23,832,817</u>	<u>23,481,927</u>	<u>23,689,023</u>
Primary Government					
Invested in capital assets, net of related debt	23,651,335	27,386,540	36,598,108	41,161,857	61,874,983
Restricted	14,802,207	18,060,316	14,750,133	12,620,269	13,515,893
Unrestricted	14,432,728	8,101,811	10,162,324	17,064,639	14,688,357
Total primary government net assets	<u>\$ 52,886,270</u>	<u>\$ 53,548,667</u>	<u>\$ 61,510,565</u>	<u>\$ 70,846,765</u>	<u>\$ 90,079,233</u>

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

Source: Annual Financial Statements

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
<u>Governmental activities:</u>					
General government	\$ 8,037,057	\$ 8,125,875	\$ 9,354,229	\$ 9,292,433	\$ 9,531,581
Public safety	12,100,263	13,822,142	14,377,237	17,028,781	17,381,994
Public works	8,364,990	10,379,251	9,324,127	10,061,181	10,182,540
Health and welfare	432,738	505,494	894,069	690,329	734,956
Cultural and recreation	2,188,427	2,445,278	3,334,446	3,615,200	4,168,650
Economic development	371,377	3,988,379	968,303	562,665	568,792
Intergovernmental	1,470,549	1,751,671	1,664,330	1,573,120	1,769,773
Other	523,343	-	-	-	-
Capital outlay	69,230	1,395,421	-	-	-
Interest on long-term debt	471,710	352,715	551,100	483,791	423,517
Total governmental activities expenses	34,029,684	42,766,226	40,467,841	43,307,500	44,761,803
<u>Business-type activities:</u>					
Public Service Commission	1,774,051	1,715,756	2,216,662	2,086,584	2,041,793
Airport	632,377	701,255	489,946	588,187	713,212
Total business-type activities expense	2,406,428	2,417,011	2,706,608	2,674,771	2,755,005
Total Primary Government Expenses	36,436,112	45,183,237	43,174,449	45,982,271	47,516,808
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
Public safety	4,604,670	5,110,166	5,375,064	6,666,736	6,833,609
Public works	1,036,287	1,144,015	1,360,549	1,236,061	3,281,515
Health and welfare	592	590	115	-	28,988
Cultural and recreation	293,322	316,517	292,931	379,457	551,901
Economic development	5,383	12,033	16,148	11,842	21,732
Operating grants and contributions	4,496,981	4,685,103	4,833,323	5,751,643	5,090,312
Capital grants and contributions	782,548	1,390,071	906,154	585,721	609,054
Total governmental activities program revenues	12,527,833	14,007,452	14,255,488	16,442,454	18,093,715
<u>Business-type activities:</u>					
Charges for services					
Public Service Commission	753,771	981,678	1,118,346	1,248,421	1,111,067
Airport	282,362	346,733	147,886	253,965	287,119
Operating grants and contributions	-	900	-	10,672	-
Capital grants and contributions	2,241,645	2,029,225	1,983,498	110,896	710,863
Total business-type activities program revenues	3,277,778	3,358,536	3,249,730	1,623,954	2,109,049
Total Primary Government Program Revenues	15,805,611	17,365,988	17,505,218	18,066,408	20,202,764
Net (Expense) Revenue					
Governmental activities	(21,501,851)	(28,758,774)	(26,212,353)	(26,865,046)	(26,668,088)
Business-type activities	871,350	941,525	543,122	(1,050,817)	(645,956)
Total Primary Government	(20,630,501)	(27,817,249)	(25,669,231)	(27,915,863)	(27,314,044)
General Revenues and Other Changes in Net Assets					
<u>Governmental activities:</u>					
Taxes	\$ 20,781,733	\$ 22,431,734	\$ 25,261,022	\$ 28,051,248	\$ 28,144,246
Grants and contributions	5,156,251	5,217,805	5,271,087	5,495,186	6,139,217
Investment earnings	170,189	130,491	380,469	548,420	966,546

