

PICKENS COUNTY, SOUTH CAROLINA  
GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2002

COUNTY OFFICIALS

PICKENS COUNTY COUNCIL

Robert R. Nash, Chairman

Norman D. Langston  
James London

Ronald D. Harrison  
James H. Patten

G. Dial Dubose

ELECTED OFFICIALS

Dale M. Looper, Treasurer

George N. Bryant, Auditor

LeJette Gatlin, Clerk of Court

Dr. James R. Mahanes,  
Coroner  
Brenda Brannock,  
Probate Judge  
C. David Stone, Sheriff

COUNTY STAFF

Alan M. Ours, County Administrator  
Ralph Guarino, Jr., Finance Director  
Donna Owen, Clerk to Council

COUNTY ATTORNEY

G. Edward Welmaker

PICKENS COUNTY, SOUTH CAROLINA  
 GENERAL PURPOSE FINANCIAL STATEMENTS  
 AND SUPPLEMENTAL INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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PICKENS COUNTY, SOUTH CAROLINA  
 GENERAL PURPOSE FINANCIAL STATEMENTS  
 AND SUPPLEMENTAL INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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Pickens County Council  
Pickens County, South Carolina

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying general purpose financial statements of Pickens County, South Carolina as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of Pickens County, South Carolina. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Pickens County, South Carolina, as of June 30, 2002, and the results of its operations and cash flows of its proprietary funds 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 September 6, 2002, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund financial statements and schedules listed in the table of contents, including the accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis, and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*McAbee, Talbert, Halliday & Co.*

Spartanburg, South Carolina  
September 6, 2002

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2002

Exhibit A

|  | Governmental Fund Types |                     |                   |                     | Proprietary           | Fiduciary            | Account Groups       |                        | Totals                          |
|--|-------------------------|---------------------|-------------------|---------------------|-----------------------|----------------------|----------------------|------------------------|---------------------------------|
|  | General                 | Special Revenue     | Debt Service      | Capital Projects    | Fund Types Enterprise | Fund Type Agency     | General Fixed Assets | General Long-Term Debt | (Memorandum Only) June 30, 2001 |
| <b>Assets</b>  |                         |                     |                   |                     |                       |                      |                      |                        |                                 |
| Cash and investments   | \$ 13,336,024           | \$ 4,106,131        | \$ 580,754        | \$ 8,279,367        | \$ 1,113,426          | \$ 19,695,153        | \$ -                 | \$ -                   | \$ 47,110,855                   |
| Property taxes receivable                                      | 580,111                 | 401,508             | 69,397            | -                   | -                     | 2,115,069            | -                    | -                      | 3,166,085                       |
| Accounts receivable - other                                    | 323,155                 | 32,171              | -                 | -                   | 112,809               | -                    | -                    | -                      | 468,135                         |
| Due from other governments                                     | 2,080,393               | 274,352             | -                 | 372,689             | 18,601                | -                    | -                    | -                      | 2,746,035                       |
| Due from other funds   | 97,513                  | 26,995              | -                 | -                   | -                     | -                    | -                    | -                      | 124,508                         |
| Advances to other funds  | 944,525                 | -                   | -                 | -                   | -                     | -                    | -                    | -                      | 944,525                         |
| Note receivable  | 70,059                  | -                   | -                 | -                   | -                     | -                    | -                    | -                      | 70,059                          |
| Inventories  | 162,104                 | -                   | -                 | -                   | -                     | -                    | -                    | -                      | 162,104                         |
| Prepaid expenses   | 26,353                  | 1,886               | -                 | -                   | 100                   | -                    | -                    | -                      | 28,339                          |
| Property, plant and equipment                                  | -                       | -                   | -                 | -                   | 22,486,004            | -                    | 35,909,675           | -                      | 58,395,679                      |
| Amount available in debt service fund                          | -                       | -                   | -                 | -                   | -                     | -                    | -                    | 584,478                | 584,478                         |
| Amount to be provided for retirement of general long-term debt | -                       | -                   | -                 | -                   | -                     | -                    | -                    | 20,362,015             | 20,362,015                      |
|  | <u>\$ 17,620,237</u>    | <u>\$ 4,843,043</u> | <u>\$ 650,151</u> | <u>\$ 8,652,056</u> | <u>\$ 23,730,940</u>  | <u>\$ 21,810,222</u> | <u>\$ 35,909,675</u> | <u>\$ 20,946,493</u>   | <u>\$ 134,162,817</u>           |
| <b>Liabilities and Equity</b>                                  |                         |                     |                   |                     |                       |                      |                      |                        |                                 |
| <b>Liabilities</b>   |                         |                     |                   |                     |                       |                      |                      |                        |                                 |
| Accounts payable   | \$ 1,226,121            | \$ 250,735          | \$ 343            | \$ 159,712          | \$ 124,380            | \$ -                 | \$ -                 | \$ -                   | \$ 1,761,291                    |
| Accrued payroll  | 286,855                 | 20,652              | -                 | -                   | 9,856                 | -                    | -                    | -                      | 317,363                         |
| Accrued compensated absences                                   | -                       | -                   | -                 | -                   | 26,779                | -                    | -                    | 925,453                | 952,232                         |
| Due to other governments                                       | 98,417                  | -                   | -                 | -                   | -                     | 19,485,557           | -                    | -                      | 19,583,974                      |
| Due to individuals   | 134,259                 | -                   | -                 | -                   | -                     | 151,299              | -                    | -                      | 285,558                         |
| Advances from general fund                                     | -                       | 654,240             | -                 | -                   | 290,285               | -                    | -                    | -                      | 944,525                         |
| Due to other funds   | -                       | -                   | -                 | -                   | -                     | 124,508              | -                    | -                      | 124,508                         |
| Deferred revenue   | 642,848                 | 593,474             | 65,330            | -                   | -                     | 2,048,858            | -                    | -                      | 3,350,510                       |
| Landfill closure and postclosure                               | -                       | -                   | -                 | -                   | -                     | -                    | -                    | 3,035,000              | 3,035,000                       |
| Capital leases   | -                       | -                   | -                 | -                   | -                     | -                    | -                    | 1,302,599              | 1,302,599                       |
| Notes payable  | -                       | -                   | -                 | -                   | 5,824,057             | -                    | -                    | 6,447,248              | 12,271,305                      |
| Industrial revenue bonds                                       | -                       | -                   | -                 | -                   | -                     | -                    | -                    | 1,956,193              | 1,956,193                       |
| General obligation bonds                                       | -                       | -                   | -                 | -                   | -                     | -                    | -                    | 7,280,000              | 7,280,000                       |
|  | <u>2,388,500</u>        | <u>1,519,101</u>    | <u>65,673</u>     | <u>159,712</u>      | <u>6,275,357</u>      | <u>21,810,222</u>    | <u>-</u>             | <u>20,946,493</u>      | <u>53,165,058</u>               |
| <b>Equity</b>  |                         |                     |                   |                     |                       |                      |                      |                        |                                 |
| Investment in general fixed assets                             | -                       | -                   | -                 | -                   | -                     | -                    | 35,909,675           | -                      | 35,909,675                      |
| Contributed capital  | -                       | -                   | -                 | -                   | 14,856,539            | -                    | -                    | -                      | 14,856,539                      |
| Retained earnings  |                         |                     |                   |                     |                       |                      |                      |                        |                                 |
| Unreserved   | -                       | -                   | -                 | -                   | 2,436,995             | -                    | -                    | -                      | 2,436,995                       |
| Reserved for USDA  | -                       | -                   | -                 | -                   | 162,049               | -                    | -                    | -                      | 162,049                         |
| Fund Balances  |                         |                     |                   |                     |                       |                      |                      |                        |                                 |
| Reserved for inventories                                       | 162,104                 | -                   | -                 | -                   | -                     | -                    | -                    | -                      | 162,104                         |
| Reserved for prepaid items                                     | 26,353                  | -                   | -                 | -                   | -                     | -                    | -                    | -                      | 26,353                          |
| Reserved for debt service                                      | -                       | -                   | 579,651           | -                   | -                     | -                    | -                    | -                      | 579,651                         |
| Reserved for encumbrances                                      | 216,458                 | -                   | -                 | -                   | -                     | -                    | -                    | -                      | 216,458                         |
| Reserved for advances  | 977,617                 | -                   | -                 | -                   | -                     | -                    | -                    | -                      | 977,617                         |
| Designated for recreation                                      | 228,857                 | -                   | -                 | -                   | -                     | -                    | -                    | -                      | 228,857                         |
| Designated for future expenditures                             | 1,408,285               | 377,484             | 4,827             | -                   | -                     | -                    | -                    | -                      | 1,790,596                       |
| Designated for capital replacement                             | 893,877                 | -                   | -                 | -                   | -                     | -                    | -                    | -                      | 893,877                         |
| Unreserved and undesignated                                    | 11,318,186              | 2,946,458           | -                 | 8,492,344           | -                     | -                    | -                    | -                      | 22,756,988                      |
|  | <u>15,231,737</u>       | <u>3,323,942</u>    | <u>584,478</u>    | <u>8,492,344</u>    | <u>17,455,583</u>     | <u>-</u>             | <u>35,909,675</u>    | <u>-</u>               | <u>80,997,759</u>               |
|  | <u>\$ 17,620,237</u>    | <u>\$ 4,843,043</u> | <u>\$ 650,151</u> | <u>\$ 8,652,056</u> | <u>\$ 23,730,940</u>  | <u>\$ 21,810,222</u> | <u>\$ 35,909,675</u> | <u>\$ 20,946,493</u>   | <u>\$ 134,162,817</u>           |

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

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 YEAR ENDED JUNE 30, 2002

Exhibit B

|   | Governmental Fund Types |                     |                   |                     | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|---------------------|-------------------|---------------------|--------------------------------|
|   | General                 | Special<br>Revenue  | Debt<br>Service   | Capital<br>Projects | June 30,2002                   |
| <b>Revenues</b>   |                         |                     |                   |                     |                                |
| Taxes   | \$ 17,593,890           | \$ 2,202,287        | \$ 1,463,610      | \$ -                | \$ 21,259,787                  |
| Licenses and permits  | 694,433                 | -                   | -                 | -                   | 694,433                        |
| Intergovernmental   | 5,525,042               | 1,240,734           | -                 | 1,544,054           | 8,309,830                      |
| Charges for services  | 3,409,672               | 1,684,367           | -                 | -                   | 5,094,039                      |
| Fines and forfeitures   | 669,574                 | 203,753             | -                 | 1,773,852           | 2,647,179                      |
| Investment income   | 260,076                 | 51,411              | -                 | 181,317             | 492,804                        |
| Contributions   | 880                     | 2,268               | -                 | -                   | 3,148                          |
| Miscellaneous   | 183,174                 | 222,776             | -                 | -                   | 405,950                        |
|   | <u>28,336,741</u>       | <u>5,607,596</u>    | <u>1,463,610</u>  | <u>3,499,223</u>    | <u>38,907,170</u>              |
| <b>Expenditures</b>   |                         |                     |                   |                     |                                |
| <b>Current</b>  |                         |                     |                   |                     |                                |
| General government  | 7,192,680               | 65,885              | -                 | -                   | 7,258,565                      |
| Public safety   | 8,859,977               | 2,068,257           | -                 | -                   | 10,928,234                     |
| Public works  | 5,390,020               | 30,018              | -                 | -                   | 5,420,038                      |
| Health and welfare  | 308,899                 | -                   | -                 | -                   | 308,899                        |
| Culture and recreation  | 498,516                 | 1,475,242           | -                 | -                   | 1,973,758                      |
| Economic development and assistance   | 154,143                 | -                   | -                 | -                   | 154,143                        |
| Intergovernmental   | 406,779                 | 1,491,534           | -                 | -                   | 1,898,313                      |
| Other   | 578,616                 | -                   | -                 | -                   | 578,616                        |
| Capital outlay  | 1,872,539               | 118,897             | -                 | 2,485,374           | 4,476,810                      |
| Debt service  |                         |                     |                   |                     |                                |
| Principal retirement  | 214,493                 | 81,864              | 924,965           | -                   | 1,221,322                      |
| Interest and fiscal charges   | 137,529                 | 18,875              | 615,741           | -                   | 772,145                        |
|   | <u>25,614,191</u>       | <u>5,350,572</u>    | <u>1,540,706</u>  | <u>2,485,374</u>    | <u>34,990,843</u>              |
| Excess (Deficiency) of Revenues<br>Over Expenditures  | <u>2,722,550</u>        | <u>257,024</u>      | <u>(77,096)</u>   | <u>1,013,849</u>    | <u>3,916,327</u>               |
| <b>Other Financing Sources (Uses)</b>   |                         |                     |                   |                     |                                |
| Proceeds from capital lease   | 466,839                 | -                   | -                 | -                   | 466,839                        |
| Proceeds from bond issuance   | -                       | -                   | 3,690,000         | -                   | 3,690,000                      |
| Payments to escrow agent  | -                       | -                   | (3,651,706)       | -                   | (3,651,706)                    |
| Operating transfers out   | (1,299,707)             | (52,296)            | -                 | (124,485)           | (1,476,488)                    |
|   | <u>(832,868)</u>        | <u>(52,296)</u>     | <u>38,294</u>     | <u>(124,485)</u>    | <u>(971,355)</u>               |
| Excess of Revenues<br>and Other Financing Sources Over<br>Expenditures and Other Financing Uses | <u>1,889,682</u>        | <u>204,728</u>      | <u>(38,802)</u>   | <u>889,364</u>      | <u>2,944,972</u>               |
| Fund Balances, Beginning of Year  | <u>13,342,055</u>       | <u>3,119,214</u>    | <u>623,280</u>    | <u>7,349,071</u>    | <u>24,433,620</u>              |
| Fund Balances, End of Year  | <u>\$ 15,231,737</u>    | <u>\$ 3,323,942</u> | <u>\$ 584,478</u> | <u>\$ 8,238,435</u> | <u>\$ 27,378,592</u>           |

