PICKENS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
(WITH INDEPENDENT AUDITORS' REPORT)

Year Ended December 31, 2018

PICKENS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

June 20, 2019

Board of Commissioners
PICKENS COUNTY, GEORGIA
Jasper, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of PICKENS COUNTY, GEORGIA, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the PICKENS COUNTY HEALTH DEPARTMENT, a component unit of the County, as of and for the year then ended June 30, 2018, which represent 14.06%, (30.22)%, and 86.80%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the PICKENS COUNTY HEALTH DEPARTMENT, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of PICKENS COUNTY, GEORGIA, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in NOTE 19 to the financial statements, the County recorded a change in the other postemployment benefits liability in accordance with GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Net Pension Liability - ACCG Defined Benefit Plan, Schedule of Contributions - ACCG Defined Benefit Plan, Schedule of Notes to Required Supplementary Information - ACCG Defined Benefit Plan, Schedule of Changes in the Net OPEB Liability and Related Ratios - Health Care Plan of Pickens County, Schedule of Employer Contributions - Health Care Plan of Pickens County, Schedule of Notes to Required Supplementary Information - Health Care Plan of Pickens County, and Budgetary Comparison Schedule - General Fund listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency

with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise PICKENS COUNTY, GEORGIA's basic financial statements. The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, Schedule of Projects Constructed with Special Sales Tax Proceeds which is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and the Schedule of State Contractual Assistance, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, Schedule of Projects Constructed with Special Sales Tax Proceeds, and Schedule of State Contractual Services are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019 on our consideration of PICKENS COUNTY, GEORGIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PICKENS COUNTY, GEORGIA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PICKENS COUNTY, GEORGIA's internal control over financial reporting and compliance.

Bates, Carter & Co., LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pickens County, Georgia (the "County"), we provide this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2018. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The County's assets exceeded its liabilities by $53,186,366 (net position) for the year reported. This represents a increase of $1,409,540 from the previous year.

Total net position is comprised of the following:

1. Net investment in capital assets equaled $48,402,165.
2. Net position of $4,644,705 are restricted for debt service, capital outlay, or by other constraints imposed by law or regulations.
3. At the end of 2018, unrestricted net position balance increased by $2,637,084 from $(2,497,588) to $139,496.

The County's governmental funds reported total ending fund balance of $12,155,979. This compares to the prior year ending fund balance of $12,765,058 showing a decrease of $(609,079) during the current year.

At the end of 2018, unassigned fund balance for the County's governmental funds was $8,234,338.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis introduces the County's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government – wide statements and fund financial statements. This report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances and are more comparable to the financial statements of private-sector businesses. The government-wide statements provide both short and long-term information about the County's financial status as a whole. Government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and total liabilities. Changes in net position indicate the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

The first of these government-wide statements is the *Statement of Net Position.* This statement presents information that includes all of the County's assets and liabilities, with the difference reported as total net position.

The second government-wide statement is the *Statement of Activities* which indicates how the County's net position changed during the current fiscal year. This report is designed to show the financial reliance of the County's activities and functions on revenues provided by County taxpayers.

The government-wide statements are divided into governmental activities, business-type activities, and component units.

Governmental activities include most of the County's basic services such as general administration, public safety, public works, court systems, culture and recreation, health and welfare, and housing and development. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Business type activities are those that the County charges customers to provide. These include water services and the Pickens County Airport.

Component Units for the County include the Development Authority and the Pickens County Department of Public Health. Separate financial statements are issued for both component units. See page 13 of the financial statements for more information

Fund Financial Statements

Pickens County, like all other governmental entities in Georgia, uses fund accounting to ensure compliance with finance-related laws and regulations. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the County can be classified as governmental funds, proprietary funds, or fiduciary funds.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next fiscal year. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are financial resources available to finance the County's programs. Most of the County's basic services are accounted for in governmental funds.

Proprietary funds are used to report the functions presented as business-type activities in the government-wide financial statements. Pickens County uses enterprise funds to account for the Water Department and the Airport.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the Government. Pickens County's fiduciary funds are considered agency funds.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data presented in both the government-wide and fund financial statements. The notes to the financial statements begin on page 13 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The table below presents the County's condensed *Statement of Net Position.* Comparison analysis is made from the year ended December 31, 2018 to the year ended December 31, 2017 as required by GASB Statement No. 34.

Comparative Schedule of Net Position
December 31

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Capital assets (net of depreciation)	$ 43,246,119	$ 43,061,010	$ 19,216,241	$ 18,243,550	$ 62,462,360	$ 61,304,560
Current and other assets	16,044,729	14,676,436	(1,809,935)	(2,835,172)	14,234,794	11,841,264
Total Assets	59,290,848	57,737,446	17,406,306	15,408,378	76,697,154	73,145,824
Total deferred outflows of resources	1,432,973	1,000,001	-	-	1,432,973	1,000,001
Long-term liabilities	9,491,046	10,962,290	12,206,253	10,233,171	21,697,299	21,195,461
Other liabilities	2,419,278	940,039	352,106	179,439	2,771,384	1,119,478
Total liabilities	11,910,324	11,902,329	12,558,359	10,412,610	24,468,683	22,314,939
Total deferred inflows of resources	475,078	54,060	-	-	475,078	54,060
Net Position:						
Net investment in capital assets	41,403,763	41,582,225	6,998,402	8,017,055	48,402,165	49,599,280
Restricted	3,806,983	4,675,134	837,722	-	4,644,705	4,675,134
Unrestricted	3,127,673	523,699	(2,988,177)	(3,021,287)	139,496	(2,497,588)
Total net position	$ 48,338,419	$ 46,781,058	$ 4,847,947	$ 4,995,768	$ 53,186,366	$ 51,776,826

Over time, net position serves as a useful indicator of a government's financial position. The County's combined net position (government and business-type activities) totaled $53,186,366 at December 31, 2018 compared to $51,776,826 at December 31, 2017. The total increase was $1,409,540.