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Fees, licenses, and permits	187,896	172,772	132,091	143,335	
Miscellaneous	703,406	139,129	1,311,031	3,018,377	391,242
Loss on sale of capital assets					(509)
Transfer of Capital Asset	1,717,778				
Transfers	(563,029)	(2,936,293)	(521,911)	(699,927)	(872,089)
Total governmental activities	28,154,224	25,155,638	31,833,789	36,556,639	34,768,653
Business-type activities:					
Transfers	563,029	2,936,293	521,911	699,927	872,089
Total business-type activities	563,029	2,936,293	521,911	699,927	872,089
Total Primary Government	28,717,253	28,091,931	32,355,700	37,256,566	35,640,742
Change in Net Assets					
Governmental activities	6,652,373	(3,603,136)	5,621,436	9,691,593	8,100,565
Business-type activities	1,434,379	3,877,818	1,065,033	(350,890)	226,133
Total Primary Government	\$ 8,086,752	\$ 274,682	\$ 6,686,469	\$ 9,340,703	\$ 8,326,698

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)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 142,078	\$ 142,078	\$ 144,566	\$ 231,758	\$ 1,382,532	\$ 2,839,838	\$ 2,201,434	\$ 1,914,549	\$ 1,784,717	\$ 1,597,235
Unreserved	7,829,475	7,738,875	11,571,671	13,110,297	13,849,205	12,897,458	11,192,229	13,130,692	16,862,916	21,527,579
Total General Fund	7,971,553	7,880,953	11,716,237	13,342,055	15,231,737	15,737,296	13,393,663	15,045,241	18,647,633	23,124,814
All Other Governmental Funds										
Reserved	140,399	298,203	569,767	623,280	579,651	-	912,526	1,135,204	843,318	535,141
Debt service	-	-	124	-	-	228,371	3,887,756	1,057,463	328,664	620,352
Other reserves	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,639,464	260,287	2,440,173	3,119,214	377,484	6,228,918	11,880,410	11,829,130	12,118,506	12,938,696
Debt service funds	-	-	-	-	4,827	607,878	-	-	-	-
Capital project funds	2,374,163	3,910,934	6,558,401	7,349,071	11,438,802	8,463,898	2,186,523	1,527,628	1,214,214	671,084
Total All Other Governmental Funds	4,154,026	4,469,424	9,568,465	11,091,565	12,400,764	15,529,065	18,867,215	15,549,425	14,504,702	14,765,273
Total Governmental Fund Balance	\$ 12,125,579	\$ 12,350,377	\$ 21,284,702	\$ 24,433,620	\$ 27,632,501	\$ 31,266,361	\$ 32,260,878	\$ 30,594,666	\$ 33,152,335	\$ 37,890,087