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

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL  
 GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2002

|   | General Fund      |                   |                                  | Annually Budgeted Special Revenue Funds |                  |                                  | Debt Service Fund |                  |                                  | Totals (Memorandum Only) |                   |                                  |
|---|-------------------|-------------------|----------------------------------|---|------------------|----------------------------------|-------------------|------------------|----------------------------------|--------------------------|-------------------|----------------------------------|
|   | Budget            | Actual            | Variance Favorable (Unfavorable) | Budget                                  | Actual           | Variance Favorable (Unfavorable) | Budget            | Actual           | Variance Favorable (Unfavorable) | Budget                   | Actual            | Variance Favorable (Unfavorable) |
| <b>Revenues</b>   |                   |                   |                                  |   |                  |                                  |                   |                  |                                  |                          |                   |                                  |
| Taxes   | \$ 17,359,221     | \$ 17,593,890     | \$ 234,669                       | \$ 2,235,078                            | \$ 2,202,287     | \$ (32,791)                      | \$ 1,421,265      | \$ 1,463,610     | \$ 42,345                        | \$ 21,015,564            | \$ 21,259,787     | \$ 244,223                       |
| Licenses and permits  | 591,500           | 694,433           | 102,933                          | -                                       | -                | -                                | -                 | -                | -                                | 591,500                  | 694,433           | 102,933                          |
| Intergovernmental   | 5,548,867         | 5,525,042         | (23,825)                         | 197,488                                 | 169,655          | (27,833)                         | -                 | -                | -                                | 5,746,355                | 5,694,697         | (51,658)                         |
| Charges for services  | 2,947,426         | 3,409,672         | 462,246                          | -                                       | -                | -                                | -                 | -                | -                                | 2,947,426                | 3,409,672         | 462,246                          |
| Fines and forfeitures   | 500,000           | 669,574           | 169,574                          | 197,000                                 | 179,289          | (17,711)                         | -                 | -                | -                                | 697,000                  | 848,863           | 151,863                          |
| Investment income   | 318,526           | 280,076           | (38,450)                         | -                                       | -                | -                                | -                 | -                | -                                | 318,526                  | 280,076           | (38,450)                         |
| Contributions   | 1,600             | 880               | (720)                            | 2,001                                   | 2,224            | 223                              | -                 | -                | -                                | 3,601                    | 3,104             | (497)                            |
| Miscellaneous   | 189,600           | 183,174           | (6,426)                          | 55,000                                  | 57,638           | 2,638                            | -                 | -                | -                                | 244,600                  | 240,812           | (3,788)                          |
|   | <u>27,456,740</u> | <u>28,336,741</u> | <u>880,001</u>                   | <u>2,686,567</u>                        | <u>2,611,093</u> | <u>(75,474)</u>                  | <u>1,421,265</u>  | <u>1,463,610</u> | <u>42,345</u>                    | <u>31,564,572</u>        | <u>32,411,444</u> | <u>846,872</u>                   |
| <b>Expenditures</b>   |                   |                   |                                  |   |                  |                                  |                   |                  |                                  |                          |                   |                                  |
| Current   |                   |                   |                                  |   |                  |                                  |                   |                  |                                  |                          |                   |                                  |
| General government  | 7,576,859         | 7,192,680         | 384,179                          | -                                       | -                | -                                | -                 | -                | -                                | 7,576,859                | 7,192,680         | 384,179                          |
| Public safety   | 9,322,076         | 8,859,977         | 462,099                          | 158,902                                 | 154,222          | 4,680                            | -                 | -                | -                                | 9,480,978                | 9,014,199         | 466,779                          |
| Public works  | 5,803,997         | 5,390,020         | 413,977                          | -                                       | -                | -                                | -                 | -                | -                                | 5,803,997                | 5,390,020         | 413,977                          |
| Health and welfare  | 339,073           | 308,899           | 30,174                           | -                                       | -                | -                                | -                 | -                | -                                | 339,073                  | 308,899           | 30,174                           |
| Culture and recreation  | 777,998           | 498,516           | 279,482                          | 1,521,439                               | 1,402,435        | 119,004                          | -                 | -                | -                                | 2,299,437                | 1,900,951         | 398,486                          |
| Economic development and assistance   | 154,164           | 154,143           | 21                               | -                                       | -                | -                                | -                 | -                | -                                | 154,164                  | 154,143           | 21                               |
| Intergovernmental   | 426,734           | 406,779           | 19,955                           | 944,690                                 | 944,690          | -                                | -                 | -                | -                                | 1,371,424                | 1,351,469         | 19,955                           |
| Other   | 783,193           | 578,616           | 204,577                          | -                                       | -                | -                                | -                 | -                | -                                | 783,193                  | 578,616           | 204,577                          |
| Capital outlay  | 2,651,709         | 1,872,539         | 779,170                          | 83,465                                  | 64,626           | 18,839                           | -                 | -                | -                                | 2,735,174                | 1,937,165         | 798,009                          |
| Debt service  |                   |                   |                                  |   |                  |                                  |                   |                  |                                  |                          |                   |                                  |
| Principal retirement  | 214,493           | 214,493           | -                                | -                                       | -                | -                                | 925,127           | 924,985          | 162                              | 1,139,620                | 1,139,458         | 162                              |
| Interest and fiscal charges   | 137,529           | 137,529           | -                                | -                                       | -                | -                                | 496,138           | 615,741          | (119,603)                        | 633,667                  | 753,270           | (119,603)                        |
|   | <u>28,187,825</u> | <u>25,614,191</u> | <u>2,573,634</u>                 | <u>2,708,496</u>                        | <u>2,565,973</u> | <u>142,523</u>                   | <u>1,421,265</u>  | <u>1,540,706</u> | <u>(119,441)</u>                 | <u>32,317,586</u>        | <u>29,720,870</u> | <u>2,596,716</u>                 |
| Excess (Deficiency) of Revenues Over Expenditures   | (731,085)         | 2,722,550         | 3,453,635                        | (21,929)                                | 45,120           | 67,049                           | -                 | (77,096)         | (77,096)                         | (753,014)                | 2,690,574         | 3,443,588                        |
| Other Financing Sources (Uses)  |                   |                   |                                  |   |                  |                                  |                   |                  |                                  |                          |                   |                                  |
| Proceeds from capital lease   | 500,000           | 466,839           | (33,161)                         | -                                       | -                | -                                | -                 | -                | -                                | 500,000                  | 466,839           | (33,161)                         |
| Proceeds from bond issuance   | -                 | -                 | -                                | -                                       | -                | -                                | -                 | 3,690,000        | 3,690,000                        | -                        | 3,690,000         | 3,690,000                        |
| Payments to escrow agent  | (1,299,003)       | (1,299,707)       | (704)                            | -                                       | -                | -                                | -                 | (3,651,706)      | (3,651,706)                      | (1,299,003)              | (1,299,707)       | (704)                            |
| Operating transfers out   | (799,003)         | (832,868)         | (33,865)                         | -                                       | -                | -                                | -                 | 38,294           | 38,294                           | (799,003)                | (794,574)         | 4,429                            |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | \$ (1,530,088)    | 1,869,682         | \$ 3,419,770                     | \$ (21,929)                             | 45,120           | \$ 67,049                        | \$ -              | (38,802)         | \$ (38,802)                      | \$ (1,552,017)           | 1,896,000         | \$ 3,448,017                     |
| Fund Balances, Beginning of Year  |                   | 13,342,055        |                                  |   | 737,001          |                                  |                   | 623,280          |                                  |                          | 14,702,336        |                                  |
| Fund Balances, End of Year  |                   | \$ 15,231,737     |                                  |   | \$ 782,121       |                                  |                   | \$ 584,478       |                                  |                          | \$ 16,598,336     |                                  |

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

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND EQUITY -  
 PROPRIETARY FUND TYPES  
 YEAR ENDED JUNE 30, 2002

Exhibit D

|                                  |    |                          |
|----------------------------------|----|--------------------------|
| Operating Revenues               |    |                          |
| Charges for services             | \$ | 1,451,548                |
| Grants                           |    | 22,652                   |
|                                  |    | <u>1,474,200</u>         |
| Total Revenues                   |    | <u>1,474,200</u>         |
| Operating Expenses               |    |                          |
| Salaries                         |    | 559,792                  |
| Depreciation                     |    | 678,501                  |
| Other expenses                   |    | 916,350                  |
|                                  |    | <u>2,154,643</u>         |
| Operating Loss                   |    | <u>(680,443)</u>         |
| Nonoperating Revenues (Expenses) |    |                          |
| Grants                           |    | 26,483                   |
| Interest                         |    | 6,412                    |
| Miscellaneous revenue            |    | 4,775                    |
| Interest and fiscal charges      |    | (383,587)                |
|                                  |    | <u>(345,917)</u>         |
| Income (Loss) Before Transfers   |    | <u>(1,026,360)</u>       |
| Transfers                        |    |                          |
| Operating transfers In           |    | 1,476,488                |
| Net transfers                    |    | <u>1,476,488</u>         |
| Net Income                       |    | 450,128                  |
| Change in Contributed Capital    |    | 4,488,137                |
| Fund Equity, Beginning of Year   |    | <u>12,517,318</u>        |
| Fund Equity, End of Year         | \$ | <u><u>17,455,583</u></u> |

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



PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPES  
 YEAR ENDED JUNE 30, 2002

|  |                            |
|--|----------------------------|
| Cash Flows Provided (Used) by Operating Activities                               |                            |
| Operating loss   | \$ (680,443)               |
| Adjustments to reconcile operating loss to net cash used by operating activities |                            |
| Depreciation   | 678,501                    |
| Changes in current assets and liabilities  |                            |
| (Increase) decrease in accounts receivable                                       | 86,595                     |
| (Increase) decrease in prepaid expenses  | 152                        |
| Increase (decrease) in accounts payable and accrued expenses                     | 30,924                     |
| Increase (decrease) in due to other funds  | 290,285                    |
| Increase (decrease) in deferred revenues   | <u>(42,519)</u>            |
|  | <u>363,495</u>             |
| Cash Flows Provided (Used) by Investing Activities                               |                            |
| Property, plant and equipment additions  | (534,053)                  |
| Interest income  | <u>6,412</u>               |
|  | <u>(527,641)</u>           |
| Cash Flows Provided (Used) by Financing Activities                               |                            |
| Non-operating grants   | 26,483                     |
| Miscellaneous revenue  | 4,775                      |
| Operating transfers in   | 1,476,488                  |
| Change in contributed capital  | 152,517                    |
| Interest and fiscal charges  | (383,587)                  |
| Payments on long term debt   | <u>(248,429)</u>           |
|  | <u>1,028,247</u>           |
| Net Increase (Decrease) in Cash and Cash Equivalents                             | 864,101                    |
| Cash and Cash Equivalents - Beginning of Year                                    | <u>249,325</u>             |
| Cash and Cash Equivalents - End of Year  | <u><u>\$ 1,113,426</u></u> |
| Noncash Investing, Capital and Financing Activities:                             |                            |
| Property, plant and equipment additions funded by contributed capital            | <u><u>\$ 4,335,620</u></u> |

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

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

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 County has established criteria for determining the scope of the reporting entity for financial statements presentation as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. The established criteria is financial accountability and is defined as appointment of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit 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, and Sheriff, as well as various administrative office 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 and Description of Funds**

The combined financial statements are presented in accordance with reporting guidelines recommended by the Governmental Accounting Standards Board. The accounting records of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. The various funds are summarized by type in the financial statements.

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**B. Basis of Presentation and Description of Funds - Continued**

The following fund types and account groups are used by the County.

**Governmental Fund Types**

Governmental funds are used to account for the County's expendable financial resources and related liabilities. The measurement focus is upon determination of changes in financial position. The following are the County's governmental fund types:

**General Fund** - The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to specified purposes.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The debt service fund of the County is established and maintained in accordance with acts passed by the General Assembly of South Carolina authorizing the sale of general obligation bonds of the County.

**Capital Projects Funds** - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Proprietary Fund Types**

**Enterprise Funds** – Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability,

**Fiduciary Fund Types**

The County's only fiduciary fund type is its Agency funds. Agency funds are used to account for assets held by the County as an agency for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurements of results of operations.

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**B. Basis of Presentation and Description of Funds - Continued**

Account Groups

General Fixed Assets - This account group is used to account for all fixed assets of the County except for fixed assets of the Proprietary Funds.

General Long-term Debt - This account group is used to account for all long-term obligations of the County except for long-term debt of the Proprietary Funds. All general long-term bonded debt of the County and the other governmental units is backed by authorization of the South Carolina General Assembly for the County Auditor to levy and the County Treasurer to collect such property taxes as necessary to pay principal and interest as the obligations mature.

**C. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The modified accrual basis of accounting is followed by all governmental and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. when they become both measurable and available to pay liabilities of the current period. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when the liability is incurred except for 1) interest on general long-term debt which is recorded when due, and 2) the noncurrent portions of accrued compensation absences and landfill closure costs, which are recorded in the general long-term debt account group.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before such amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues are recorded as revenues when received in cash, as they are generally not measurable until actually received. Interest earnings are recorded as earned. See Note 3 for the County's property tax accrual policy.

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**C. Basis of Accounting - Continued**

Proprietary fund types use the accrual basis of accounting and the flow of all economic resources (measurement focus). This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned. Under this basis of accounting and measurement focus, the County applies (a) all GASB pronouncements and (b) FASB Statements and Interpretations, APB Opinions, and Accounts Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that Pickens County holds for others in an agency capacity.

**D. Budgets and Budgetary Accounting**

An annual budget is legally enacted by the passage of an ordinance by County Council prior to July for the general fund on a basis consistent with generally accepted accounting principles. Formal budgetary integration is employed in the special revenue and capital projects funds based primarily on the life of the grant or project. The amounts presented in the Special Revenue columns in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – General, Special Revenue and Debt Service Fund types includes the budgets and activity for the Tri-County Tech Fund, Library and the Victims Right Fund.

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

All annual appropriations lapse at year end. The budget reflected in these financial statements is presented as amended.

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, 2002, the general fund has a reserve for encumbrances of \$216,458.

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**E. Cash and Investments**

Most operating cash is held by a single central depository. Each fund owns a pro-rata interest in the cash held by the depository. Investments are stated at market value which approximates cost.

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.

**F. 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.

**G. Inventory**

Inventory is valued at the lower of cost (which approximates the first-in, first-out method) or market and consists of supplies and auto parts held for consumption. The cost of inventory is recorded as an expense at the time individual inventory items are consumed.