The largest portion of net position, $48,402,165 (91%), reflects the County's investment in capital assets (land, buildings, machinery and equipment) less accumulated depreciation and any related debt still outstanding that was issued to acquire those assets. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investments in capital assets are reported net of outstanding debt, the resources needed to repay the debt must be provided by other sources as the capital assets cannot be liquidated to pay the liabilities. The County has $4,644,705 (9%) of restricted net position that is subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net position represents $139,496 (0.3%) of unrestricted net position.

The table below presents the County's condensed *Statement of Activities* for the year ended December 31, 2018 with comparative amounts for the year ended December 31, 2017.

Comparative Schedule of Changes in Net Position
December 31

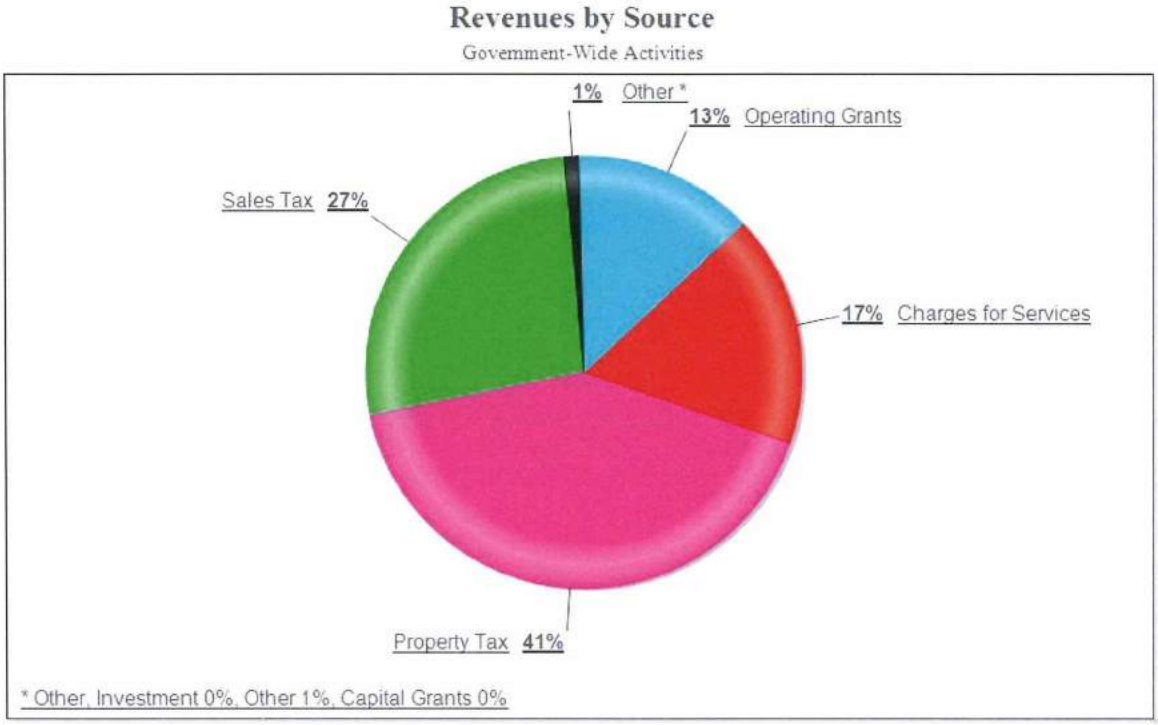
	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program revenues						
Charges for services	$ 5,413,042	$ 5,953,786	$ 2,871,174	$ 2,710,643	$ 8,284,216	$ 8,664,429
Operating grants and contributions	4,184,847	4,518,129	16,006	-	4,200,853	4,518,129
Capital grants and contributions	17,973	359,286	-	157,770	17,973	517,056
Subtotal for program revenues	9,615,862	10,831,201	2,887,180	2,868,413	12,503,042	13,699,614
General revenues						
Property taxes	13,001,906	12,102,775	-	-	13,001,906	12,102,775
Sales taxes	8,430,048	7,694,259	-	-	8,430,048	7,694,259
Insurance premium tax	1,613,886	1,496,738	-	-	1,613,886	1,496,738
Franchise tax	-	-	-	-	-	-
Other taxes	306,133	384,426	-	-	306,133	384,426
Interest and investment earnings	17,795	10,452	-	3	17,795	10,455
Other revenue	530,004	538,990	-	-	530,004	538,990
Grants and contributions not restricted to a specific program	49,496	-	-	-	49,496	-
Gain on sale of capital assets	37,382	14,697	19,000	-	56,382	14,697
Subtotal for general revenues	23,986,650	22,242,337	19,000	3	24,005,650	22,242,340
Total revenues	33,602,512	33,073,538	2,906,180	2,868,416	36,508,692	35,941,954
EXPENSES						
Program expenses						
General government	3,925,304	4,393,388	-	-	3,925,304	4,393,388
Judicial	5,670,717	6,425,440	-	-	5,670,717	6,425,440
Public safety	13,732,265	14,598,060	-	-	13,732,265	14,598,060
Public works	7,006,435	6,311,425	-	-	7,006,435	6,311,425
Health & welfare	614,966	913,171	-	-	614,966	913,171
Recreation & culture	1,080,781	1,113,634	-	-	1,080,781	1,113,634
Housing and development	757,693	755,788	-	-	757,693	755,788
Interest and paying agent fees	72,037	87,911	-	-	72,037	87,911
Water	-	-	2,404,269	2,401,115	2,404,269	2,401,115
Airport	-	-	649,732	580,662	649,732	580,662
Total expenses	32,860,198	34,598,817	3,054,001	2,981,777	35,914,199	37,580,594
Change in net position before transfers	742,314	(1,525,279)	(147,821)	(113,361)	594,493	(1,638,640)
Transfers	-	(143,409)	-	143,409	-	-
Change in net position	742,314	(1,668,688)	(147,821)	30,048	594,493	(1,638,640)
Net position, beginning of year	46,781,058	47,983,735	4,995,768	4,965,720	51,776,826	52,949,455
Change in accounting principle	815,047	-	-	-	815,047	-
Prior period adjustment	-	466,011	-	-	-	466,011
Net position, beginning as restated	47,596,105	48,449,746	4,995,768	4,965,720	52,591,873	53,415,466
Net position, end of year	$ 48,338,419	$ 46,781,058	$ 4,847,947	$ 4,995,768	$ 53,186,366	$ 51,776,826

Governmental Activities Revenues such as property taxes, insurance premium tax and other taxes, continue as the main source of revenue for governmental activities which totaled $23,986,650 in 2018 compared to $22,242,337 in 2017. This change is an increase of 7.84%.