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,									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues	\$ 15,229,536	\$ 16,440,538	\$ 17,388,779	\$ 19,057,929	\$ 21,259,787	\$ 20,633,138	\$ 22,507,766	\$ 25,315,693	\$ 27,909,119	\$ 27,863,001
Taxes	251,998	376,725	343,322	658,944	694,433	4,245,388	4,609,257	4,560,429	4,894,813	5,108,915
Fees, licenses and permits	6,066,915	13,566,450	14,137,544	8,723,748	8,309,830	8,350,505	9,251,235	8,699,593	9,335,262	11,210,389
Intergovernmental	2,540,855	2,114,086	3,119,011	4,524,806	5,094,039	3,888,066	4,335,537	4,790,488	5,722,544	6,398,628
Charges for services	2,360,302	3,201,057	2,169,324	1,046,146	2,647,179	929,332	927,665	808,594	938,369	942,141
Fines and forfeitures	521,519	490,269	694,471	877,659	492,804	331,430	251,702	593,511	1,024,978	1,520,297
Investment income	-	-	-	23,336	3,148	16,231	12,257	255,299	115,668	74,446
Contributions	898,604	872,315	2,434,128	321,500	405,950	170,442	137,773	651,182	705,252	159,906
Miscellaneous	27,869,529	37,061,440	40,286,579	35,234,068	38,907,170	38,564,532	42,033,192	45,674,789	50,646,005	53,297,723
Total Revenues	4,140,267	7,253,753	5,919,910	5,589,296	7,258,565	7,661,096	8,081,076	8,616,734	8,932,315	9,155,233
Expenditures	4,144,325	4,990,911	5,029,882	8,415,448	10,928,234	11,686,937	14,389,530	14,971,515	17,207,330	16,249,967
General government	6,684,392	9,318,214	8,170,244	4,911,711	5,420,038	7,807,873	9,569,400	8,858,010	10,324,117	8,939,715
Public safety	1,956,843	2,551,898	2,706,918	236,344	308,899	395,499	440,974	644,549	661,020	690,162
Public works	1,253,017	1,709,880	1,704,083	1,713,287	1,973,758	2,117,156	2,336,952	3,145,300	3,483,387	3,863,186
Health and welfare	-	-	-	101,815	154,143	245,912	3,876,989	904,739	1,050,117	548,535
Culture and recreation	3,393,385	4,250,894	3,684,572	3,992,266	578,616	523,343	1,589,548	133,632	127,681	169,233
Economic development	-	-	-	1,236,830	1,898,313	1,447,674	162,123	1,530,698	1,422,564	1,577,665
Other	2,868,033	8,002,721	12,635,491	4,284,051	4,476,810	2,992,437	6,389,198	6,218,964	959,939	3,930,308
Intergovernmental	482,708	865,035	5,961,757	1,159,062	1,221,322	1,570,285	1,489,332	2,007,512	2,810,309	1,767,801
Capital outlay	595,789	565,158	791,117	700,847	772,145	611,136	679,553	928,310	982,353	845,923
Debt service	25,518,759	39,508,364	46,603,974	32,342,957	34,990,843	37,059,348	49,004,675	47,959,963	47,961,132	47,737,728
Principal	2,350,770	(2,446,924)	(6,317,395)	2,891,111	3,916,327	1,505,184	(6,971,483)	(2,285,174)	2,684,873	5,559,985
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures	503,588	2,606,237	12,961,665	(511,217)	(1,476,488)	(563,029)	(2,936,293)	(521,911)	(699,927)	(872,089)
Excess of Revenues Over (Under) Expenditures	2,350,770	(2,446,924)	(6,317,395)	2,891,111	3,916,327	1,505,184	(6,971,483)	(2,285,174)	2,684,873	5,559,985
Other Financing Sources (Uses)	503,588	2,606,237	12,961,665	(511,217)	(1,476,488)	(563,029)	(2,936,293)	(521,911)	(699,927)	(872,089)
Proceeds from capital lease	-	-	549,192	-	466,839	973,923	2,965,781	284,300	572,725	-
Proceeds from notes payable	-	2,606,237	9,812,473	-	-	-	1,988,315	-	-	-
Proceeds from bond issuance	-	-	2,600,000	-	3,690,000	-	7,801,372	800,000	-	-
Payment to escrow agent	-	-	-	-	(3,651,706)	-	-	-	-	-
Transfer of capital asset	-	-	-	-	-	1,717,778	-	-	-	-
Sale of capital assets	-	-	-	(511,217)	(1,476,488)	(563,029)	(2,936,293)	(521,911)	(699,927)	(872,089)
Transfers in (out)	503,588	2,606,237	12,961,665	(511,217)	(971,355)	2,128,672	9,954,313	618,955	(127,202)	(872,089)
Total Other Financing Sources (Uses)	\$ 2,854,358	\$ 159,313	\$ 6,644,270	\$ 2,379,894	\$ 2,944,972	\$ 3,633,856	\$ 2,982,830	\$ (1,666,219)	\$ 2,557,671	\$ 4,687,906
Net Change in Fund Balance	4.76%	4.54%	19.86%	6.63%	6.55%	6.40%	5.09%	7.03%	8.07%	5.97%
Debt Service as a percentage of noncapital expenditures										