**H. Fixed Assets and Long-term Liabilities**

The accounting and reporting treatment applied to the fixed assets and long-term debt associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets are normally immovable and of value only to the County, therefore, the purpose of stewardship for these items is satisfied without recording of these assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Interest incurred during construction is not capitalized on general fixed assets.

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**H. Fixed Assets and Long-term Liabilities - Continued**

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-term Debt Account Group, not in the governmental funds. For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

|                            |               |
|----------------------------|---------------|
| Buildings and Improvements | 20 - 40 years |
| Equipment                  | 5 - 10 years  |

**I. Accrued Compensated Absences**

All full time employees of the County earn annual leave based on length of service. It is the County's policy to vest unused annual leave with its employees up to the equivalent of six work weeks. As a result, a liability for the accumulated annual leave, including related fringe benefit costs, has been recorded in the general long-term debt account group or in proprietary funds. No liabilities for current amounts have been accrued in related governmental type funds, because the County's policy is to budget for such amounts only as benefits are paid.

**J. Landfill Closure and Postclosure Care Costs**

On October 9, 1991, federal regulations issued by the Environmental Protection Agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills as well as postclosure maintenance for a period of thirty years after closure. The \$3,035,000 liability reported as landfill closure and postclosure represents estimated total costs as of June 30, 2002 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 costs for closure and postclosure care may vary due to inflation, development in technology, or changes in laws and regulations.

**K. Reservations and Designations of Fund Balances**

Reservations represent the portions of fund balances which are not appropriable for expenditure or have been segregated for specific future uses by legal mandate.

Designations represent tentative plans of the County for financial resource utilization in a future period. Such plans are subject to change and may never result in expenditures.

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**L. Risk Management**

The County is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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.

**M. 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.

**N. Total Columns on Combined Statements**

Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial results of operations or changes in financial position in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation since interfund eliminations have not been made.

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Income from pooled funds of the County is allocated by the Treasurer's office to Agency Funds and the General Fund based on the Treasurer's estimate of which fund represented the income producing asset. Income of the General Fund is further allocated by the Finance Director to Special Revenue Funds which have substantial cash balances by review of earnings rates and cash balances.



PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 2 – DEPOSITS AND INVESTMENTS - Continued

Statutes authorized the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer's Investment Pool.

Deposits held by the County are categorized into three categories of credit risk:

Category 1: Insured or collateralized, with securities held by the County or its agent in the County's name.

Category 2: Collateralized, with securities held by the pledging financial institution's trust department or agent in the County's name.

Category 3: Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the County's name.

The carrying amount and bank balance of deposits at June 30, 2002 are shown below:

|                         | Category            |                    |                 | Bank<br>Balance     | Carrying<br>Value   |
|-------------------------|---------------------|--------------------|-----------------|---------------------|---------------------|
|                         | 1                   | 2                  | 3               |                     |                     |
| Checking accounts       | \$13,016,797        | \$6,513,810        | \$34,060        | \$19,564,667        | \$20,000,111        |
| Certificates of deposit | 182,939             | 307,505            | -               | 490,444             | 490,444             |
| Cash on hand            | -                   | -                  | -               | -                   | 3,445               |
|                         | <u>\$13,199,736</u> | <u>\$6,821,315</u> | <u>\$34,060</u> | <u>\$20,055,111</u> | <u>\$20,494,000</u> |

Investments held by the County are categorized into three categories of credit risk:

Category 1: Insured or registered, or securities held by the County or its agent in the County's name.

Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.

Category 3: Uninsured and unregistered with securities held by the counterparty or by its trust department or agent, but not in the County's name.

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

At June 30, 2002, the County's investment balances were as follows:

|                          | Category         |                     |   | Bank                | Carrying            |
|--------------------------|------------------|---------------------|---|---------------------|---------------------|
|                          | 1                | 2                   | 3 | Balance             | Value               |
| Repurchase agreements    | \$ -             | \$26,363,428        |   | \$26,363,428        | \$26,363,428        |
| US Government securities | 253,427          | -                   |   | 253,427             | 253,427             |
|                          | <u>\$253,427</u> | <u>\$26,363,428</u> |   | <u>\$26,616,855</u> | <u>\$26,616,855</u> |

NOTE 3 - 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, 2002 was \$ 308,233,730. The estimated market value was \$ 6,164,674,600 making the assessed value approximately 5 percent of the estimated market value. The assessed value as of June 30, 2002 does not include merchant's inventory which is no longer taxed.

The County is permitted under the Home Rule Act to levy taxes without limit. The combined tax rate to finance general government services and principal and interest on long-term debt for the year ended June 30, 2002 was \$ 6.48 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.

Property tax revenue is recognized on the modified accrual basis of accounting in compliance with the National Council on Governmental Accounting (NCGA) Interpretation 3, "Revenue Recognition – Property Taxes." This interpretation states that property tax revenue is recorded when it becomes available. Available means due, or past due and receivable, within the current period or expected to be collected soon enough thereafter, not to exceed 60 days, to be used to pay liabilities of the current period. Net receivables estimated to be collectible more than 30 days subsequent to June 30, 2002 are reported as deferred revenues.

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2002

NOTE 3 - PROPERTY TAXES - Continued

Property taxes receivable and allowances for uncollectible amounts at June 30, 2002 are summarized as follows:

|                               | General           | Special<br>Revenue | Debt<br>Service  | Agency              |
|-------------------------------|-------------------|--------------------|------------------|---------------------|
| Gross taxes receivable        | \$ 690,609        | \$ 477,984         | \$ 82,615        | \$ 2,517,939        |
| Allowances for uncollectibles | (110,498)         | (76,476)           | (13,218)         | (402,870)           |
|                               | <u>\$ 580,111</u> | <u>\$ 401,508</u>  | <u>\$ 69,397</u> | <u>\$ 2,115,069</u> |

NOTE 4 - ACCOUNTS RECEIVABLE AND DEFERRED REVENUES

Accounts receivable at June 30, 2002 are summarized as follows:

|                               | General           | Special<br>Revenue | Enterprise        |
|-------------------------------|-------------------|--------------------|-------------------|
| EMS fees                      | \$ 272,496        | \$ -               | \$ -              |
| Landfill                      | 44,601            | -                  | -                 |
| Sewer fees                    | -                 | -                  | 76,696            |
| Other                         | 55,253            | 32,171             | 36,113            |
|                               | <u>372,350</u>    | <u>32,171</u>      | <u>112,809</u>    |
| Allowances for uncollectibles | (49,195)          | -                  | -                 |
|                               | <u>\$ 323,155</u> | <u>\$ 32,171</u>   | <u>\$ 112,809</u> |

Deferred revenue at June 30, 2002 consisted of the following:

|                       | General          | Special<br>Revenue | Debt<br>Service | Agency             |
|-----------------------|------------------|--------------------|-----------------|--------------------|
| Property taxes        | \$551,150        | \$383,584          | \$65,330        | \$2,048,858        |
| EMS, grants and other | 91,698           | 209,890            | -               | -                  |
|                       | <u>\$642,848</u> | <u>\$593,474</u>   | <u>\$65,330</u> | <u>\$2,048,858</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 5- FIXED ASSETS AND CONSTRUCTION IN PROGRESS

A summary of changes in general fixed assets for the year ended June 30, 2002 follows:

|                            | Balances<br>July 1, 2001 | Additions           | Deletions and<br>Adjustments | Balances<br>June 30, 2002 |
|----------------------------|--------------------------|---------------------|------------------------------|---------------------------|
| Land                       | \$ 2,856,469             | \$ -                | \$ -                         | \$ 2,856,469              |
| Buildings and improvements | 17,275,647               | 366,779             | -                            | 17,642,426                |
| Machinery and equipment    | 11,366,412               | 1,739,484           | (574,654)                    | 12,531,242                |
| Construction in progress   | 2,253,292                | 803,883             | (177,637)                    | 2,879,538                 |
|                            | <u>\$ 33,751,820</u>     | <u>\$ 2,910,146</u> | <u>\$ (752,291)</u>          | <u>\$ 35,909,675</u>      |

Fixed assets of the Enterprise Fund at June 30, 2002 consisted of the following:

|                                | Public Service<br>Commission | Airport             | Totals               |
|--------------------------------|------------------------------|---------------------|----------------------|
| Land                           | \$ 299,794                   | \$ 665,193          | \$ 964,987           |
| Infrastructure                 | 17,611,013                   | -                   | 17,611,013           |
| Land improvements              | -                            | 247,376             | 247,376              |
| Buildings and improvements     | 372,442                      | 3,026,535           | 3,398,977            |
| Machinery and equipment        | 368,042                      | 104,717             | 472,759              |
| Construction in progress       | 1,871,272                    | -                   | 1,871,272            |
|                                | <u>20,522,563</u>            | <u>4,043,821</u>    | <u>24,566,384</u>    |
| Less, accumulated depreciation | 1,289,259                    | 791,121             | 2,080,380            |
|                                | <u>\$ 19,233,304</u>         | <u>\$ 3,252,700</u> | <u>\$ 22,486,004</u> |

Construction in progress carried in general fixed assets represents costs incurred to date on the County industrial park and EMS station. Enterprise Fund reflects costs of construction in progress totaling \$1,872,272 for additional capacity at the New Georges Creek wastewater treatment plant and Crayton Creek interceptor project.

NOTE 6 - GENERAL LONG-TERM DEBT

The following is a summary of the changes in general long-term debt for the year ended June 30, 2002:

|                                  | Balances<br>July 1, 2001 | Additions          | Retirements        | Balances<br>June 30, 2002 |
|----------------------------------|--------------------------|--------------------|--------------------|---------------------------|
| General obligation bonds         | \$ 8,105,000             | \$3,690,000        | \$4,515,000        | \$7,280,000               |
| Special source revenue bonds     | 2,170,686                | -                  | 214,493            | 1,956,193                 |
| Capital leases                   | 1,027,496                | 506,932            | 231,829            | 1,302,599                 |
| Notes payable                    | 3,063,775                | 3,500,000          | 116,527            | 6,447,248                 |
| Accrued compensated absences     | 857,605                  | 67,848             | -                  | 925,453                   |
| Landfill closure and postclosure | 4,376,190                | -                  | 1,341,190          | 3,035,000                 |
|                                  | <u>\$ 19,600,752</u>     | <u>\$7,764,780</u> | <u>\$6,419,039</u> | <u>\$20,946,493</u>       |

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 6 - GENERAL LONG-TERM DEBT - Continued

Notes payable totaling \$3,063,775 carried in the Enterprise funds (Public Service Commission) at June 30, 2001 were reclassified to the general long-term debt account group as of July 1, 2001.

On February 5, 2002, the County issued \$ 3,690,000 in general obligation bonds with interest rates ranging from 2.3% to 4.30%. The County issued the bonds to advance refund \$315,000 of the 1990 general obligation bonds with a 6.80% interest rate and \$3,425,000 of the 1992 general obligation bonds with an interest rate ranging from 5.25% to 5.95%. The County used the net proceeds along with other resources to purchase U. S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded 1990 and 1992 general obligation bonds. As a result, the 1990 and 1992 general obligation bonds are considered to be defeased, and the County has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$3,740,000 at June 30, 2002.

The advance refunding reduced total debt service payments by \$396,256. This results in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$314,906.

General obligation (general purpose) bonds payable at June 30, 2002 are comprised of the following individual issues:

|  |                     |
|--|---------------------|
| \$1,150,000 1987 general obligation bonds due in annual installments of \$60,000 to \$115,000 through December 1, 2002; interest at 6.5% to 8.00%          | \$ 115,000          |
| \$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%           | 3,200,000           |
| \$1,100,000 1996 general obligation bonds due in annual installments of \$75,000 to \$275,000 through March 1, 2003; interest at 4.45% to 6.005%           | 275,000             |
| \$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%. | <u>3,690,000</u>    |
|  | <u>\$ 7,280,000</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 6 - GENERAL LONG-TERM DEBT - Continued

Annual requirements to amortize all general obligation bonds outstanding as of June 30, 2002 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|-----------------------------|---------------------|---------------------|---------------------|
| 2003                        | \$ 885,000          | \$ 316,193          | \$ 1,201,193        |
| 2004                        | 620,000             | 280,498             | 900,498             |
| 2005                        | 670,000             | 254,685             | 924,685             |
| 2006                        | 600,000             | 224,835             | 824,835             |
| 2007                        | 665,000             | 196,773             | 861,773             |
| Next 5 years                | 3,450,000           | 499,567             | 3,949,567           |
| Thereafter                  | 390,000             | 16,770              | 406,770             |
|                             | <u>\$ 7,280,000</u> | <u>\$ 1,789,321</u> | <u>\$ 9,069,321</u> |

Special source revenue bonds at June 30, 2002 are comprised of the following individual issues:

|  |                     |
|--|---------------------|
| \$925,000 industrial revenue bonds due in annual installments of \$117,717 through April 2009; interest at 4.89%   | \$ 686,274          |
| \$1,675,000 industrial revenue bonds due in annual installments of \$234,305 through April 2009; interest at 6.99% | <u>1,269,919</u>    |
|  | <u>\$ 1,956,193</u> |

Annual requirements to amortize all special source revenue bonds outstanding as of June 30, 2002 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|-----------------------------|---------------------|-------------------|---------------------|
| 2003                        | \$ 229,001          | \$ 123,021        | \$ 352,022          |
| 2004                        | 243,147             | 108,875           | 352,022             |
| 2005                        | 258,803             | 93,219            | 352,022             |
| 2006                        | 275,177             | 76,845            | 352,022             |
| 2007                        | 292,613             | 59,408            | 352,022             |
| Next 5 years                | 657,452             | 62,017            | 719,469             |
|                             | <u>\$ 1,956,193</u> | <u>\$ 523,385</u> | <u>\$ 2,479,579</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 6 - GENERAL LONG-TERM DEBT - Continued

Capital leases payable at June 30, 2002 are comprised of the following individual leases:

|  |                     |
|--|---------------------|
| \$476,705 capital lease to an equipment vendor payable in semi-annual installments of principal and interest of \$44,573 through June 2005 at 5.68%; collateralized by equipment     | \$ 234,568          |
| \$503,588 capital lease to a financial institution payable in annual installments of principal and interest of \$113,884 through April 2003 at 4.24%; collateralized by equipment    | 109,412             |
| \$549,192 capital lease to an equipment vendor payable in annual installments of principal and interest of \$72,201 through November 2009 at 5.196%; collateralized by equipment     | 460,840             |
| \$51,573 capital lease to an equipment vendor payable in annual installments of principal and interest of \$11,593 through November 2004 at 6.085%; collateralized by equipment      | 30,940              |
| \$466,839 capital lease to an equipment vendor payable in semiannual installments of principal and interest of \$50,779 through February 2007 at 3.580%; collateralized by equipment | <u>466,839</u>      |
|  | <u>\$ 1,302,599</u> |

Annual requirements to amortize all capital leases outstanding as of June 30, 2002 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|-----------------------------|---------------------|-------------------|---------------------|
| 2003                        | \$ 335,002          | \$ 53,381         | \$ 388,383          |
| 2004                        | 230,800             | 43,699            | 274,499             |
| 2005                        | 232,318             | 32,506            | 264,824             |
| 2006                        | 151,189             | 22,571            | 173,760             |
| 2007                        | 157,597             | 16,163            | 173,760             |
| Next 5 years                | 195,693             | 21,122            | 216,815             |
|                             | <u>\$ 1,302,599</u> | <u>\$ 189,499</u> | <u>\$ 1,492,041</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 6 - GENERAL LONG-TERM DEBT – Continued

The gross amount of fixed assets recorded under capital leases of June 30, 2002 was \$1,559,712.