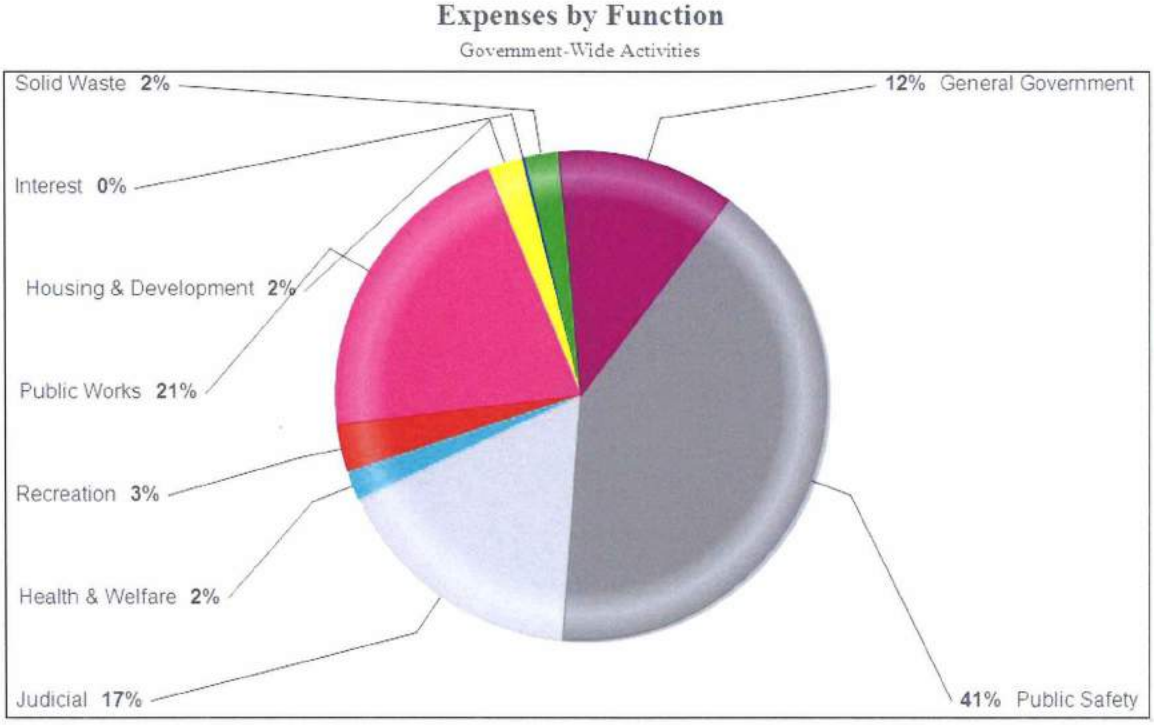
Governmental Activities Expenses by function as reflected in the table above show that during 2018, the County expended 42% for Public Safety, 17% for Judicial, 21% for Public Works, 12% for General Government, 3% for Culture and Recreation, 2% for Housing and Development, 2% for Health and Welfare, and 1% for Interest on Long-term debt.

As a comparative, during fiscal year 2017, the County expended 42% for Public Safety, 19% for Judicial, 18% for Public Works, 13% for General Government, 3% for Culture and Recreation, 2% for Housing and Development, 3% for Health and Welfare, and 1% for Interest on Long-term debt.

Business-type activities decreased the County's net position by $(147,821).



*Due to rounding, charts may not always equal 100%



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

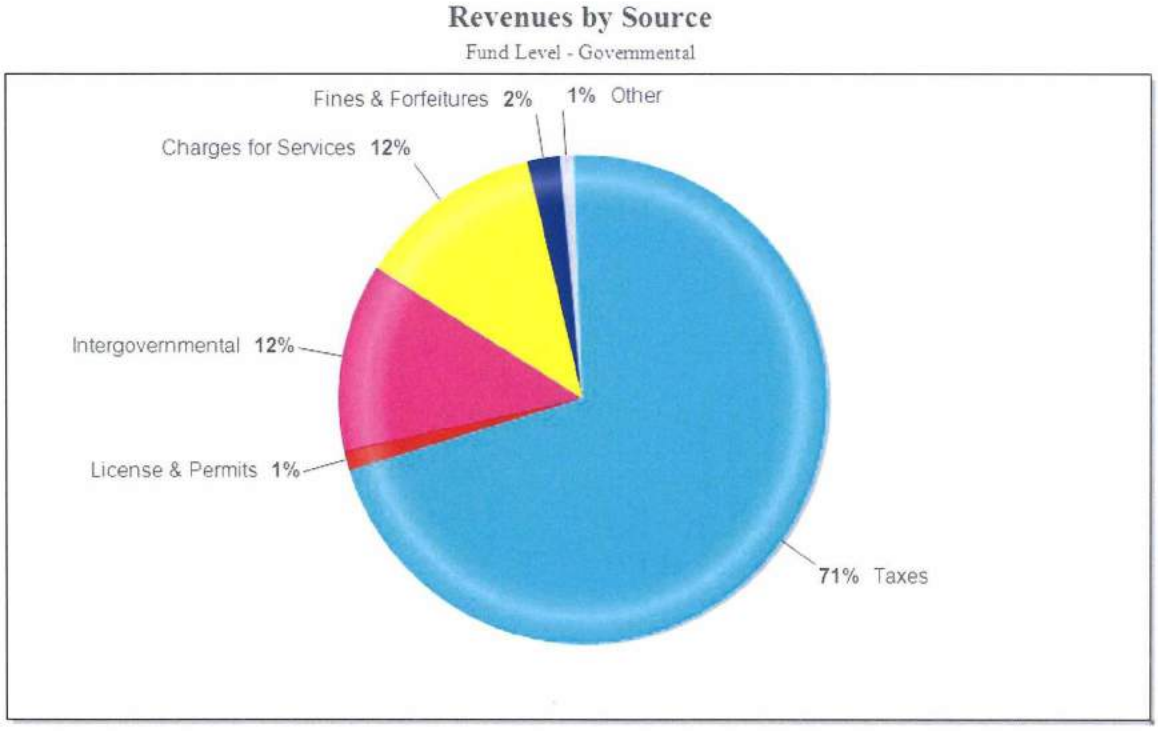
The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The major governmental funds are the General Fund and SPLOST. The General Fund is the chief operating fund of the County. It is used to account for all governmental financial resources not restricted by state or federal laws, local ordinances, or other imposed requirements. The County's total governmental funds reported ending fund balance of $9,058,891. This compares to the prior year ending fund balance of $8,703,790 showing an increase of $355,101 during the current year. At the end of fiscal year 2018, unassigned fund balance for the County's governmental funds was $8,234,338.