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

Source: Annual Financial Statements

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

Fiscal Year Ended June 30,	Tax Year	Real Property	Personal Property	Less: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated		Taxable Assessed Value as a Percentage of Actual Taxable Value
							Actual Taxable Value	Actual Taxable Value	
1998	1997	111,330,692	103,273,349		214,604,041	70.20	3,573,494,905	3,573,494,905	6.01%
1999	1998	116,934,501	106,200,626		223,135,127	74.20	4,288,651,968	4,288,651,968	5.20%
2000	1999	153,918,910	119,974,787		273,893,697	61.00	4,842,665,470	4,842,665,470	5.66%
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%

(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)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
County Wide Tax Rates										
General County	62.6	67.1	55.7	60.9	64.8	59.3	60.3	65.9	60.9	60.0
Tri-County Technical	3.4	2.9	2.3	2.3	3.1	3.0	3.0	3.0	2.7	2.7
Library	4.2	4.2	3.0	3.0	4.5	4.4	4.4	5.9	6.4	6.4
Total Direct Rate	70.2	74.2	61.0	66.2	72.4	66.7	67.7	74.8	70.0	69.1
City Rates										
Easley	59.0	59.0	56.0	56.0	61.7	61.7	61.7	61.7	59.0	61.0
Liberty	82.0	82.0	79.0	79.0	79.0	77.0	77.0	87.0	77.5	77.5
Norris	51.0	51.0	45.0	68.0	75.0	75.0	75.0	75.0	77.2	77.2
Central	73.0	73.0	63.0	63.0	63.0	63.0	63.0	63.0	59.0	63.0
Clemson	82.0	82.0	79.1	79.1	81.6	81.6	81.6	81.6	76.9	79.5
Six Mile	47.0	47.0	37.0	37.0	37.0	37.0	37.0	37.0	36.0	36.0
Pickens	58.0	58.0	48.0	48.0	48.0	48.0	48.0	48.0	46.7	48.5
School District Rate	125.7	130.5	130.0	123.9	128.9	135.5	132.7	138.2	130.9	167.0
Special District Rates										
Keowee Vineyards	-	-	-	-	-	-	18.8	57.6	34.0	36.2
Pumpkintown	-	-	-	-	-	-	-	14.2	-	-
Shady Grove	-	-	-	-	-	-	-	26.8	19.0	12.9
County Sewer	-	-	-	-	-	2.7	2.7	1.6	0.5	1.5
Georges Creek	1.5	1.5	1.1	1.1	0.7	0.7	0.7	0.7	0.7	0.6
Sedgewood	11.0	11.0	8.7	8.7	8.7	8.7	8.4	8.4	7.3	5.0
Saluda Lake	20.0	20.0	15.0	15.0	15.0	15.0	15.0	15.0	10.6	10.6

Note: Property was reassessed as of 1999-2000

Source: Pickens County Auditor's Office

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

2007		1998	
Taxpayer	Taxable Assessed Value	Taxable Assessed Value	Percent of Total Taxable Assessed Value
DUKE ENERGY	\$ 16,465,160	\$ 15,738,833	7.33%
BLUE RIDGE ELECTRIC	4,830,050	15,137,270	7.05%
BELLSOUTH	4,640,420	9,222,479	4.30%
KEOWEE RIVER CLUB LLC	2,453,254	6,752,340	3.15%
KEOWEE INVESTMENT	1,834,650	4,488,230	2.09%
ALICE MANUFACTURING	1,781,690	4,396,110	2.05%
SHAW INDUSTRIES	1,566,577	3,947,085	1.84%
CLIFFS AT KEOWEE SPRINGS	1,446,630	2,806,780	1.31%
MILLIKEN	1,375,802	2,377,600	1.11%
RELIABLE	1,342,425	1,826,402	0.85%
Total	\$ 37,736,658	\$ 66,693,129	31.08%