Notes payable recorded in the General Long-Term Debt Account Group at June 30, 2002 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%  | \$ 2,947,248        |
| \$3,500,000 intergovernmental contract between Pickens County and Western Carolina Regional Sewer Authority to make monthly payments of principal and interest of \$19,067 beginning January 2004 until October 2023 at 4.0%. | <u>\$ 3,500,000</u> |
|   | <u>\$ 6,447,248</u> |

Annual requirements to amortize all notes payable outstanding as of June 30, 2002 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
|-----------------------------|---------------------|---------------------|---------------------|
| 2003                        | \$ 121,259          | \$ 116,086          | \$ 237,345          |
| 2004                        | 170,959             | 180,790             | 351,749             |
| 2005                        | 223,586             | 242,568             | 466,154             |
| 2006                        | 232,677             | 233,477             | 466,154             |
| 2007                        | 242,138             | 224,016             | 466,154             |
| Next 5 years                | 1,366,628           | 964,143             | 2,330,771           |
| Thereafter                  | 4,090,001           | 1,044,975           | 5,134,976           |
|                             | <u>\$ 6,447,248</u> | <u>\$ 3,006,055</u> | <u>\$ 9,453,303</u> |



PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 7 – LONG-TERM DEBT – ENTERPRISE FUND

Notes payable recorded in the Public Service Commission Enterprise Fund at June 30, 2002 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%  | \$ 1,955,967        |
| \$3,605,700 USDA Rural Development note payable in monthly installments of principal and interest of \$16,947 through October 2039 at 4.75% | 3,547,257           |
| \$400,000 non-interest bearing note to the Blue Ridge Electric Coop payable in monthly installments of \$4,167 through November 2008.       | <u>320,833</u>      |
|   | 5,824,057           |
| Less current portion  | <u>105,294</u>      |
| Net long-term   | <u>\$ 5,718,873</u> |

Annual requirements to amortize all notes payable outstanding as of June 30, 2002 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u>    |
|-----------------------------|---------------------|
| 2003                        | \$ 105,294          |
| 2004                        | 107,979             |
| 2005                        | 110,794             |
| 2006                        | 113,745             |
| 2007                        | 116,840             |
| Next 5 years                | 456,973             |
| Thereafter                  | <u>4,812,432</u>    |
|                             | <u>\$ 5,824,057</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 8 – CONTRIBUTED CAPITAL AND RESERVED RETAINED EARNINGS

The changes in the County's contributed capital accounts for its proprietary funds were as follows:

|                                 | Public Service<br><u>Commission</u> | <u>Airport</u>      | <u>Total</u>         |
|---------------------------------|-------------------------------------|---------------------|----------------------|
| Beginning Balances              | \$ 7,373,114                        | \$ 2,995,288        | \$ 10,368,402        |
| Contributing Sources:           |                                     |                     |                      |
| Intergovernmental grants        | 19,867                              | 132,650             | 152,517              |
| Debt financing                  | 4,268,346                           | -                   | 4,268,346            |
| Contributions from general fund | 67,274                              | -                   | 67,274               |
| Ending Balances                 | <u>\$ 11,728,601</u>                | <u>\$ 3,127,938</u> | <u>\$ 14,856,539</u> |

Under the note payable agreements with the USDA Rural Development, the Public Service Commission is required to maintain certain reservations of retained earnings. The reserves at June 30, 2002 were:

|                                   |                   |
|-----------------------------------|-------------------|
| Reserved for debt service         | \$ 81,025         |
| Reserved for depreciation funding | 40,512            |
| Reserved for contingency fund     | <u>40,512</u>     |
| Total                             | <u>\$ 162,049</u> |

NOTE 9 - INTERFUND BALANCES

Interfund receivable and payable balances at June 30, 2002 were:

|              | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|--------------|---------------------------------|-------------------------------|
| General Fund | \$ 97,513                       | \$ -                          |
| Agency Funds | <u>26,995</u>                   | <u>124,508</u>                |
|              | <u>\$ 124,508</u>               | <u>\$ 124,508</u>             |

Advances from the General Fund to various Fire Departments totaling \$654,240 and the Airport Enterprise Fund of \$290,285 were separately reflected on the balance sheet.

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 10 - EMPLOYEE PENSION PLANS

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

SCRS plan members are required to contribute 6% of their annual covered salary while PORS plan members are required to contribute as follows: Class I - \$21 per month and Class II - 6.5% of their annual covered salary. The County is required to contribute an actuarially determined rate. The current rates for the SCRS, PORS Class I and PORS Class II are 6.7%, 7.8% and 10.3% of annual covered payroll, respectively. In addition to the preceding rates, participating employers contribute .15% and .2% of covered payroll to a group life insurance benefit for their SCRS and their PORB participants, respectively.

Additionally, participating employers contribute .2% of covered payroll to provide an accidental death benefit for their PORS participants. The contribution requirements of plan members and the County are established under Title 9 of the South Carolina Code of Laws. The County's contributions to SCRS and the PORS (average membership of 507) are summarized as follows:

| Year Ended    | Employer   |            | Employee   |            |
|---------------|------------|------------|------------|------------|
|               | SCRS       | PORS       | SCRS       | PORS       |
| June 30, 2002 | \$ 701,860 | \$ 376,189 | \$ 605,200 | \$ 189,972 |
| June 30, 2001 | \$ 656,735 | \$ 365,186 | \$ 567,364 | \$ 217,268 |
| June 30, 2000 | \$ 644,802 | \$ 337,523 | \$ 558,468 | \$ 201,559 |

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 15 employees retired and under the age of 65 that were receiving full premium-coverage benefits. For the year ended June 30, 2002, the County incurred net expenditures for the plan of approximately \$ 31,813, financed on a pay-as-you go basis.

PICKENS COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS - Continued  
JUNE 30, 2002

NOTE 12 – CONTINGENCIES

The County participates in a number of federally assisted grant programs. These programs were subjected to financial and compliance audits of major program requirements under the Office of Management and Budgets' Circular A-133 Audits of States, Local Governments, and Non-profit Organizations, the results of which are published in a supplementary report. The supplementary report may include certain findings of noncompliance which will be reviewed by the "cognizant" federal agency at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The federal government has a lien on all fixed assets acquired with federal funds. The lien remains in effect until the assets are considered fully depreciated.

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 – CONTRACTS AND COMMITMENTS

On June 21, 1994, Pickens County entered into an agreement with Anderson and Oconee Counties for the construction of a joint, multi-county regional solid waste disposal and resource recovery research facility. The projected total cost of the project is \$15.15 million and Pickens County has committed to provide 31.66% of the cost.

As of June 30, 2002, the County had outstanding contracts totaling \$647,767 for various recreation projects, the GIS department, and the industrial park.

NOTE 14 - FUND DEFICIT AND BUDGET OVERRUNS

A fund deficit existed in the following individual fund as of June 30, 2002:

|                             |           |
|-----------------------------|-----------|
| Special Revenue Fund        |           |
| Holly Springs Fire District | \$ 37,312 |
| Grants Fund                 | 2,816     |

Any fund deficit is expected to be funded through the collection of property taxes, future grant revenues, and/or the general fund.

PICKENS COUNTY, SOUTH CAROLINA  
 NOTES TO FINANCIAL STATEMENTS - Continued  
 JUNE 30, 2002

NOTE 14 - FUND DEFICIT AND BUDGET OVERRUNS - Continued

Budget overruns existed in the following departments as of June 30, 2002:

|                            |           |
|----------------------------|-----------|
| General Government         |           |
| Registration and Elections | \$ 7,967  |
| Public Safety              |           |
| Law Enforcement Center     | \$ 14,582 |

These budget overruns were funded by the general fund balance.

NOTE 15 – AGENCY FUNDS

Changes in assets and liabilities of the agency funds of the County for the year ended June 30, 2002:

|   | <u>Balances</u><br><u>June 30, 2001</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Balances</u><br><u>June 30, 2002</u> |
|---|---|-----------------|----------------------|---|
| <b>Assets</b>                           |   |                 |                      |   |
| Cash                                    | \$ 19,538,733                           | \$ 130,761,977  | \$ 130,605,557       | \$ 19,695,153                           |
| Taxes receivable, net                   | 1,396,609                               | 2,115,069       | 1,396,609            | 2,115,069                               |
|   | \$ 20,935,342                           | \$ 132,877,046  | \$ 132,002,166       | \$ 21,810,222                           |
| <b>Liabilities</b>                      |   |                 |                      |   |
| Due to other governments<br>or agencies | \$ 19,311,352                           | \$ 122,820,727  | \$ 122,725,089       | \$ 19,406,990                           |
| Due to state                            | 69,034                                  | 444,280         | 434,747              | 78,567                                  |
| Due to individuals                      | 86,651                                  | 6,512,456       | 6,447,808            | 151,299                                 |
| Due to other funds                      | 134,466                                 | 1,050,725       | 1,060,683            | 124,508                                 |
| Deferred revenue                        | 1,333,839                               | 2,048,858       | 1,333,839            | 2,048,858                               |
|   | \$ 20,935,342                           | \$ 132,877,046  | \$ 132,002,166       | \$ 21,810,222                           |

**SUPPLEMENTAL INFORMATION**

PICKENS COUNTY, SOUTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2002

Schedule 1

|                            | Budget            | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|----------------------------|-------------------|-------------------|--|
| <b>Revenues</b>            |                   |                   |  |
| Taxes                      | \$ 17,359,221     | \$ 17,593,890     | \$ 234,669                             |
| Licenses and permits       | 591,500           | 694,433           | 102,933                                |
| Intergovernmental          | 5,548,867         | 5,525,042         | (23,825)                               |
| Charges for services       | 2,947,426         | 3,409,672         | 462,246                                |
| Fines and forfeitures      | 500,000           | 669,574           | 169,574                                |
| Investment income          | 318,526           | 260,076           | (58,450)                               |
| Contributions              | 1,600             | 880               | (720)                                  |
| Miscellaneous              | 189,600           | 183,174           | (6,426)                                |
|                            | <u>27,456,740</u> | <u>28,336,741</u> | <u>880,001</u>                         |
| <b>Expenditures</b>        |                   |                   |  |
| <b>Current</b>             |                   |                   |  |
| <b>General government</b>  |                   |                   |  |
| County council             | 120,613           | 120,350           | 263                                    |
| County attorney            | 62,450            | 59,046            | 3,404                                  |
| State solicitor            | 523,623           | 514,902           | 8,721                                  |
| Public defender            | 36,535            | 34,864            | 1,671                                  |
| Probate judge              | 201,445           | 195,604           | 5,841                                  |
| Register of deeds          | 310,031           | 305,563           | 4,468                                  |
| Clerk of court             | 557,226           | 502,192           | 55,034                                 |
| Administrinistrator        | 336,727           | 333,698           | 3,029                                  |
| Purchasing                 | 152,656           | 149,216           | 3,440                                  |
| Finance                    | 398,832           | 395,171           | 3,661                                  |
| Building maintenance       | 1,071,318         | 979,428           | 91,890                                 |
| Human resources            | 223,021           | 197,087           | 25,934                                 |
| Circuit judge              | 1,460             | 1,255             | 205                                    |
| Treasurer                  | 317,674           | 316,734           | 940                                    |
| Auditor                    | 275,876           | 269,553           | 6,323                                  |
| Tax assessor               | 712,505           | 701,188           | 11,317                                 |
| Board of appeals           | 2,000             | 1,875             | 125                                    |
| GIS mapping                | 281,568           | 254,357           | 27,211                                 |
| Registration and elections | 216,748           | 224,715           | (7,967)                                |
| Planning commission        | 182,419           | 127,554           | 54,865                                 |
| Information services       | 739,148           | 686,324           | 52,824                                 |
| County magistrates         | 470,183           | 454,662           | 15,521                                 |
| Vehicle maintenance        | 382,801           | 367,342           | 15,459                                 |
|                            | <u>7,576,859</u>  | <u>7,192,680</u>  | <u>384,179</u>                         |
| <b>Public safety</b>       |                   |                   |  |
| Sheriff's department       | 4,760,165         | 4,568,913         | 191,252                                |
| Law enforcement center     | 238,025           | 252,607           | (14,582)                               |
| Emergency preparedness     | 141,518           | 136,493           | 5,025                                  |
| County coroner             | 100,837           | 83,489            | 17,348                                 |
| Prison camp                | 753,520           | 698,438           | 55,082                                 |
| Emergency medical services | 2,892,051         | 2,712,707         | 179,344                                |
| Building codes             | 346,691           | 321,980           | 24,711                                 |
| E-911                      | 89,269            | 85,350            | 3,919                                  |
|                            | <u>9,322,076</u>  | <u>8,859,977</u>  | <u>462,099</u>                         |