The County's other major governmental fund is the SPLOST fund. The fund balance of the SPLOST fund decreased by $(1,187,888) during the current fiscal year. Collections for 2014 SPLOST began on July 1, 2014. Based on the approved 2014 SPLOST referendum, the majority of the 2014 SPLOST revenues are allocated for capital road projects and public safety. The SPLOST fund has an ending fund balance of $2,454,006 which is restricted for capital projects as outlined in the 2014 SPLOST referendum.

In 2018, governmental revenues increased $145,485 from 2017. This increase is primarily due to activity in the General Fund related to an increase in revenues from taxes, licenses and permits and charges for services. There was an 9.6% increase in revenues in the SPLOST fund.



Proprietary funds. The County's proprietary fund statements provide the same type of information presented in the government-wide statements but in more detail.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The County's capital assets for governmental and business-type activities as of December 31, 2018 total $62,462,360 (net of accumulated depreciation). These assets include land, land improvements, infrastructure, buildings, machinery and equipment, furniture and fixtures, vehicles and construction in progress.

Pickens County's Capital Assets
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land and improvements	$ 4,782,483	$ 4,713,950	$ 2,061,538	$ 2,121,519	$ 6,844,021	$ 6,835,469
Construction in progress	387,942	-	7,727,221	6,091,502	8,115,163	6,091,502
Buildings	29,186,527	29,925,985	220,472	246,713	29,406,999	30,172,698
Machinery & equipment	2,337,980	2,314,850	535,853	575,699	2,873,833	2,890,549
Furniture & fixtures	-	-	-	-	-	-
Vehicles	2,336,920	1,463,404	124,446	114,258	2,461,366	1,577,662
Infrastructure	4,214,267	4,642,821	8,546,711	9,093,859	12,760,978	13,736,680
Total Assets	$ 43,246,119	$ 43,061,010	$ 19,216,241	$ 18,243,550	$ 62,462,360	$ 61,304,560

Detailed information on the County's capital assets can be found in Note 6 of the basic financial statements.

Long-term Debt. During 2018, the long-term debt of Pickens County's governmental activities decreased $(1,471,244). The inception of capital leases for the purchase of vehicles and equipment totaled $218,490 during 2018. The notes payable category decreased due to the continual repayment of debt. The net pension liability decreased $(22,638), and the net OPEB obligation decreased by $(794,058) due to the implementation of GASB 75 during 2018. Long-term debt increased in business-type activities in the amount of $1,973,082.

Pickens County's Outstanding Debt
Bonds Payable, Capital Leases, Notes Payable, Claims, and Other Debts

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Bonds payable	$ -	$ -	$ 10,622,130	$ 10,187,637	$ 10,622,130	$ 10,187,637
Capital leases	715,712	1,024,185	7,632	38,858	723,344	1,063,043
Notes payable	35,449	454,600	1,568,477	-	1,603,926	454,600
Landfill closure/postclosure	377,600	365,500	-	-	377,600	365,500
Compensated absences	306,703	245,727	8,014	6,676	314,717	252,403
Net pension liability	7,091,043	7,113,681	-	-	7,091,043	7,113,681
Net OPEB liability	964,539	1,758,597	-	-	964,539	1,758,597
Totals	$ 9,491,046	$ 10,962,290	$ 12,206,253	$ 10,233,171	$ 21,697,299	$ 21,195,461

Additional information regarding Pickens County's long-term debt can be found in Note 7 on pages 33 through 37 of this report.

ECONOMIC FACTORS AND THE 2019 BUDGET

- The 2018 millage rate decreased from 7.88 to 7.84 per $1,000 of valuation. The 2018 millage rate was a decrease of 0.5%, however the 2018 tax digest reflected an increase in overall valuation. The 2018 total County taxes levied increased $181,853 as compared to 2017.

- The 2019 budget was approved and adopted by the Board of Commissioners on December 20, 2018. The 2019 operating budget increased from $26,157,420 to $26,327,904, an increase of $170,840. The majority of the revenue increase is in tax revenues, title ad valorem tax, license and permit fees. The majority of expenditure increase is in purchased services and salaries and benefits.

- Monthly budgetary reports are provided to all department heads, elected officials and the Board of Commissioners.

Pickens County management continues to monitor revenue collection rates and control budgetary spending in an effort to provide services at or above current levels without further burdening the county taxpayers.

REQUESTS FOR INFORMATION

This report is designed to provide the reader a general overview of the County's finances and demonstrate Management's commitment to public accountability. Questions concerning any of the information found in this report or requests for additional information should be directed to Faye Harvey, Finance Director for Pickens County Board of Commissioners, 1266 East Church Street, Suite 175, Jasper, Georgia 30143.