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, 2007	Estimated Tax Collections to Date (3)	
		Amount	Percentage of Adjusted Levy		Estimated Amount	Percentage of Adjusted Levy
1998	\$ 9,329,832	\$ 8,614,854	92.34%	\$ 7,193	\$ 9,322,639	99.92%
1999	10,440,034	9,251,693	88.62%	11,917	10,428,117	99.89%
2000	10,717,681	9,807,870	91.51%	14,455	10,703,226	99.87%
2001	13,093,314	11,201,107	85.55%	24,711	13,068,603	99.81%
2002	14,999,432	12,512,738	83.42%	40,817	14,958,615	99.73%
2003	14,209,581	12,485,752	87.87%	56,503	14,153,078	99.60%
2004	14,916,445	13,446,296	90.14%	73,975	14,842,470	99.50%
2005	16,375,917	14,769,963	90.19%	100,503	16,275,414	99.39%
2006	17,824,985	16,133,203	90.51%	123,320	17,701,665	99.31%
2007	17,398,589	15,977,443	91.83%	438,747	16,959,842	97.48%

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, 2007, were used to estimate the total collections to date.

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities			Per Capita
	General Obligation Bonds	Special Source Revenue Bonds	Capital Leases	Notes Payable	Notes Payable	Total Primary Government	Percentage of Personal Income	
1998	\$ 10,150,000	\$ -	\$ 747,250	\$ -	\$ -	\$ 10,897,250	0.54%	\$ 103
1999	9,525,000	-	519,691	-	2,606,237	12,650,928	0.60%	116
2000	8,850,000	2,372,420	1,240,405	3,175,756	5,993,900	21,632,481	0.99%	197
2001	8,105,000	2,170,686	1,027,496	3,063,775	5,955,958	20,322,915	0.87%	183
2002	7,280,000	1,956,193	1,302,599	6,447,248	5,824,057	22,810,097	0.92%	205
2003	6,395,000	1,728,196	1,941,310	6,325,989	5,718,762	22,109,257	0.87%	198
2004	13,415,000	1,486,124	2,552,405	7,800,409	5,610,783	30,864,721	1.19%	276
2005	13,405,000	1,228,464	2,119,865	7,364,442	5,499,990	29,617,761	1.11%	263
2006	12,506,000	-	2,314,240	7,059,933	5,386,245	27,266,418	0.98%	241
2007	11,529,000	-	1,840,176	6,743,196	5,269,406	25,381,778	0.89%	223

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

Source: Annual Financial Statements

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

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed valuation	\$ 396,368,655
Less: Exemptions	<u>\$ 396,368,655</u>
Net Assessed value	
Debt Limit - 8 percent of total assessed value	31,709,492
Amount of debt applicable to debt limit	<u>14,368,521</u>
Legal debt margin	<u>\$ 17,340,971</u>

	2003	2004	2005	2006	2007
Debt limit	\$ 22,347,557	\$ 23,423,892	\$ 24,380,890	\$ 29,973,504	\$ 31,709,492
Total net debt applicable to limit	9,895,000	17,415,613	17,140,942	15,393,073	14,368,521
Legal debt margin	\$ 12,452,557	\$ 6,008,279	\$ 7,239,948	\$ 14,580,431	\$ 17,340,971

Total net debt applicable to the limit as a percentage of debt limit	44.28%	74.35%	70.30%	51.36%	45.31%
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Notes:

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

Source: Annual Financial Statements

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

Series 1999A and 1999B Revenue Bonds

Funding Source: Fee in Lieu of Taxes

Fiscal Year	Available Revenue	Debt Service		Coverage
		Principal	Interest	
2000	\$ 352,022	\$ 227,580	\$ 124,442	1.000
2001	352,022	201,735	150,287	1.000
2002	352,022	214,493	137,529	1.000
2003	352,022	227,997	124,025	1.000
2004	352,022	242,073	109,949	1.000
2005	352,022	257,661	94,361	1.000

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

Source: Annual Financial Statements

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1998(1)	106,242	2,015,941,950	18,975	3.1%
1999	108,663	2,091,290,000	19,246	2.6%
2000	109,851	2,190,499,000	19,941	3.1%
2001	110,991	2,338,305,000	21,068	2.4%
2002	111,507	2,481,369,000	22,253	4.3%
2003	111,418	2,540,175,000	22,799	5.3%
2004	112,008	2,598,725,000	23,201	6.1%
2005	112,698	2,658,917,000	23,593	5.1%
2006	113,221	2,782,077,000	24,572	6.7%
2007(2)	113,569	2,849,506,940	25,091	5.8%

Notes:

- (1) Personal Income for 1998 was calculated as population multiplied by per capita income.
- (2) Personal Income and Per Capita Personal Income for 2007 were estimated based on the average yearly change over the last five years.