PICKENS COUNTY, SOUTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2002

Schedule 1

|  | Budget            | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|--|-------------------|-------------------|--|
| Public works   |                   |                   |  |
| Roads and bridges                                    | 1,833,906         | 1,780,873         | 53,033                                 |
| Solid waste department                               | 2,607,257         | 2,285,222         | 322,035                                |
| Environmental services                               | 226,609           | 205,469           | 21,140                                 |
| Recycling department                                 | 1,136,225         | 1,118,456         | 17,769                                 |
|  | <u>5,803,997</u>  | <u>5,390,020</u>  | <u>413,977</u>                         |
| Health and welfare                                   |                   |                   |  |
| Health department                                    | 51,228            | 48,317            | 2,911                                  |
| Animal control                                       | 162,561           | 143,102           | 19,459                                 |
| Veterans affairs                                     | 125,284           | 117,480           | 7,804                                  |
|  | <u>339,073</u>    | <u>308,899</u>    | <u>30,174</u>                          |
| Culture and recreation                               |                   |                   |  |
| Cultural commission                                  | 161,717           | 150,722           | 10,995                                 |
| County recreation                                    | 444,874           | 186,036           | 258,838                                |
| Parks department                                     | 171,407           | 161,758           | 9,649                                  |
|  | <u>777,998</u>    | <u>498,516</u>    | <u>279,482</u>                         |
| Economic development and assistance                  |                   |                   |  |
| Economic development                                 | 154,164           | 154,143           | 21                                     |
|  | <u>154,164</u>    | <u>154,143</u>    | <u>21</u>                              |
| Intergovernmental                                    |                   |                   |  |
| Legislative delegation                               | 22,002            | 16,086            | 5,916                                  |
| Seniors unlimited                                    | 20,000            | 20,000            | -                                      |
| Humane society                                       | 15,000            | 15,000            | -                                      |
| Department of social services                        | 57,245            | 43,207            | 14,038                                 |
| Mental health center                                 | 20,000            | 20,000            | -                                      |
| Medically indigent fund                              | 246,894           | 246,893           | 1                                      |
| South Carolina Appalachian Council of Governments    | 45,593            | 45,593            | -                                      |
|  | <u>426,734</u>    | <u>406,779</u>    | <u>19,955</u>                          |
| Other  |                   |                   |  |
| Tort insurance                                       | 266,128           | 266,127           | 1                                      |
| Contingent fund                                      | 192,585           | 154,778           | 37,807                                 |
| Non-departmental                                     | 324,480           | 157,711           | 166,769                                |
|  | <u>783,193</u>    | <u>578,616</u>    | <u>204,577</u>                         |
| Capital outlay                                       | <u>2,651,709</u>  | <u>1,872,539</u>  | <u>779,170</u>                         |
| Debt service   |                   |                   |  |
| Principal retirement                                 | 214,493           | 214,493           | -                                      |
| Interest and fiscal charges                          | 137,529           | 137,529           | -                                      |
|  | <u>352,022</u>    | <u>352,022</u>    | <u>-</u>                               |
| Total Expenditures                                   | <u>28,187,825</u> | <u>25,614,191</u> | <u>2,573,634</u>                       |
| Excess (Deficiency) of Revenues<br>over Expenditures | <u>(731,085)</u>  | <u>2,722,550</u>  | <u>3,453,635</u>                       |



PICKENS COUNTY, SOUTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2002

Schedule 1

|   | Budget             | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|---|--------------------|-------------------|--|
| Other Financing Sources (Uses)  |                    |                   |  |
| Proceeds from Capital Lease   | 500,000            | 466,839           | (33,161)                               |
| Operating Transfers Out   | (1,299,003)        | (1,299,707)       | (704)                                  |
|   | (799,003)          | (832,868)         | (33,865)                               |
| <br>Excess of Revenues<br>and Other Financing Sources Over<br>Expenditures and Other Financing Uses | <br>\$ (1,530,088) | <br>1,889,682     | <br>\$ 3,419,770                       |
| <br>Fund Balances, Beginning of Year  |                    | <br>13,342,055    |  |
| <br>Fund Balances, End of Year  |                    | <br>\$ 15,231,737 |  |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2002

Schedule 2

| Assets                               | Tri-County<br>Tech | Fixed<br>Nuclear<br>Fund | Sheriff<br>Special<br>Fund | Library<br>Fund   | Victim<br>Rights  | Grants<br>Fund    | Emergency<br>Phone<br>System |
|--------------------------------------|--------------------|--------------------------|----------------------------|-------------------|-------------------|-------------------|------------------------------|
| Cash and investments                 | \$ 258,504         | \$ 16,834                | \$ 585,317                 | \$ 376,070        | \$ 132,722        | \$ 70,324         | \$ 309,140                   |
| Property taxes receivable            | 48,521             | -                        | -                          | 68,439            | -                 | -                 | -                            |
| Accounts receivable - other          | -                  | -                        | 658                        | -                 | -                 | -                 | 21,138                       |
| Due from other governments           | 1,441              | -                        | -                          | 15,700            | -                 | 219,902           | -                            |
| Due from other funds                 | -                  | -                        | -                          | -                 | 26,995            | -                 | -                            |
| Prepaid expenses                     | -                  | -                        | -                          | -                 | -                 | -                 | 1,886                        |
|                                      | <u>\$ 308,466</u>  | <u>\$ 16,834</u>         | <u>\$ 585,975</u>          | <u>\$ 460,209</u> | <u>\$ 159,717</u> | <u>\$ 290,226</u> | <u>\$ 332,164</u>            |
| <b>Liabilities and Fund Balances</b> |                    |                          |                            |                   |                   |                   |                              |
| <b>Liabilities</b>                   |                    |                          |                            |                   |                   |                   |                              |
| Accounts payable                     | \$ -               | \$ 603                   | \$ -                       | \$ 13,996         | \$ 1,063          | \$ 155,540        | \$ 531                       |
| Accrued payroll                      | -                  | 322                      | -                          | 17,838            | 2,492             | -                 | -                            |
| Advances from general fund           | -                  | -                        | -                          | -                 | -                 | -                 | -                            |
| Deferred revenue                     | 46,026             | -                        | -                          | 64,856            | -                 | 137,502           | -                            |
|                                      | <u>46,026</u>      | <u>925</u>               | <u>-</u>                   | <u>96,690</u>     | <u>3,555</u>      | <u>293,042</u>    | <u>531</u>                   |
| <b>Fund Balance</b>                  |                    |                          |                            |                   |                   |                   |                              |
| Designated for future expenditures   | 12,482             | -                        | -                          | 45,000            | -                 | -                 | 320,002                      |
| Undesignated                         | 249,958            | 15,909                   | 585,975                    | 318,519           | 156,162           | (2,816)           | 11,631                       |
|                                      | <u>262,440</u>     | <u>15,909</u>            | <u>585,975</u>             | <u>363,519</u>    | <u>156,162</u>    | <u>(2,816)</u>    | <u>331,633</u>               |
|                                      | <u>\$ 308,466</u>  | <u>\$ 16,834</u>         | <u>\$ 585,975</u>          | <u>\$ 460,209</u> | <u>\$ 159,717</u> | <u>\$ 290,226</u> | <u>\$ 332,164</u>            |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2002

|                                      | Fire<br>Districts   | Law Enforcement<br>Block<br>Grants | Accommodations<br>Tax<br>Fund | Museum<br>Restricted<br>Resources | Tourism<br>Development<br>Fee | Totals              |
|--------------------------------------|---------------------|------------------------------------|-------------------------------|-----------------------------------|-------------------------------|---------------------|
| <b>Assets</b>                        |                     |                                    |                               |                                   |                               |                     |
| Cash and investments                 | \$ 1,808,794        | \$ 72,388                          | \$ 67,456                     | \$ 50,352                         | \$ 358,230                    | \$ 4,106,131        |
| Property taxes receivable            | 284,548             | -                                  | -                             | -                                 | -                             | 401,508             |
| Accounts receivable - other          | -                   | -                                  | -                             | -                                 | 10,375                        | 32,171              |
| Due from other governments           | -                   | -                                  | 37,309                        | -                                 | -                             | 274,352             |
| Due from other funds                 | -                   | -                                  | -                             | -                                 | -                             | 26,995              |
| Prepaid expenses                     | -                   | -                                  | -                             | -                                 | -                             | 1,886               |
|                                      | <u>\$ 2,093,342</u> | <u>\$ 72,388</u>                   | <u>\$ 104,765</u>             | <u>\$ 50,352</u>                  | <u>\$ 368,605</u>             | <u>\$ 4,843,043</u> |
| <b>Liabilities and Fund Balances</b> |                     |                                    |                               |                                   |                               |                     |
| <b>Liabilities</b>                   |                     |                                    |                               |                                   |                               |                     |
| Accounts payable                     | \$ 79,002           | \$ -                               | \$ -                          | \$ -                              | \$ -                          | \$ 250,735          |
| Accrued payroll                      | -                   | -                                  | -                             | -                                 | -                             | 20,652              |
| Advances from general fund           | 654,240             | -                                  | -                             | -                                 | -                             | 654,240             |
| Deferred revenue                     | 272,702             | 72,388                             | -                             | -                                 | -                             | 593,474             |
|                                      | <u>1,005,944</u>    | <u>72,388</u>                      | <u>-</u>                      | <u>-</u>                          | <u>-</u>                      | <u>1,519,101</u>    |
| <b>Fund Balance</b>                  |                     |                                    |                               |                                   |                               |                     |
| Designated for future expenditures   | -                   | -                                  | -                             | -                                 | -                             | 377,484             |
| Undesignated                         | 1,087,398           | -                                  | 104,765                       | 50,352                            | 368,605                       | 2,946,458           |
|                                      | <u>1,087,398</u>    | <u>-</u>                           | <u>104,765</u>                | <u>50,352</u>                     | <u>368,605</u>                | <u>3,323,942</u>    |
|                                      | <u>\$ 2,093,342</u> | <u>\$ 72,388</u>                   | <u>\$ 104,765</u>             | <u>\$ 50,352</u>                  | <u>\$ 368,605</u>             | <u>\$ 4,843,043</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2002

|   | Tri-County<br>Tech | Fixed<br>Nuclear<br>Fund | Sheriff<br>Special<br>Fund | Library<br>Fund   | Victim<br>Rights  | Grants<br>Fund    | Emergency<br>Phone<br>System |
|---|--------------------|--------------------------|----------------------------|-------------------|-------------------|-------------------|------------------------------|
| <b>Revenues</b>   |                    |                          |                            |                   |                   |                   |                              |
| Taxes   | \$ 911,899         | \$ -                     | \$ -                       | \$ 1,290,388      | \$ -              | \$ -              | \$ -                         |
| Intergovernmental   | -                  | 33,770                   | -                          | 169,655           | -                 | 966,394           | -                            |
| Charges for services  | -                  | -                        | -                          | -                 | -                 | -                 | 325,990                      |
| Fines and forfeitures   | -                  | -                        | 24,464                     | -                 | 179,289           | -                 | -                            |
| Investment income   | -                  | -                        | 3,599                      | -                 | -                 | -                 | -                            |
| Contributions   | -                  | -                        | 44                         | 2,224             | -                 | -                 | -                            |
| Miscellaneous   | -                  | -                        | -                          | 57,638            | -                 | -                 | -                            |
|   | <u>911,899</u>     | <u>33,770</u>            | <u>28,107</u>              | <u>1,519,905</u>  | <u>179,289</u>    | <u>966,394</u>    | <u>325,990</u>               |
| <b>Expenditures</b>   |                    |                          |                            |                   |                   |                   |                              |
| General government  | -                  | -                        | -                          | -                 | -                 | 65,885            | -                            |
| Public safety   | -                  | 35,788                   | 66,086                     | -                 | 154,222           | 247,192           | 159,639                      |
| Public works  | -                  | -                        | -                          | -                 | -                 | 30,018            | -                            |
| Culture and recreation  | -                  | -                        | -                          | 1,402,435         | -                 | -                 | -                            |
| Intergovernmental   | 944,690            | -                        | -                          | -                 | -                 | 546,844           | -                            |
| Capital outlay  | -                  | -                        | -                          | 58,176            | 6,450             | 54,271            | -                            |
| Debt service  | -                  | -                        | -                          | -                 | -                 | -                 | 81,864                       |
| Principal retirement  | -                  | -                        | -                          | -                 | -                 | -                 | 18,875                       |
| Interest and fiscal charges   | -                  | -                        | -                          | -                 | -                 | -                 | 260,378                      |
|   | <u>944,690</u>     | <u>35,788</u>            | <u>66,086</u>              | <u>1,460,611</u>  | <u>160,672</u>    | <u>944,210</u>    | <u>260,378</u>               |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b>  | <u>(32,791)</u>    | <u>(2,018)</u>           | <u>(37,979)</u>            | <u>59,294</u>     | <u>18,617</u>     | <u>22,184</u>     | <u>65,612</u>                |
| <b>Other Financing Uses</b>   |                    |                          |                            |                   |                   |                   |                              |
| Operating Transfers Out   | -                  | -                        | -                          | -                 | -                 | (25,000)          | -                            |
|   |                    |                          |                            |                   |                   | (25,000)          |                              |
| <b>Excess (Deficiency) of Revenues<br/>and Other Financing Sources Over<br/>Expenditures and Other Financing Uses</b> | <u>(32,791)</u>    | <u>(2,018)</u>           | <u>(37,979)</u>            | <u>59,294</u>     | <u>18,617</u>     | <u>(2,816)</u>    | <u>65,612</u>                |
| <b>Fund Balances, Beginning of Year</b>   | 295,231            | 17,927                   | 623,954                    | 304,225           | 137,545           | -                 | 266,021                      |
| <b>Fund Balances, End of Year</b>   | <u>\$ 262,440</u>  | <u>\$ 15,909</u>         | <u>\$ 585,975</u>          | <u>\$ 363,519</u> | <u>\$ 156,162</u> | <u>\$ (2,816)</u> | <u>\$ 331,633</u>            |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2002