PICKENS COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2018

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash	$ 8,921,011	$ 800	$ 8,921,811	$ 466,259
Investments	22,732	-	22,732	-
Capital lease receivable	-	-	-	168,000
Receivables (net of allowance for uncollectibles)	3,840,888	281,287	4,122,175	75,552
Internal balances	3,007,748	(3,007,748)	-	-
Inventories	49,820	70,252	120,072	4,560
Prepaid items	64,838	-	64,838	-
Restricted assets:				
Cash	137,692	837,722	975,414	-
Customer deposits	-	7,752	7,752	-
Capital lease receivable	-	-	-	2,520,000
Capital assets:				
Capital assets not being depreciated	4,759,938	9,417,815	14,177,753	-
Capital assets being depreciated	65,142,387	19,653,831	84,796,218	157,737
Less: accumulated depreciation	(26,656,206)	(9,855,405)	(36,511,611)	(76,478)
Capital assets, net of depreciation	43,246,119	19,216,241	62,462,360	81,259
TOTAL ASSETS	59,290,848	17,406,306	76,697,154	3,315,630
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense	1,404,223	-	1,404,223	66,237
OPEB expense	28,750	-	28,750	57,963
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,432,973	-	1,432,973	124,200
TOTAL ASSETS & DEFERRED OUTFLOWS	60,723,821	17,406,306	78,130,127	3,439,830
LIABILITIES				
Accounts payable	2,203,522	256,396	2,459,918	17,122
Accrued interest payable	-	12,279	12,279	-
Other accrued items	215,756	18,853	234,609	-
Unearned revenue	-	64,578	64,578	960,958
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	214,692	5,610	220,302	8,265
Accrued landfill closure / postclosure	20,000	-	20,000	-
Notes payable	35,449	-	35,449	-
Capital leases payable	396,569	7,632	404,201	-
Revenue bonds payable	-	547,942	547,942	72,116
Due in more than one year				
Compensated absences payable	92,011	2,404	94,415	8,265
Net pension liability	7,091,043	-	7,091,043	297,949
Net OPEB liability	964,539	-	964,539	328,196
Accrued landfill closure / postclosure	357,600	-	357,600	-
Notes payable	-	1,568,477	1,568,477	-
Capital leases payable	319,143	-	319,143	-
Revenue bonds payable	-	10,074,188	10,074,188	1,654,139
TOTAL LIABILITIES	11,910,324	12,558,359	24,468,683	3,347,010
DEFERRED INFLOWS OF RESOURCES				
Pension expense	475,078	-	475,078	29,386
OPEB expense	-	-	-	58,239
TOTAL DEFERRED INFLOWS OF RESOURCES	475,078	-	475,078	87,625
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	12,385,402	12,558,359	24,943,761	3,434,635
NET POSITION				
Net investment in capital assets	41,403,763	6,998,402	48,402,165	81,259
Restricted for:				
Capital outlay projects	3,026,209	837,722	3,863,931	-
Judicial programs	493,969	-	493,969	-
Public safety programs	263,099	-	263,099	-
Housing and development programs	23,706	-	23,706	-
Unrestricted	3,127,673	(2,988,177)	139,496	(76,064)
TOTAL NET POSITION	$ 48,338,419	$ 4,847,947	$ 53,186,366	$ 5,195

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: TOTAL	COMPONENT UNITS
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	$ 3,925,304	$ 872,661	$ 11,713	$ -	$ (3,040,930)	$ -	$ (3,040,930)	$ -
Judicial	5,670,717	1,245,475	3,337,313	-	(1,087,929)	-	(1,087,929)	-
Public safety	13,732,265	2,355,225	710,735	-	(10,666,305)	-	(10,666,305)	-
Public works	7,006,435	449,996	-	17,973	(6,538,466)	-	(6,538,466)	-
Public health and welfare	614,966	33,966	125,086	-	(455,914)	-	(455,914)	-
Recreation and culture	1,080,781	182,888	-	-	(897,893)	-	(897,893)	-
Housing and development	757,693	272,831	-	-	(484,862)	-	(484,862)	-
Interest	72,037	-	-	-	(72,037)	-	(72,037)	-
Total Governmental Activities	32,860,198	5,413,042	4,184,847	17,973	(23,244,336)	-	(23,244,336)	-
BUSINESS-TYPE ACTIVITIES								
Water	2,404,270	2,487,632	16,006	-	-	99,368	99,368	-
Airport	649,732	383,543	-	-	-	(266,189)	(266,189)	-
Total Business-Type Activities	3,054,002	2,871,175	16,006	-	-	(166,821)	(166,821)	-
TOTAL PRIMARY GOVERNMENT	$ 35,914,200	$ 8,284,217	$ 4,200,853	$ 17,973	(23,244,336)	(166,821)	(23,411,157)	-
COMPONENT UNITS								
Health Department	$ 572,206	$ 367,054	$ 367,314	$ -	-	-	-	162,162
Development Authority	307,068	111,717	-	-	-	-	-	(195,351)
TOTAL COMPONENT UNITS	$ 879,274	$ 478,771	$ 367,314	$ -	-	-	-	(33,189)
GENERAL REVENUES								
Property taxes					13,001,906	-	13,001,906	-
Sales taxes					8,430,048	-	8,430,048	-
Insurance premium taxes					1,613,886	-	1,613,886	-
Real estate recording taxes					306,133	-	306,133	-
Other taxes					530,004	-	530,004	-
Total taxes					23,881,977	-	23,881,977	-
Unrestricted investment earnings					17,795	-	17,795	469
Grants and contributions not restricted to a specific program					49,496	-	49,496	-
Gain on sale of capital assets					37,382	19,000	56,382	-
TOTAL GENERAL REVENUES AND TRANSFERS					23,986,650	19,000	24,005,650	469
CHANGES IN NET POSITION					742,314	(147,821)	594,493	(32,720)
NET POSITION, Beginning					46,781,058	4,995,768	51,776,826	484,976
CHANGE IN ACCOUNTING PRINCIPLE					815,047	-	815,047	(338,953)
PRIOR PERIOD ADJUSTMENT					-	-	-	(108,108)
NET POSITION, Beginning as restated					47,596,105	4,995,768	52,591,873	37,915
NET POSITION, Ending					$ 48,338,419	$ 4,847,947	$ 53,186,366	$ 5,195