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

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

Company or Organization	June 30, 2007	
	Number of Employees	Percent of Total County Employment
Clemson University	3,529	6.14%
School District of Pickens County	2,308	4.01%
Palmetto Baptist Medical Center	700	1.22%
Reliable Automatic Sprinkler Co.	650	1.13%
Confluence Watersports	650	1.13%
Pickens County	585	1.02%
Alice Manufacturing Company	554	0.96%
Wal-Mart	544	0.95%
ARAMARK Services	500	0.87%
Easley Custom Plastics	415	0.72%
	10,435	18.14%

Company or Organization	June 30, 1998	
	Number of Employees	Percent of Total County Employment
Clemson University	6,826	12.69%
SC State Government	3,457	6.43%
School District of Pickens County	1,700	3.16%
Ryobi Motor Products Corporation	1,502	2.79%
Alice Manufacturing Company	1,241	2.31%
Mayfair Mills	764	1.42%
Palmetto Baptist Medical Center	600	1.12%
Bi-Lo	553	1.03%
BASF Corporation	450	0.84%
Pickens County	424	0.79%
	17,517	32.57%

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

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

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

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government	142	147	134	138	140	144	147	150	147	147
Public safety	176	191	192	207	221	228	232	251	262	268
Public works	84	88	95	98	100	102	103	102	105	105
Health and welfare	6	6	6	6	7	8	8	9	9	9
Culture and recreation	50	51	50	50	50	50	51	68	70	70
Transportation	-	-	-	5	5	6	5	3	4	4
Economic Development	2	2	2	3	2	2	3	3	3	3
Intergovernmental	1	1	1	1	1	1	1	1	1	1
Total authorized positions	461	486	480	508	526	541	550	587	601	607

Source: County's Adopted Budget

Pickens County, South Carolina
 Operating Indicators by Function/Program
 Fiscal Years 2004-2007 (1)

Function/Program	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
General government				
Probate Court estate cases	661	694	739	716
Marriage license applications	793	801	769	796
Register of Deeds documents filed	30,369	26,845	29,363	27,188
Clerk of Court civil cases filed	1,907	1,905	1,989	1,921
Clerk of Court warrants received	3,344	4,041	4,194	3,384
Vehicle bills and renewals processed	195,147	192,371	115,319	198,486
Magistrate case filings	14,328	16,780	19,040	16,791
Public Safety				
Sheriff 911 Calls received	34,166	36,726	37,014	35,295
Coroner's Office investigations	190	204	196	200
Prison inmates received	592	560	597	621
EMS ambulance calls	11,591	12,110	12,608	14,498
Victim Rights services and assistance	5,303	7,103	7,208	7,792
Public Works				
Solid Waste transfer station tonnage	44,019	44,407	41,464	44,356
Recyclables tonnage	10,209	9,290	9,030	3,558
Roads paved	30	35	36	65
Signs installed/repared	462	428	457	1,649
Health and Welfare				
Animal Control calls received	9,304	11,455	9,985	9,713
Veteran's Affairs claims/actions	27,553	23,359	23,073	21,517
Culture and Recreation				
County Park				
Park camping and day use passes	7,530	5,882	6,713	5,787
Museum & Mill visitors (2)	24,860	21,456	19,277	32,527
Library visitors	336,564	355,840	426,075	426,829
Public Service Commission				
Wastewater Treated /Gallons	342,555,281	306,732,858	280,842,244	333,899,990

Notes:

- (1) Only four 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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety	73	75	80	82	88	92	93	94	101	101
Sheriff Patrol units	4	5	6	6	6	6	6	6	7	7
EMS Stations										
Public Works	6	7	8	8	8	8	8	8	8	8
Solid Waste convenience centers	158.3	160.2	162.1	164.7	168.3	171.5	172.3	174.1	181.2	182.0
Roads (miles)	51	52	52	53	54	58	59	66	68	68
Bridges										
Public Service Commission	5.4	5.66	14.49	15.41	15.91	17.06	23.51	26.5	26.75	28.29
Sanitary sewers (miles)										
Culture and Recreation	1	1	1	1	1	1	1	2	2	2
Number of county parks										