|   | Fire<br>Districts   | Law Enforcement<br>Block<br>Grants | Accommodations<br>Tax<br>Fund | Museum<br>Restricted<br>Resources | Tourism<br>Development<br>Fee | Totals              |
|---|---------------------|------------------------------------|-------------------------------|-----------------------------------|-------------------------------|---------------------|
| <b>Revenues</b>   |                     |                                    |                               |                                   |                               |                     |
| Taxes   | \$ -                | \$ -                               | \$ -                          | \$ -                              | \$ -                          | \$ 2,202,287        |
| Intergovernmental   | -                   | -                                  | 70,915                        | -                                 | -                             | 1,240,734           |
| Charges for services  | 1,358,377           | -                                  | -                             | -                                 | -                             | 1,684,367           |
| Fines and forfeitures   | -                   | -                                  | -                             | -                                 | -                             | 203,753             |
| Investment income   | 43,018              | -                                  | -                             | -                                 | 4,794                         | 51,411              |
| Contributions   | -                   | -                                  | -                             | -                                 | -                             | 2,268               |
| Miscellaneous   | 25,941              | -                                  | -                             | 27,796                            | 111,401                       | 222,776             |
|   | <u>1,427,336</u>    | <u>-</u>                           | <u>70,915</u>                 | <u>27,796</u>                     | <u>116,195</u>                | <u>5,607,596</u>    |
| <b>Expenditures</b>   |                     |                                    |                               |                                   |                               |                     |
| General government  | -                   | -                                  | -                             | -                                 | -                             | 65,885              |
| Public safety   | 1,405,330           | -                                  | -                             | -                                 | -                             | 2,068,257           |
| Public works  | -                   | -                                  | -                             | -                                 | -                             | 30,018              |
| Culture and recreation  | -                   | -                                  | 43,060                        | 29,747                            | -                             | 1,475,242           |
| Intergovernmental   | -                   | -                                  | -                             | -                                 | -                             | 1,491,534           |
| Capital outlay  | -                   | -                                  | -                             | -                                 | -                             | 118,897             |
| Debt service  | -                   | -                                  | -                             | -                                 | -                             | 81,864              |
| Principal retirement  | -                   | -                                  | -                             | -                                 | -                             | 18,875              |
| Interest and fiscal charges   | -                   | -                                  | -                             | -                                 | -                             | 5,350,572           |
|   | <u>1,405,330</u>    | <u>-</u>                           | <u>43,060</u>                 | <u>29,747</u>                     | <u>-</u>                      | <u>5,350,572</u>    |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b>  | 22,006              | -                                  | 27,855                        | (1,951)                           | 116,195                       | 257,024             |
| <b>Other Financing Uses</b>   |                     |                                    |                               |                                   |                               |                     |
| Operating Transfers Out   | -                   | -                                  | (27,296)                      | -                                 | -                             | (52,296)            |
|   | -                   | -                                  | (27,296)                      | -                                 | -                             | (52,296)            |
| <b>Excess (Deficiency) of Revenues<br/>and Other Financing Sources Over<br/>Expenditures and Other Financing Uses</b> | 22,006              | -                                  | 559                           | (1,951)                           | 116,195                       | 204,728             |
| <b>Fund Balances, Beginning of Year</b>   | 1,065,392           | -                                  | 104,206                       | 52,303                            | 252,410                       | 3,119,214           |
| <b>Fund Balances, End of Year</b>   | <u>\$ 1,087,398</u> | <u>\$ -</u>                        | <u>\$ 104,765</u>             | <u>\$ 50,352</u>                  | <u>\$ 368,605</u>             | <u>\$ 3,323,942</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 TRI-COUNTY TECH FUND  
 YEAR ENDED JUNE 30, 2002

Schedule 4

|  | Budget     | Actual      | Variance<br>Favorable<br>(Unfavorable) |
|--|------------|-------------|--|
| Revenues   |            |             |  |
| Taxes  | \$ 944,690 | \$ 911,899  | \$ (32,791)                            |
|  | 944,690    | 911,899     | (32,791)                               |
| Expenditures   |            |             |  |
| Current  |            |             |  |
| Intergovernmental                                    | 944,690    | 944,690     | -                                      |
|  | 944,690    | 944,690     | -                                      |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ -       | \$ (32,791) | \$ (32,791)                            |
| Fund Balance, Beginning of Year                      |            | 295,231     |  |
| Fund Balance, End of Year                            |            | \$ 262,440  |  |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 LIBRARY FUNDS  
 YEAR ENDED JUNE 30, 2002

Schedule 5

|  | Budget           | Operations        | State Aid      | Totals<br>(Memorandum<br>Only) | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|-------------------|----------------|--------------------------------|--|
| <b>Revenues</b>                                      |                  |                   |                |                                |  |
| Taxes  | \$ 1,343,615     | \$ 1,290,388      | \$ -           | \$ 1,290,388                   | \$ (53,227)                            |
| Intergovernmental                                    | 197,488          | 15,900            | 153,755        | 169,655                        | (27,833)                               |
| Contributions  | 2,001            | 2,224             |                | 2,224                          | 223                                    |
| Miscellaneous  | 55,000           | 57,638            |                | 57,638                         | 2,638                                  |
|  | <u>1,598,104</u> | <u>1,366,150</u>  | <u>153,755</u> | <u>1,519,905</u>               | <u>(78,199)</u>                        |
| <b>Expenditures</b>                                  |                  |                   |                |                                |  |
| <b>Current</b>                                       |                  |                   |                |                                |  |
| Salaries   | 1,054,297        | 1,015,906         | -              | 1,015,906                      | 38,391                                 |
| Office supplies                                      | 25,385           | 23,785            | -              | 23,785                         | 1,600                                  |
| Postage  | 4,500            | 4,313             | -              | 4,313                          | 187                                    |
| Dues and subscriptions                               | 1,100            | 1,068             | -              | 1,068                          | 32                                     |
| Travel expense                                       | 3,500            | 3,402             | -              | 3,402                          | 98                                     |
| Fuel and oil   | 750              | 628               | -              | 628                            | 122                                    |
| Electricity and heating fuel                         | 75,000           | 51,358            | -              | 51,358                         | 23,642                                 |
| Telephone  | 19,800           | 15,091            | -              | 15,091                         | 4,709                                  |
| Data line phone charges                              | 10,200           | 4,836             | -              | 4,836                          | 5,364                                  |
| Water and sewer                                      | 1,500            | 1,489             | -              | 1,489                          | 11                                     |
| Maintenance and service contracts                    | 28,918           | 25,971            | -              | 25,971                         | 2,947                                  |
| Reparis to equipment                                 | 1,550            | 1,533             | -              | 1,533                          | 17                                     |
| Repairs to buildings and grounds                     | 2,600            | 1,969             | -              | 1,969                          | 631                                    |
| Repairs to vehicles                                  | 500              | 298               | -              | 298                            | 202                                    |
| Food   | 500              | 196               | -              | 196                            | 304                                    |
| Cleaning and sanitation                              | 2,700            | 2,433             | -              | 2,433                          | 267                                    |
| Machinery and equipment                              | 3,416            | -                 | 3,416          | 3,416                          | -                                      |
| Insurance, bonds, license                            | 7,265            | 7,238             | -              | 7,238                          | 27                                     |
| Rent - building, equipment                           | 24,620           | 23,540            | -              | 23,540                         | 1,080                                  |
| Training   | 9,100            | 5,927             | -              | 5,927                          | 3,173                                  |
| Consulting and contractual                           | 18,165           | 10,690            | -              | 10,690                         | 7,475                                  |
| Library caregiver                                    | 2,020            | 2,037             | -              | 2,037                          | (17)                                   |
| Books  | 37,680           | 42,748            | -              | 42,748                         | (5,068)                                |
| Friends  | -                | 377               | -              | 377                            | (377)                                  |
| Library miscellaneous donations                      | 2,000            | 1,847             | -              | 1,847                          | 153                                    |
| Books  | 119,768          | -                 | 85,734         | 85,734                         | 34,034                                 |
| A/V materials  | 12,392           | -                 | 12,392         | 12,392                         | -                                      |
| Binding  | 517              | -                 | 517            | 517                            | -                                      |
| Periodicals  | 18,638           | -                 | 18,638         | 18,638                         | -                                      |
| Software   | 9,031            | -                 | 9,031          | 9,031                          | -                                      |
| Continuations  | 17,814           | -                 | 17,814         | 17,814                         | -                                      |
| Large type   | 6,213            | -                 | 6,213          | 6,213                          | -                                      |
|  | <u>1,521,439</u> | <u>1,248,680</u>  | <u>153,755</u> | <u>1,402,435</u>               | <u>119,004</u>                         |
| <b>Capital outlay</b>                                |                  |                   |                |                                |  |
| Project cost   | 7,047            | 7,047             | -              | 7,047                          | -                                      |
| Office furniture and equipment                       | 69,618           | 51,129            | -              | 51,129                         | 18,489                                 |
|  | <u>76,665</u>    | <u>58,176</u>     | <u>-</u>       | <u>58,176</u>                  | <u>18,489</u>                          |
|  | <u>1,598,104</u> | <u>1,306,856</u>  | <u>153,755</u> | <u>1,460,611</u>               | <u>137,493</u>                         |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ -</u>      | <u>59,294</u>     | <u>-</u>       | <u>59,294</u>                  | <u>\$ 59,294</u>                       |
| Fund Balance, Beginning of Year                      |                  | <u>304,225</u>    | <u>-</u>       | <u>304,225</u>                 |  |
| Fund Balance, End of Year                            |                  | <u>\$ 363,519</u> | <u>\$ -</u>    | <u>\$ 363,519</u>              |  |

PICKENS COUNTY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
VICTIM RIGHTS FUND  
YEAR ENDED JUNE 30, 2002

Schedule 6

|  | Budget     | Actual     | Variance<br>Favorable<br>(Unfavorable) |
|--|------------|------------|--|
| Revenues   |            |            |  |
| Fines and forfeitures                                | \$ 197,000 | \$ 179,289 | \$ 17,711                              |
|  | 197,000    | 179,289    | (17,711)                               |
| Expenditures   |            |            |  |
| Current  |            |            |  |
| Salaries   | 139,614    | 139,712    | (98)                                   |
| Operating  | 750        | 395        | 355                                    |
| Office supplies                                      | 3,750      | 2,867      | 883                                    |
| Postage  | 1,200      | 1,020      | 180                                    |
| Travel expense                                       | 700        | 350        | 350                                    |
| Fuel and oil   | 900        | 320        | 580                                    |
| Telephone  | 2,500      | 2,276      | 224                                    |
| Maintenance and service contracts                    | 1,300      | 1,714      | (414)                                  |
| Repairs to vehicles                                  | 300        | 19         | 281                                    |
| Uniforms and clothing                                | 400        | 1,650      | (1,250)                                |
| Office furniture and equipment                       | 4,470      | 2,258      | 2,212                                  |
| Training   | 3,018      | 1,641      | 1,377                                  |
|  | 158,902    | 154,222    | 4,680                                  |
| Capital outlay                                       |            |            |  |
| Machinery and equipment                              | 6,800      | 6,450      | 350                                    |
|  | 165,702    | 160,672    | 5,030                                  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 31,298  | 18,617     | \$ (12,681)                            |
| Fund Balance, Beginning of Year                      |            | 137,545    |  |
| Fund Balance, End of Year                            |            | \$ 156,162 |  |



PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 FIRE DISTRICTS  
 JUNE 30, 2002

|   | Easley     | Liberty    | Pumpkintown | Crosswell  | Six Mile   | Pickens    | Dacusville | Holly Springs | Central    | Shady Grove | Rocky Bottom | Total        |
|---|------------|------------|-------------|------------|------------|------------|------------|---------------|------------|-------------|--------------|--------------|
| <b>Assets</b>                                   |            |            |             |            |            |            |            |               |            |             |              |              |
| Cash  | \$ 85,130  | \$ 360,319 | \$ 84,413   | \$ 352,774 | \$ 200,161 | \$ 110,231 | \$ 296,393 | \$ 49,701     | \$ 247,021 | \$ 9,738    | \$ 12,913    | \$ 1,808,794 |
| Property taxes receivable, net                  | 44,145     | 34,516     | 12,486      | 77,550     | 27,169     | 27,676     | 33,736     | 6,136         | 19,878     | 1,217       | 39           | 284,548      |
|   | \$ 129,275 | \$ 394,835 | \$ 96,899   | \$ 430,324 | \$ 227,330 | \$ 137,907 | \$ 330,129 | \$ 55,837     | \$ 266,899 | \$ 10,955   | \$ 12,952    | \$ 2,093,342 |
| <b>Liabilities and Fund Balances (Deficits)</b> |            |            |             |            |            |            |            |               |            |             |              |              |
| <b>Liabilities</b>                              |            |            |             |            |            |            |            |               |            |             |              |              |
| Accounts payable                                | \$ -       | \$ 6,135   | \$ 42,342   | \$ -       | \$ -       | \$ 3,343   | \$ 1,841   | \$ 233        | \$ 25,072  | \$ 36       | \$ -         | \$ 79,002    |
| Advances from general fund                      | -          | -          | 25,239      | -          | 99,760     | -          | 271,343    | 87,234        | 170,664    | -           | -            | 654,240      |
| Deferred revenue                                | 42,269     | 32,669     | 11,442      | 75,022     | 26,290     | 26,581     | 32,364     | 5,682         | 19,167     | 1,177       | 39           | 272,702      |
|   | 42,269     | 38,804     | 79,023      | 75,022     | 126,050    | 29,924     | 305,548    | 93,149        | 214,903    | 1,213       | 39           | 1,005,944    |
| <b>Fund Balances (Deficits)</b>                 |            |            |             |            |            |            |            |               |            |             |              |              |
|   | 87,006     | 356,031    | 17,876      | 355,302    | 101,280    | 107,983    | 24,581     | (37,312)      | 51,996     | 9,742       | 12,913       | 1,087,398    |
|   | \$ 129,275 | \$ 394,835 | \$ 96,899   | \$ 430,324 | \$ 227,330 | \$ 137,907 | \$ 330,129 | \$ 55,837     | \$ 266,899 | \$ 10,955   | \$ 12,952    | \$ 2,093,342 |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES (DEFICITS)  
 FIRE DISTRICTS  
 YEAR ENDED JUNE 30, 2002