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash	$ 5,125,716	$ 3,189,181	$ 606,115	$ 8,921,012
Investments	-	-	22,731	22,731
Receivables (net of allowance for uncollectibles)	2,856,589	475,597	508,701	3,840,887
Interfund receivables	3,242,287	-	277,630	3,519,917
Prepaid items	64,838	-	-	64,838
Inventories	49,820	-	-	49,820
Restricted assets:				
Cash	137,692	-	-	137,692
TOTAL ASSETS	11,476,942	3,664,778	1,415,177	16,556,897
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 11,476,942	$ 3,664,778	$ 1,415,177	$ 16,556,897
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 797,320	$ 1,210,772	$ 195,429	$ 2,203,521
Other accrued items	-	-	215,756	215,756
Interfund payables	192,192	-	319,977	512,169
TOTAL LIABILITIES	989,512	1,210,772	731,162	2,931,446
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,428,539	-	-	1,428,539
Unavailable revenue - fines	-	-	40,933	40,933
TOTAL DEFERRED INFLOWS OF RESOURCES	1,428,539	-	40,933	1,469,472
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,418,051	1,210,772	772,095	4,400,918
FUND BALANCES				
Nonspendable:				
Prepaid expenditure	64,838	-	-	64,838
Inventories	49,820	-	-	49,820
Restricted:				
Capital outlay projects	572,203	2,454,006	-	3,026,209
Judicial programs	137,692	-	356,277	493,969
Public safety programs	-	-	263,099	263,099
Housing and development programs	-	-	23,706	23,706
Unassigned	8,234,338	-	-	8,234,338
TOTAL FUND BALANCES	9,058,891	2,454,006	643,082	12,155,979
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 11,476,942	$ 3,664,778	$ 1,415,177	$ 16,556,897

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2018

Total Fund Balances for Governmental Funds (page 3)		$ 12,155,979
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.		43,246,119
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property Taxes	1,428,539	
Fines	40,933	
		1,469,472
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability	(7,091,043)	
Net deferred inflows (outflows) - pension expense	929,145	
Compensated absences	(306,703)	
Capital leases	(715,712)	
Net OPEB liability	(964,539)	
Net deferred inflows (outflows) - OPEB expense	28,750	
Notes payable	(35,449)	
Accrued landfill closure/postclosure	(377,600)	
		(8,533,151)
Total net position of governmental activities (page 1)		$ 48,338,419

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	GENERAL	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 18,325,735	$ 4,958,587	$ 99,523	$ 23,383,845
Licenses and permits	445,799	-	-	445,799
Intergovernmental	1,749,983	-	2,371,792	4,121,775
Fines and forfeitures	289,413	-	439,601	729,014
Charges for services	3,097,855	-	1,009,612	4,107,467
Contributions and donations	83,902	-	28,666	112,568
Investment income	10,917	17,973	6,878	35,768
Miscellaneous	116,906	-	13,855	130,761
TOTAL REVENUES	24,120,510	4,976,560	3,969,927	33,066,997
EXPENDITURES				
Current Expenditures				
General government	3,387,005	-	-	3,387,005
Judicial	3,207,772	-	2,158,641	5,366,413
Public safety	10,999,254	394,222	1,400,750	12,794,226
Public works	2,369,755	2,796,650	-	5,166,405
Public health and welfare	281,115	-	295,405	576,520
Recreation and culture	972,391	3,386	-	975,777
Housing and development	562,011	-	39,649	601,660
Intergovernmental	-	1,114,876	479,549	1,594,425
Capital outlay	734,048	1,699,848	17,470	2,451,366
Debt service				
Principal	723,986	147,506	74,623	946,115
Interest	60,586	7,960	3,490	72,036
TOTAL EXPENDITURES	23,297,923	6,164,448	4,469,577	33,931,948
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	822,587	(1,187,888)	(499,650)	(864,951)
OTHER FINANCING SOURCES (USES)				
Sale of county property	37,382	-	-	37,382
Capital lease proceeds	218,490	-	-	218,490
Transfers in	-	-	723,358	723,358
Transfers out	(723,358)	-	-	(723,358)
TOTAL OTHER FINANCING SOURCES (USES)	(467,486)	-	723,358	255,872
NET CHANGE IN FUND BALANCES	355,101	(1,187,888)	223,708	(609,079)
FUND BALANCES, Beginning of year	8,703,790	3,641,894	419,374	12,765,058
FUND BALANCES, End of year	$ 9,058,891	$ 2,454,006	$ 643,082	$ 12,155,979

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Net change in fund balances (page 5)		$ (609,079)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	2,451,366	
Depreciation expense	(2,266,258)	
		185,108
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	1,428,539	
Fines	40,933	
		1,469,472
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(971,341)	
		(971,341)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.		
Proceeds from borrowing including premiums and discounts	(218,490)	
Principal payments on long-term debt	946,115	
Accrued landfill closure/postclosure, current year	(377,600)	
Accrued landfill closure/postclosure, prior year	365,500	
		715,525
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences, current year	(306,703)	
Compensated absences, prior year	245,727	
		(60,976)
Net OPEB obligation is not available during the current period and therefore is not reported in the funds.		
End of year	(964,539)	
Beginning of year	943,550	
		(20,989)
Changes in the OPEB plan actuarial assumptions are reported in the deferred outflows.		
End of year	28,750	
Beginning of year	-	
		28,750
Changes in the ACCG pension plan actuarial assumptions are reported in deferred outflows.		
End of year	1,404,223	
Beginning of year	(1,000,001)	
		404,222
Changes in the ACCG pension plan actuarial assumptions are reported in deferred inflows.		
End of year	(475,078)	
Beginning of year	54,060	
		(421,018)
Net pension liability is not available during the current period and therefore is not reported in the funds.		
End of year	(7,091,043)	
Beginning of year	7,113,681	
		22,638
Rounding		2
Changes in net position of governmental activities (page 2)		$ 742,314