Source: County's Adopted Budget and County departments

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SINGLE AUDIT SECTION

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Pickens County Council
Pickens, South Carolina

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pickens County, South Carolina, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 26, 2007. 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 audit, we considered Pickens County, South Carolina's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pickens County, South Carolina's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pickens County, South Carolina's internal control over financial reporting.

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

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

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

Compliance and Other Matters

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

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

McAbee, Talbert, Halliday & Co.
Spartanburg, South Carolina
November 26, 2007

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Pickens County Council
Pickens County, South Carolina

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

Compliance

We have audited the compliance of Pickens County, South Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Pickens County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Pickens County, South Carolina's management. Our responsibility is to express an opinion on Pickens County, South Carolina's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 Pickens County, South Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Pickens County, South Carolina's compliance with those requirements.

In our opinion, Pickens County, South Carolina, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

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

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

Pickens County Council
Pickens, South Carolina
Page Two

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

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

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

McAbee, Talbert, Halliday & Co.

Spartanburg, South Carolina
November 26, 2007

PICKENS COUNTY, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2007

BASIS OF PRESENTATION

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

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PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007

Federal Grantor / Program Title	Federal CFDA Number	Grant / Award Number	Award Amount	Federal Expenditures	Loan Amount Outstanding
<u>US Department of Agriculture</u>					
Rural Development Loans					
18 Mile Creek Upper Project	10.760		\$ 3,605,700	\$ -	\$ 3,350,902
18 Mile Creek Middle Project	10.760		1,988,200	-	1,847,670
Passed through SC Forestry Commission					
VFA National Fire Plan Pumpkintown Fire	10.664		-	1,500	-
VFA National Fire Plan Holly Springs Fire	10.664		-	1,414	-
VFA National Fire Plan Vinyards Fire	10.664		-	3,521	-
VFA National Fire Plan Dacusville Fire	10.664		-	1,812	-
			<u>5,593,900</u>	<u>8,247</u>	<u>5,198,572</u>
<u>US Department of Transportation</u>					
Passed through SC Department of Public Safety					
State and Community Highway Safety	20.600	2H06010	-	17,237	-
State and Community Highway Safety	20.600	2H07010	-	37,358	-
Passed through SC Office of Adjutant General, Emergency Preparedness Division					
Hazardous Materials Emergency Planning 2007	20.703	HMES6042140	-	866	-
			<u>-</u>	<u>55,461</u>	<u>-</u>
<u>US Department of Justice</u>					
Local Law Enforcement Block Grant 2004	16.592	2004-LB-BX-1093	-	12,726	-
Justice Assistance Grant 2005	16.738	2005-DJ-BX-0640	-	21,203	-
Justice Assistance Grant 2006	16.738	2006-DJ-BX-0139	-	11,353	-
Passed through SC Department of Public Safety					
JAIBG Youth Court	16.523	1JS05001	-	19,676	-
VAWA Domestic Investigator/Advocate	16.588	1K05011	-	13,891	-
VAWA Domestic Investigator/Advocate	16.588	1K06012	-	47,609	-
VAWA Portable Video Cameras	16.588	1K03053	-	11,738	-
Justice Assistance Grant 2006	16.738	1G06041	-	42,497	-
			<u>-</u>	<u>180,693</u>	<u>-</u>
<u>US Department of Health and Human Services</u>					
Passed through SC Department of Social Services					
Child Support Enforcement Title IV-D Unit Cost	93.563		-	45,118	-
Child Support Enforcement Title IV-D Service of Process			-	12,359	-
Child Support Enforcement Title IV-D Filing Fees			-	28,050	-
Child Support Enforcement Title IV-D Incentives			-	32,473	-
County Administrative Expense	93.XXX		-	7,981	-
			<u>-</u>	<u>125,981</u>	<u>-</u>