|   | Easley         | Liberty        | Pumpkintown   | Crosswell      | Six Mile       | Pickens        | Dacusville     | Holly Springs | Central        | Shady Grove   | Rocky Bottom | Total            |
|---|----------------|----------------|---------------|----------------|----------------|----------------|----------------|---------------|----------------|---------------|--------------|------------------|
| <b>Revenues</b>                             |                |                |               |                |                |                |                |               |                |               |              |                  |
| Charges for services                        | \$ 259,731     | \$ 142,941     | \$ 65,974     | \$ 286,931     | \$ 125,034     | \$ 159,130     | \$ 131,475     | \$ 33,954     | \$ 138,958     | \$ 10,408     | \$ 3,841     | \$ 1,358,377     |
| Investment income                           | 2,270          | 7,103          | 1,261         | 9,696          | 5,686          | 5,635          | 5,302          | 1,094         | 4,743          | 99            | 129          | 43,018           |
| Miscellaneous                               | -              | 500            | -             | -              | 22,195         | -              | -              | 3,246         | -              | -             | -            | 25,941           |
|   | <u>262,001</u> | <u>150,544</u> | <u>67,235</u> | <u>296,627</u> | <u>152,915</u> | <u>164,765</u> | <u>136,777</u> | <u>38,294</u> | <u>143,701</u> | <u>10,507</u> | <u>3,970</u> | <u>1,427,336</u> |
| <b>Expenditures</b>                         |                |                |               |                |                |                |                |               |                |               |              |                  |
| Machinery and equipment                     | -              | -              | 34,982        | -              | 221,955        | -              | -              | -             | -              | -             | -            | 258,937          |
| Contract services                           | 244,032        | 66,000         | -             | 253,209        | 79,386         | 151,536        | -              | -             | 55,320         | 9,331         | 2,747        | 861,561          |
| Operating                                   | -              | -              | 37,549        | -              | -              | 13             | 27,097         | 28,687        | 2,649          | 13            | -            | 96,008           |
| Office                                      | -              | 300            | -             | -              | -              | -              | -              | -             | 2,005          | -             | -            | 300              |
| Electricity and heating fuel                | -              | -              | -             | -              | -              | -              | -              | -             | 742            | -             | -            | 742              |
| Telephone                                   | -              | -              | -             | -              | -              | -              | -              | -             | 852            | -             | -            | 852              |
| Building                                    | -              | -              | -             | -              | -              | -              | -              | -             | 520            | -             | -            | 520              |
| Vehicle                                     | -              | -              | -             | -              | -              | -              | 7,061          | -             | -              | -             | -            | 7,061            |
| Utilities                                   | -              | -              | -             | -              | -              | -              | 22,166         | -             | 3,244          | -             | -            | 29,585           |
| Insurance, bonds, and licenses              | -              | 2,226          | -             | -              | 1,949          | -              | -              | -             | 1,438          | -             | -            | 3,002            |
| Routine maintenance                         | -              | 1,564          | -             | -              | -              | -              | -              | -             | -              | -             | -            | 3,539            |
| Repairs to equipment                        | -              | 2,890          | 649           | -              | -              | -              | -              | -             | 322            | -             | -            | 2,538            |
| Fire prevention education                   | -              | 2,216          | -             | -              | -              | -              | -              | -             | 5,489          | -             | -            | 21,689           |
| Fire calls/professional services            | -              | 16,200         | -             | -              | -              | -              | -              | -             | 30,446         | -             | -            | 49,466           |
| Equipment                                   | -              | 19,020         | -             | -              | -              | -              | -              | -             | -              | -             | -            | 17,761           |
| Land, buildings, rights-of-way              | -              | -              | -             | 17,761         | -              | -              | -              | -             | -              | -             | -            | 17,761           |
| Contingency expense                         | -              | 4,983          | -             | -              | -              | -              | 1,000          | -             | 4,562          | -             | -            | 10,545           |
| Interest expense                            | -              | -              | 2,943         | -              | -              | -              | 19,049         | 5,555         | 10,937         | -             | -            | 38,484           |
| Uniforms and clothing                       | -              | -              | -             | -              | -              | -              | -              | -             | 2,735          | -             | -            | 2,735            |
|   | <u>244,032</u> | <u>115,399</u> | <u>76,123</u> | <u>270,970</u> | <u>303,290</u> | <u>151,549</u> | <u>76,373</u>  | <u>34,242</u> | <u>121,261</u> | <u>9,344</u>  | <u>2,747</u> | <u>1,405,330</u> |
| Excess of Revenues Over Expenditures        | 17,969         | 35,145         | (8,888)       | 25,657         | (150,375)      | 13,216         | 60,404         | 4,052         | 22,440         | 1,163         | 1,223        | 22,006           |
| Fund Balances (Deficits), Beginning of Year | 69,037         | 320,886        | 26,764        | 329,645        | 251,655        | 94,767         | (35,823)       | (41,364)      | 29,556         | 8,579         | 11,690       | 1,065,392        |
| Fund Balances (Deficits), End of Year       | \$ 87,006      | \$ 356,031     | \$ 17,876     | \$ 355,302     | \$ 101,280     | \$ 107,983     | \$ 24,581      | \$ (37,312)   | \$ 51,996      | \$ 9,742      | \$ 12,913    | \$ 1,087,398     |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS  
 JUNE 30, 2002

Schedule 9

|                                      | Capital<br>Projects | State Road<br>C-Fund | Road Fee          | Totals              |
|--------------------------------------|---------------------|----------------------|-------------------|---------------------|
| <b>Assets</b>                        |                     |                      |                   |                     |
| Cash                                 | \$ 897,882          | \$ 6,640,127         | \$ 741,358        | \$ 8,279,367        |
| Due from other governments           | 253,909             | 118,780              | -                 | 372,689             |
|                                      | <u>\$ 1,151,791</u> | <u>\$ 6,758,907</u>  | <u>\$ 741,358</u> | <u>\$ 8,652,056</u> |
| <b>Liabilities and Fund Balances</b> |                     |                      |                   |                     |
| <b>Liabilities</b>                   |                     |                      |                   |                     |
| Accounts payable                     | 133,427             | 26,247               | 38                | 159,712             |
|                                      | <u>133,427</u>      | <u>26,247</u>        | <u>38</u>         | <u>159,712</u>      |
| <b>Fund Balances</b>                 | <u>1,018,364</u>    | <u>6,732,660</u>     | <u>741,320</u>    | <u>8,492,344</u>    |
|                                      | <u>\$ 1,151,791</u> | <u>\$ 6,758,907</u>  | <u>\$ 741,358</u> | <u>\$ 8,652,056</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS  
 YEAR ENDED JUNE 30, 2002

Schedule 10

|  | Capital<br>Projects | State Road<br>C-Fund | Road Fee          | Totals              |
|--|---------------------|----------------------|-------------------|---------------------|
| <b>Revenues</b>  |                     |                      |                   |                     |
| Fines and fees   | \$ -                | \$ -                 | \$ 1,773,852      | \$ 1,773,852        |
| Investment income  | 27,233              | 154,084              | -                 | 181,317             |
| Intergovernmental revenue  |                     |                      |                   |                     |
| Federal  | 253,909             | -                    | -                 | 253,909             |
| State  | -                   | 1,417,972            | -                 | 1,417,972           |
| Local  | 96,082              | -                    | 30,000            | 126,082             |
|  | <u>377,224</u>      | <u>1,572,056</u>     | <u>1,803,852</u>  | <u>3,753,132</u>    |
| <b>Expenditures</b>  |                     |                      |                   |                     |
| Current  |                     |                      |                   |                     |
| Operations   | -                   | -                    | 56                | 56                  |
| Capital outlay   |                     |                      |                   |                     |
| Infrastructure   | -                   | -                    | 937,991           | 937,991             |
| Paving   | -                   | 654,487              | -                 | 654,487             |
| Land, buildings, rights of way   | 892,840             | -                    | -                 | 892,840             |
|  | <u>892,840</u>      | <u>654,487</u>       | <u>938,047</u>    | <u>2,485,374</u>    |
| Excess (Deficiency) of Revenues Over Expenditures  | <u>(515,616)</u>    | <u>917,569</u>       | <u>865,805</u>    | <u>1,267,758</u>    |
| Other Financing Sources (Uses)   |                     |                      |                   |                     |
| Operating transfers out  | -                   | -                    | (124,485)         | (124,485)           |
|  | <u>-</u>            | <u>-</u>             | <u>(124,485)</u>  | <u>(124,485)</u>    |
| Excess (Deficiency) of Revenues<br>and Other Financing Sources Over<br>Expenditures and Other Financing Uses | <u>(515,616)</u>    | <u>917,569</u>       | <u>741,320</u>    | <u>1,143,273</u>    |
| Fund balances, Beginning of Year   | <u>1,533,980</u>    | <u>5,815,091</u>     | <u>-</u>          | <u>7,349,071</u>    |
| Fund balances, End of Year   | <u>\$ 1,018,364</u> | <u>\$ 6,732,660</u>  | <u>\$ 741,320</u> | <u>\$ 8,492,344</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING BALANCE SHEET  
 ENTERPRISE FUNDS  
 JUNE 30, 2002

Schedule 11

|                                    | Public Service<br>Commission | Airport             | Total                |
|------------------------------------|------------------------------|---------------------|----------------------|
| <b>Assets</b>                      |                              |                     |                      |
| <b>Current Assets</b>              |                              |                     |                      |
| Cash                               | \$ 1,046,496                 | \$ 66,930           | \$ 1,113,426         |
| Accounts receivable - other        | 76,696                       | 36,113              | 112,809              |
| Due from other governments         | -                            | 18,601              | 18,601               |
| Prepaid expenses                   | -                            | 100                 | 100                  |
|                                    | <u>1,123,192</u>             | <u>121,744</u>      | <u>1,244,936</u>     |
| <b>Property and Equipment</b>      |                              |                     |                      |
| Net of accumulated depreciation    | <u>19,233,304</u>            | <u>3,252,700</u>    | <u>22,486,004</u>    |
|                                    | <u>19,233,304</u>            | <u>3,252,700</u>    | <u>22,486,004</u>    |
|                                    | <u>\$ 20,356,496</u>         | <u>\$ 3,374,444</u> | <u>\$ 23,730,940</u> |
| <b>Liabilities and Fund Equity</b> |                              |                     |                      |
| <b>Current Liabilities</b>         |                              |                     |                      |
| Accounts payable                   | \$ 75,934                    | \$ 48,446           | \$ 124,380           |
| Accrued payroll                    | 6,681                        | 3,175               | 9,856                |
| Accrued compensated absences       | 23,223                       | 3,556               | 26,779               |
| Advances from general fund         | -                            | 290,285             | 290,285              |
| Notes payable - current            | 105,294                      | -                   | 105,294              |
|                                    | <u>211,132</u>               | <u>345,462</u>      | <u>556,594</u>       |
| <b>Long-Term Liabilities</b>       |                              |                     |                      |
| Notes payable                      | <u>5,718,763</u>             | -                   | <u>5,718,763</u>     |
|                                    | <u>5,929,895</u>             | <u>345,462</u>      | <u>6,275,357</u>     |
| <b>Fund Equities</b>               |                              |                     |                      |
| Contributed capital                | <u>11,728,601</u>            | <u>3,127,938</u>    | <u>14,856,539</u>    |
| Retained earnings                  |                              |                     |                      |
| Unreserved                         | 2,535,951                    | (98,956)            | 2,436,995            |
| Reserved for USDA                  | 162,049                      | -                   | 162,049              |
|                                    | <u>2,698,000</u>             | <u>(98,956)</u>     | <u>2,599,044</u>     |
|                                    | <u>14,426,601</u>            | <u>3,028,982</u>    | <u>17,455,583</u>    |
|                                    | <u>\$ 20,356,496</u>         | <u>\$ 3,374,444</u> | <u>\$ 23,730,940</u> |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND EQUITY  
 ENTERPRISE FUNDS  
 YEAR ENDED JUNE 30, 2002

Schedule 12

|                                  | <u>Public Service<br/>Commission</u> | <u>Airport</u>      | <u>Total</u>         |
|----------------------------------|--------------------------------------|---------------------|----------------------|
| Operating Revenues               |                                      |                     |                      |
| Charges for services             | \$ 1,129,503                         | \$ 322,045          | \$ 1,451,548         |
| Grants                           | 22,652                               | -                   | 22,652               |
|                                  | <u>1,152,155</u>                     | <u>322,045</u>      | <u>1,474,200</u>     |
| Operating Expenses               |                                      |                     |                      |
| Salaries and benefits            | 373,405                              | 186,387             | 559,792              |
| Depreciation                     | 541,287                              | 137,214             | 678,501              |
| Other expenses                   | 575,049                              | 341,301             | 916,350              |
|                                  | <u>1,489,741</u>                     | <u>664,902</u>      | <u>2,154,643</u>     |
| Operating Income (Loss)          | <u>(337,586)</u>                     | <u>(342,857)</u>    | <u>(680,443)</u>     |
| Nonoperating Revenues (Expenses) |                                      |                     |                      |
| Grants                           | -                                    | 26,483              | 26,483               |
| Interest                         | 6,412                                | -                   | 6,412                |
| Miscellaneous revenue            | 4,775                                | -                   | 4,775                |
| Interest and fiscal charges      | (383,587)                            | -                   | (383,587)            |
|                                  | <u>(372,400)</u>                     | <u>26,483</u>       | <u>(345,917)</u>     |
| Income (Loss) Before Transfers   | <u>(709,986)</u>                     | <u>(316,374)</u>    | <u>(1,026,360)</u>   |
| Transfers                        |                                      |                     |                      |
| Operating transfers In           | 1,325,929                            | 150,559             | 1,476,488            |
|                                  | <u>1,325,929</u>                     | <u>150,559</u>      | <u>1,476,488</u>     |
| Net Income (Loss)                | 615,943                              | (165,815)           | 450,128              |
| Change in Contributed Capital    | 4,355,487                            | 132,650             | 4,488,137            |
| Fund Equities, Beginning of Year | <u>9,455,172</u>                     | <u>3,062,146</u>    | <u>12,517,318</u>    |
| Fund Equities, End of Year       | <u>\$ 14,426,602</u>                 | <u>\$ 3,028,981</u> | <u>\$ 17,455,583</u> |