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER FUND	AIRPORT FUND	TOTAL
ASSETS			
Current Assets			
Cash	$ 800	$ -	$ 800
Receivables (net of allowance for uncollectibles)	281,287	-	281,287
Interfund receivables	167,917	-	167,917
Inventories	27,401	42,851	70,252
Restricted assets:			
Cash	837,722	-	837,722
Customer deposits	7,752	-	7,752
TOTAL CURRENT ASSETS	1,322,879	42,851	1,365,730
Noncurrent Assets			
Capital assets			
Capital assets not being depreciated	1,114,439	8,303,376	9,417,815
Capital assets being depreciated	17,888,533	1,765,298	19,653,831
Less: accumulated depreciation	(8,716,745)	(1,138,660)	(9,855,405)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	10,286,227	8,930,014	19,216,241
TOTAL NONCURRENT ASSETS	10,286,227	8,930,014	19,216,241
TOTAL ASSETS	11,609,106	8,972,865	20,581,971
LIABILITIES			
Current Liabilities			
Accounts payable	125,799	130,597	256,396
Other accrued items	16,302	2,551	18,853
Interfund payables	2,342,149	833,516	3,175,665
Unearned revenue	56,690	7,888	64,578
Compensated absences payable	5,610	-	5,610
Capital lease payable	7,632	-	7,632
Revenue bonds payable	505,000	42,942	547,942
Accrued interest payable	12,279	-	12,279
TOTAL CURRENT LIABILITIES	3,071,461	1,017,494	4,088,955
Noncurrent Liabilities			
Compensated absences payable	2,404	-	2,404
Notes payable	1,568,477	-	1,568,477
Revenue bonds payable	5,765,000	4,309,188	10,074,188
TOTAL NONCURRENT LIABILITIES	7,335,881	4,309,188	11,645,069
TOTAL LIABILITIES	10,407,342	5,326,682	15,734,024
NET POSITION			
Net investment in capital assets	2,440,118	4,558,284	6,998,402
Restricted for capital outlay projects	837,722	-	837,722
Unrestricted	(2,076,076)	(912,101)	(2,988,177)
TOTAL NET POSITION	$ 1,201,764	$ 3,646,183	$ 4,847,947

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER FUND	AIRPORT FUND	TOTAL
OPERATING REVENUES			
Charges for sales and services:			
Pledged as security for revenue bonds:			
Water sales	$ 2,346,207	$ -	$ 2,346,207
Water connection fees	141,425	-	141,425
Other	-	286	286
Charges for services-other	-	383,257	383,257
Total Operating Revenues	2,487,632	383,543	2,871,175
OPERATING EXPENSES			
Salaries and benefits	578,431	85,366	663,797
Other services and charges	992,750	264,071	1,256,821
Depreciation	661,134	100,993	762,127
Professional fees	-	1,270	1,270
Repairs and maintenance	-	15,882	15,882
Total Operating Expenses	2,232,315	467,582	2,699,897
OPERATING INCOME (LOSS)	255,317	(84,039)	171,278
NONOPERATING REVENUES (EXPENSES)			
Interest expense	(171,955)	(182,150)	(354,105)
Gain (loss) on sale of capital assets	19,000	-	19,000
Total Nonoperating Revenues (Expenses)	(152,955)	(182,150)	(335,105)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	102,362	(266,189)	(163,827)
Pledged as security for revenue bonds:			
Developers - Cash	16,006	-	16,006
CHANGE IN NET POSITION	118,368	(266,189)	(147,821)
TOTAL NET POSITION, Beginning of year	1,083,396	3,912,372	4,995,768
TOTAL NET POSITION, End of year	$ 1,201,764	$ 3,646,183	$ 4,847,947

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2018

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER FUND	AIRPORT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer	$ 2,525,638	$ 391,619	$2,917,257
Payments to suppliers	(1,204,621)	(128,293)	1,332,914)
Payments to employees	(577,175)	(86,106)	(663,281)
Net cash provided by (used in) operating activities	743,842	177,220	921,062
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(794,247)	(924,563)	1,718,810)
Proceeds from sale of capital assets	19,000	-	19,000
Proceeds from new debt	1,568,477	929,493	2,497,970
Principal payments on debt	(526,226)	-	(526,226)
Interest paid	(172,924)	(182,150)	(355,074)
Net cash provided (used) by capital and related financing activities	94,080	(177,220)	(83,140)
Net increase (decrease) in cash and cash equivalents	837,922	-	837,922
CASH, Beginning of year	600	-	600
CASH, End of year	$ 838,522	$ -	$ 838,522
Reconciliation to CASH, End of year (page 7)			
Cash	$ 800	$ -	$ 800
Restricted assets: Cash	837,722	-	837,722
CASH, End of year	$ 838,522	$ -	$ 838,522
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ 255,317	$ (84,039)	$ 171,278
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	661,134	100,993	762,127
(Increase) decrease in:			
Accounts receivable	(18,684)	4,438	(14,246)
Inventory	-	(1,023)	(1,023)
Increase (decrease) in:			
Accounts payable	(3,017)	116,411	113,394
Compensated absences	1,338	-	1,338
Other accrued items	(82)	(740)	(822)
Deferred revenue	56,690	3,638	60,328
Interfund payables	(208,854)	37,542	(171,312)
Net cash provided by (used in) operating activities	$ 743,842	$ 177,220	$ 921,062

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2018

	AGENCY FUNDS
ASSETS	
Cash	$ 1,918,784
TOTAL ASSETS	$ 1,918,784
LIABILITIES	
Amount held in trust	$ 1,918,784
TOTAL LIABILITIES	$ 1,918,784