PICKENS COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant / Award Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>	<u>Loan Amount Outstanding</u>
<u>US Department of Homeland Security</u>					
Assistance to Firefighters Pumpkintown Fire District	97.044	EMW-2005-FG-10794	-	6,230	-
Assistance to Firefighters Dacusville Fire District	97.044	EMW-2006-FG-03815	-	21,324	-
Passed through SC Office of Adjutant General, Emergency Preparedness Division	97.042	6EMPG01	-	7,289	-
Emergency Management Performance Grant-2006	97.042	7EMPG01	-	26,203	-
Emergency Management Performance Grant-2007	97.004	4CC01	-	1,923	-
Citizen's Corps-2004	97.067	6CCP01	-	2,040	-
Citizen's Corps-2006					
Passed through SC Law Enforcement Division	97.067	5LETP39	-	5,423	-
2005 Law Enforcement Terrorism Prevention	97.067	5SHSP39	-	210,505	-
2005 State Homeland Security	97.004	4SHSP85	-	80,999	-
2004 State Homeland Security					
			-	361,936	-
<u>US Department of Housing and Urban Development</u>					
Passed through SC Department of Commerce	14.228	4-G-05-001	-	5,569	-
St. Jude Sewer/Community Development Block Grant	14.228	4-CI-05-010	-	355,508	-
Arial Mill Sewer/Community Development Block Grant	14.228	4-CI-06-006	-	21,638	-
Catechee Village/Community Development Block Grant			-	382,715	-
<u>National Endowment for the Humanities</u>					
Passed through SC Humanities Council	45.129	CP-6-116-5	-	500	-
Promotion of the Humanities Federal/State Partnership					
Passed through SC Arts Commission	45.025	FY07LTONVAO-0340	-	11,245	-
Long Term Operating Support			-	11,745	-
			\$ 5,593,900	\$ 1,126,778	\$ 5,198,572

See accompanying note to Schedule of Expenditures of Federal Awards.

PICKENS COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2007

Summary of Auditors' Results:

1. The audit report issued on the financial statements was unqualified.
2. The audit did not disclose any noncompliance which is material to the financial statements.
3. The compliance report for major programs was unqualified.
4. The audit did not disclose any audit findings, which are required to be reported.
5. The major programs tested were:
 - Community Development Block Grants/State's Program CFDA #14.228
 - Homeland Security Grant Program CFDA #97.067
6. The threshold amount to distinguish between Type A and Type B Programs was \$300,000.
7. Pickens County did qualify as a low-risk auditee.

Generally Accepted Governmental Auditing Standards Findings and Questioned Cost:

1. None

Federal Awards Findings and Questioned Costs:

1. None

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COMPLIANCE SECTION

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Pickens County
Victim Services
Supplementary Schedule of Assessments

<u>Clerk of Court Collections</u>		
Fines	71,967	
Assessments	73,003	
Surcharges	115,202	
Total Clerk of Court Collections	<u>260,172</u>	
<u>Magistrate Court Collections</u>		
Fines	342,293	
Assessments	350,580	
Surcharges	248,349	
Total Collections for Magistrate Court	<u>941,222</u>	
Total Collections for Clerk of Court and Magistrate Court		<u>1,201,394</u>
<u>Clerk of Court Retainage</u>		
Fines	41,112	
Assessments	29,453	
Surcharges	73,607	
Total Clerk of Court Retainage	<u>144,172</u>	
<u>Magistrate Court Retainage</u>		
Fines	342,293	
Assessments	33,612	
Surcharges	43,449	
Total Magistrate Court Retainage	<u>419,354</u>	
Total Retainage for Clerk of Court and Magistrate Court		<u>563,526</u>
<u>Amount Remitted to State Treasurer</u>		
Fines and Assessments		<u>637,868</u>
<u>Amount of Funds Allocated to Victim Services by Fund Source</u>		
From General Fund		75,563
From Assessments and Surcharges		180,121
		<u>255,684</u>
<u>Funds Carried Forward to Fiscal Year 2008 Designated as Victim Services Funds</u>		<u>62,518</u>