PICKENS COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2002

|  | Public Service<br>Commission | Airport      | Total        |
|--|------------------------------|--------------|--------------|
| Cash Flows Provided (Used) by Operating Activities                               |                              |              |              |
| Operating loss   | \$ (337,586)                 | \$ (342,857) | \$ (680,443) |
| Adjustments to reconcile operating loss to net cash used by operating activities |                              |              |              |
| Depreciation   | 541,287                      | 137,214      | 678,501      |
| Changes in current assets and liabilities  |                              |              |              |
| (Increase) decrease in accounts receivable                                       | 116,216                      | (29,621)     | 86,595       |
| (Increase) decrease in prepaid expenses  | -                            | 152          | 152          |
| Increase (decrease) in accounts payable and accrued expenses                     | (12,958)                     | 43,882       | 30,924       |
| Increase (decrease) in due to other funds  | -                            | 290,285      | 290,285      |
| Increase (decrease) in deferred revenues   | (42,519)                     | -            | (42,519)     |
|  | 264,440                      | 99,055       | 363,495      |
| Cash Flows Provided (Used) by Investing Activities                               |                              |              |              |
| Property, plant and equipment additions  | (97,409)                     | (436,644)    | (534,053)    |
| Interest income  | 6,412                        | -            | 6,412        |
|  | (90,997)                     | (436,644)    | (527,641)    |
| Cash Flows Provided (Used) by Financing Activities                               |                              |              |              |
| Non-operating grants   | -                            | 26,483       | 26,483       |
| Miscellaneous revenue  | 4,775                        | -            | 4,775        |
| Operating transfers in   | 1,325,929                    | 150,559      | 1,476,488    |
| Change in contributed capital  | 19,867                       | 132,650      | 152,517      |
| Interest and fiscal charges  | (383,587)                    | -            | (383,587)    |
| Payments on long term debt   | (248,429)                    | -            | (248,429)    |
|  | 718,555                      | 309,692      | 1,028,247    |
| Net Increase (Decrease) in Cash and Cash Equivalents                             | 891,998                      | (27,897)     | 864,101      |
| Cash and Cash Equivalents - Beginning of Year                                    | 154,499                      | 94,826       | 249,325      |
| Cash and Cash Equivalents - End of Year  | \$ 1,046,497                 | \$ 66,929    | \$ 1,113,426 |
| Noncash Investing, Capital and Financing Activities:                             |                              |              |              |
| Property, plant and equipment additions funded by contributed capital            | \$ 4,335,620                 |              |              |

PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2002

|                                      | Balance<br>July 1, 2001 | Receipts              | Disbursements         | Balance<br>June 30, 2002 |
|--------------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|
| <b>School District Fund</b>          |                         |                       |                       |                          |
| <b>Assets</b>                        |                         |                       |                       |                          |
| Cash                                 | \$ 18,647,386           | \$ 116,236,676        | \$ 115,965,251        | \$ 18,918,811            |
| Taxes receivable, net                | 1,229,762               | 1,881,607             | 1,229,762             | 1,881,607                |
|                                      | <u>\$ 19,877,148</u>    | <u>\$ 118,118,283</u> | <u>\$ 117,195,013</u> | <u>\$ 20,800,418</u>     |
| <b>Liabilities</b>                   |                         |                       |                       |                          |
| Due to other governments or agencies | \$ 18,702,424           | \$ 116,296,152        | \$ 116,020,289        | \$ 18,978,287            |
| Deferred revenue                     | 1,174,724               | 1,822,131             | 1,174,724             | 1,822,131                |
|                                      | <u>\$ 19,877,148</u>    | <u>\$ 118,118,283</u> | <u>\$ 117,195,013</u> | <u>\$ 20,800,418</u>     |
| <b>Municipal Fund</b>                |                         |                       |                       |                          |
| <b>Assets</b>                        |                         |                       |                       |                          |
| Cash                                 | \$ 80,773               | \$ 4,865,118          | \$ 4,854,320          | \$ 91,571                |
| Taxes receivable, net                | 166,847                 | 233,462               | 166,847               | 233,462                  |
|                                      | <u>\$ 247,620</u>       | <u>\$ 5,098,580</u>   | <u>\$ 5,021,167</u>   | <u>\$ 325,033</u>        |
| <b>Liabilities</b>                   |                         |                       |                       |                          |
| Due to other governments or agencies | \$ 88,505               | \$ 4,871,853          | \$ 4,862,052          | \$ 98,306                |
| Deferred revenue                     | 159,115                 | 226,727               | 159,115               | 226,727                  |
|                                      | <u>\$ 247,620</u>       | <u>\$ 5,098,580</u>   | <u>\$ 5,021,167</u>   | <u>\$ 325,033</u>        |
| <b>Fire District Fund</b>            |                         |                       |                       |                          |
| <b>Assets</b>                        |                         |                       |                       |                          |
| Cash                                 | \$ -                    | \$ 131,688            | \$ 131,688            | \$ -                     |
| <b>Liabilities</b>                   |                         |                       |                       |                          |
| Due to other governments or agencies | \$ -                    | \$ 131,688            | \$ 131,688            | \$ -                     |
| <b>Mini-bottle Fund</b>              |                         |                       |                       |                          |
| <b>Assets</b>                        |                         |                       |                       |                          |
| Cash                                 | \$ -                    | \$ 170,336            | \$ 170,336            | \$ -                     |
| <b>Liabilities</b>                   |                         |                       |                       |                          |
| Due to individuals                   | \$ -                    | \$ 170,336            | \$ 170,336            | \$ -                     |
| <b>Magistrates' Fund</b>             |                         |                       |                       |                          |
| <b>Assets</b>                        |                         |                       |                       |                          |
| Cash                                 | \$ 221,559              | \$ 877,150            | \$ 817,744            | \$ 280,965               |
| <b>Liabilities</b>                   |                         |                       |                       |                          |
| Due to other governments or agencies | \$ 68,808               | \$ 50,547             | \$ 41,811             | \$ 77,544                |
| Due to state                         | 55,071                  | 254,638               | 234,200               | 75,509                   |
| Due to individuals                   | 2,967                   | 4,841                 | 4,176                 | 3,632                    |
| Due to other funds                   | 94,713                  | 567,124               | 537,557               | 124,280                  |
|                                      | <u>\$ 221,559</u>       | <u>\$ 877,150</u>     | <u>\$ 817,744</u>     | <u>\$ 280,965</u>        |
| <b>Family Court Fund</b>             |                         |                       |                       |                          |
| <b>Assets</b>                        |                         |                       |                       |                          |
| Cash                                 | \$ 32,521               | \$ 6,279,085          | \$ 6,306,292          | \$ 5,314                 |
| <b>Liabilities</b>                   |                         |                       |                       |                          |
| Due to other governments or agencies | \$ 21,728               | \$ 82,888             | \$ 99,302             | \$ 5,314                 |
| Due to individuals                   | -                       | 6,046,014             | 6,046,014             | -                        |
| Due to other funds                   | 10,793                  | 150,183               | 160,976               | -                        |
|                                      | <u>\$ 32,521</u>        | <u>\$ 6,279,085</u>   | <u>\$ 6,306,292</u>   | <u>\$ 5,314</u>          |



PICKENS COUNTY, SOUTH CAROLINA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2002

|                                      | Balance<br>July 1, 2001 | Receipts              | Disbursements         | Balance<br>June 30, 2002 |
|--------------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|
| <u>Clerk of Court Fund</u>           |                         |                       |                       |                          |
| Assets                               |                         |                       |                       |                          |
| Cash                                 | \$ 543,211              | \$ 2,160,586          | \$ 2,317,472          | \$ 386,325               |
| Liabilities                          |                         |                       |                       |                          |
| Due to other governments or agencies | \$ 425,230              | \$ 1,387,258          | \$ 1,569,892          | \$ 242,596               |
| Due to State                         | 13,963                  | 189,642               | 200,547               | 3,058                    |
| Due to individuals                   | 75,058                  | 250,268               | 184,883               | 140,443                  |
| Due to other funds                   | 28,960                  | 333,418               | 362,150               | 228                      |
|                                      | <u>\$ 543,211</u>       | <u>\$ 2,160,586</u>   | <u>\$ 2,317,472</u>   | <u>\$ 386,325</u>        |
| <u>Museum</u>                        |                         |                       |                       |                          |
| Assets                               |                         |                       |                       |                          |
| Cash                                 | \$ 3,872                | \$ 12,408             | \$ 10,246             | \$ 6,034                 |
| Liabilities                          |                         |                       |                       |                          |
| Due to individuals                   | \$ 3,872                | \$ 12,408             | \$ 10,246             | \$ 6,034                 |
| <u>Cateechee Village</u>             |                         |                       |                       |                          |
| Assets                               |                         |                       |                       |                          |
| Cash                                 | \$ 4,754                | \$ 28,589             | \$ 32,153             | \$ 1,190                 |
| Liabilities                          |                         |                       |                       |                          |
| Due to individuals                   | \$ 4,754                | \$ 28,589             | \$ 32,153             | \$ 1,190                 |
| <u>Library Foundation</u>            |                         |                       |                       |                          |
| Assets                               |                         |                       |                       |                          |
| Cash                                 | \$ 4,657                | \$ 341                | \$ 55                 | \$ 4,943                 |
| Liabilities                          |                         |                       |                       |                          |
| Due to governments or agencies       | \$ 4,657                | \$ 341                | \$ 55                 | \$ 4,943                 |
| <u>Total of all Agency Funds</u>     |                         |                       |                       |                          |
| Assets                               |                         |                       |                       |                          |
| Cash                                 | \$ 19,538,733           | \$ 130,761,977        | \$ 130,605,557        | \$ 19,695,153            |
| Taxes receivable, net                | 1,396,609               | 2,115,069             | 1,396,609             | 2,115,069                |
|                                      | <u>\$ 20,935,342</u>    | <u>\$ 132,877,046</u> | <u>\$ 132,002,166</u> | <u>\$ 21,810,222</u>     |
| Liabilities                          |                         |                       |                       |                          |
| Due to other governments or agencies | \$ 19,311,352           | \$ 122,820,727        | \$ 122,725,089        | \$ 19,406,990            |
| Due to state                         | 69,034                  | 444,280               | 434,747               | 78,567                   |
| Due to individuals                   | 86,651                  | 6,512,456             | 6,447,808             | 151,299                  |
| Due to other funds                   | 134,466                 | 1,050,725             | 1,060,683             | 124,508                  |
| Deferred revenue                     | 1,333,839               | 2,048,858             | 1,333,839             | 2,048,858                |
|                                      | <u>\$ 20,935,342</u>    | <u>\$ 132,877,046</u> | <u>\$ 132,002,166</u> | <u>\$ 21,810,222</u>     |

AUDITORS' REPORTS ON OTHER MATTERS

PICKENS COUNTY, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2002

| Federal Grantor / Program Title   | Federal CFDA Number | Grant / Award Number | Award Amount     | Federal Expenditures | Loan Amount Outstanding |
|---|---------------------|----------------------|------------------|----------------------|-------------------------|
| <u>US Department of Transportation</u>  |                     |                      |                  |                      |                         |
| Federal Aviation Administration   | 20.106              | 3-45-0047-10         | \$               | 130,224              |                         |
| Runway Lighting and Fencing   |                     |                      |                  |                      |                         |
| Passed through SC Office of Adjutant General, Emergency Preparedness Division |                     |                      |                  | 306                  |                         |
| Hazardous Materials Emergency Planning  | 20.703              | HMESC1042090         |                  | <u>130,530</u>       |                         |
| <u>US Department of Agriculture</u>   |                     |                      |                  |                      |                         |
| Rural Development Grant   | 10.760              | -                    |                  | 42,519               |                         |
| 18 Mile Creek Middle Project  |                     |                      |                  |                      |                         |
| Rural Development Loans   | 10.760              | -                    | \$ 3,605,700     | -                    | \$ 3,547,257            |
| 18 Mile Creek Upper Project   |                     |                      |                  |                      |                         |
| 18 Mile Creek Middle Project  | 10.760              | -                    | 1,988,200        | -                    | 1,955,967               |
| Passed through SC Forestry Commission   |                     |                      |                  |                      |                         |
| Volunteer Fire Assistance   | 10.664              |                      |                  | 1,000                |                         |
|   |                     |                      | <u>5,593,900</u> | <u>43,519</u>        | <u>5,503,224</u>        |
| <u>US Department of Justice</u>   |                     |                      |                  |                      |                         |
| COPS Hiring Award   | 16.710              | 1999-UM-WX-3290      |                  | 91,219               |                         |
| Vest Partnership Grant  | 16.607              | -                    |                  | 3,002                |                         |
| Passed through SC Department of Public Safety                                 |                     |                      |                  |                      |                         |
| JAIBG School Resource Officer   | 16.523              | 1JS9917              |                  | 8,849                |                         |
| JAIBG School Resource Officer   | 16.523              | 1JS0004              |                  | 23,380               |                         |
| Juvenile Justice & Delinquency Prevention ReStart                             | 16.540              | 1J01006              |                  | 31,618               |                         |
| Byrne Formula Grant School Resource Officer                                   | 16.579              | 1F01019              |                  | 52,946               |                         |
|   |                     |                      |                  | <u>211,014</u>       |                         |
| <u>National Foundation on the Arts and Humanities</u>                         |                     |                      |                  |                      |                         |
| Passed through SC State Library   | 45.310              | IIB2-02-39           |                  | 6,000                |                         |
| LSTA Project IIB2 Children's Services   |                     |                      |                  |                      |                         |
| Passed through SC Humanities Council  |                     |                      |                  | 200                  |                         |
| Let's Talk About It What America Reads  | 45.329              | CP-2-16-4            |                  | <u>6,200</u>         |                         |



PICKENS COUNTY, SOUTH CAROLINA  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2002

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

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

Pickens County Council  
Pickens County, South Carolina

We have audited the general purpose financial statements of Pickens County, South Carolina as of and for the year ended June 30, 2002, and have issued our report thereon dated September 6, 2002. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the County of Pickens, South Carolina's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered County of Pickens, South Carolina's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Pickens County in a separate letter dated September 6, 2002.

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

*McAbee, Talbert, Halliday & Co.*

Spartanburg, South Carolina  
September 6, 2002

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

Pickens County Council  
Pickens County, South Carolina

**Compliance**

We have audited 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, 2002. Pickens County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Pickens County, South Carolina's management. Our responsibility is to express an opinion on Pickens County, South Carolina's compliance based on our audit.

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

In our opinion, Pickens County, South Carolina complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

**Internal Control Over Compliance**

The management of Pickens County, South Carolina is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Pickens County, South Carolina's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Pickens County Council  
Pickens County, South Carolina  
September 6, 2002  
Page Two

### **Internal Control Over Compliance - Continued**

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

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

*McAfee, Talbot, Halliday & Co*

Spartanburg, South Carolina  
September 6, 2002