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2018

	HEALTH DEPARTMENT	INDUSTRIAL DEVELOPMENT AUTHORITY	TOTAL
ASSETS			
Cash	$ 304,851	$ 161,408	$ 466,259
Capital lease receivable	-	168,000	168,000
Receivables (net of allowance for uncollectibles)	75,552	-	75,552
Inventories	4,560	-	4,560
Non-current assets:			
Capital lease receivable	-	2,520,000	2,520,000
Capital assets:			
Capital assets being depreciated	157,737	-	157,737
Less: accumulated depreciation	(76,478)	-	(76,478)
Capital assets, net of depreciation	81,259	-	81,259
TOTAL ASSETS	466,222	2,849,408	3,315,630
DEFERRED OUTFLOWS OF RESOURCES			
Pension expense	66,237	-	66,237
OPEB expense	57,963	-	57,963
TOTAL DEFERRED OUTFLOWS OF RESOURCES	124,200	-	124,200
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	590,422	2,849,408	3,439,830
LIABILITIES			
Accounts payable	17,122	-	17,122
Unearned revenue	-	960,958	960,958
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	8,265	-	8,265
Revenue bonds payable	-	72,116	72,116
Due in more than one year			
Compensated absences payable	8,265	-	8,265
Net OPEB liability	297,949	-	297,949
Net pension liability	328,196	-	328,196
Revenue bonds payable	-	1,654,139	1,654,139
TOTAL LIABILITIES	659,797	2,687,213	3,347,010
DEFERRED INFLOWS OF RESOURCES			
Pension expense	29,386	-	29,386
OPEB expense	58,239	-	58,239
TOTAL DEFERRED INFLOWS OF RESOURCES	87,625	-	87,625
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	747,422	2,687,213	3,434,635
NET POSITION			
Net investment in capital assets	81,259	-	81,259
Restricted for:			
Unrestricted	(238,259)	162,195	(76,064)
TOTAL NET POSITION	$ (157,000)	$ 162,195	$ 5,195

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	HEALTH DEPARTMENT	DEVELOPMENT AUTHORITY	TOTAL
	.....PROGRAM REVENUES.....				....NET (EXPENSE) AND CHANGES IN NET POSITION....		
COMPONENT UNITS							
GOVERNMENTAL ACTIVITIES							
Health Department	$ 572,206	$ 367,054	$ 367,314	$ -	$ 162,162	$ -	$ 162,162
Industrial Development Authority	307,068	111,717	-	-	-	(195,351)	(195,351)
TOTAL COMPONENT UNITS	$ 879,274	$ 478,771	$ 367,314	$ -	162,162	(195,351)	(33,189)
GENERAL REVENUES							
Unrestricted investment earnings					-	469	469
TOTAL GENERAL REVENUES AND TRANSFERS					-	469	469
CHANGES IN NET POSITION					162,162	(194,882)	(32,720)
NET POSITION, Beginning					19,791	465,185	484,976
CHANGE IN ACCOUNTING PRINCIPLE					(338,953)	-	(338,953)
PRIOR PERIOD ADJUSTMENT					-	(108,108)	(108,108)
NET POSITION, Beginning as restated					(319,162)	357,077	37,915
NET POSITION, Ending					$ (157,000)	$ 162,195	$ 5,195

The accompanying notes are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of PICKENS COUNTY, GEORGIA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

REPORTING ENTITY

The County is a political subdivision of the State of Georgia, located about 60 miles north of Atlanta. The County is governed by three elected Commissioners. In addition, there are four Constitutional Officers: the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected county wide. The Board of County Commissioners budgets and approves all funding used by the separate Constitutional Officers. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable and for which a financial benefit or burden relationship is present. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the County.

Brief descriptions of discretely presented component units follow:

PICKENS COUNTY DEPARTMENT OF PUBLIC HEALTH: The Health Department consists of a seven member board including a County Commissioner, and two members as appointed by the County Board of Commissioners. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health services. The Health Department has a June 30 year-end and is presented as a governmental fund type component unit. The Health Department's financial statements can be obtained by writing to the Pickens County Health Department, 60 Health Way, Jasper, Georgia 30143.

INDUSTRIAL DEVELOPMENT AUTHORITY OF PICKENS COUNTY: The Industrial Development Authority is governed by a seven member board, with a voting majority being appointed by the County. The Authority is responsible for promoting industrial and commercial development within Pickens County. Although the County does not have the authority to approve or modify the budget of the Authority, the County does provide financial support. The Authority is reported as a proprietary fund type component unit. Separate financial statements are not prepared for the Authority.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (fiduciary funds use the economic resources measurement focus to indicate that agency funds have no measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes as available if they are collected by the end of the current fiscal year. Other revenues susceptible to accrual are considered available if they are collected within 60 days of the end of the current fiscal period for which they are imposed. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Cumulative effect of a change in accounting principle:

> The County has recorded OPEB liability according to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." As a result of the implementation, governmental activities net position was increased by $815,047 due to a change in accounting principle.

The County reports the following major governmental funds:

> The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The *SPLOST Capital Projects Fund* accounts for funds received from a local 1% sales tax, passed by the 2014 Special Purpose Local Option Sales Tax referendum, which is reserved for construction of various capital projects.

The County reports the following major proprietary funds:

> The *Water Fund* accounts for the development, operation, and maintenance of the utility system that provides water services in Pickens County.

The *Airport Fund* accounts for the development, operation, and maintenance of the County airport and its facilities. The Pickens County Airport Authority provides oversight of capital projects and has delegated operations and long-term debt obligations to the County.

Additionally, the County reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specified purposes.

Capital projects funds account for acquisition and construction of the County's capital assets.

Agency funds are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff hold for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used which are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the Water enterprise fund are charges to customers for sales and services. Operating expenses for the Water enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. The principal operating revenue for the Airport enterprise fund is the sale of fuel, hanger rental fees, and other miscellaneous charges for services. Operating expense for the Airport enterprise fund include the cost of fuel, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

Receivables and Payables

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

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

All trade and property tax receivables are shown net of an allowance of uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. The 2018 taxes were levied October 4, 2018, and were due December 4, 2018. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien 90 days after the due date. Property taxes levied during 2018 are to fund operations for the County's fiscal year beginning January 1, 2018.

The County's property taxes were levied on the assessed values of all real and personal property including mobile homes and motor vehicles located in the County.

Inventories and Prepaid Items

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Bond Premiums and Discounts

Premiums and discounts are deferred and amortized over the lives of the bonds and loans on a straight-line basis, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Restricted Assets

Certain proceeds of the County's capital leases or debt issues are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable lease or debt agreements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, culverts, and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of three years or an acquisition of land at any cost. Roads, bridges, and culverts are defined by the County as projects with an individual cost of $5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Roads, bridges, and culverts acquired prior to July 1, 1980 have not been reported.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Assets	Years
Buildings	25-50	Vehicles	2-15
Building Improvements	10-25	Infrastructure	10-30
Machinery and Equipment	3-15	Land	N/A
Furniture and Fixtures	5-20	Land improvements	12-15

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category. These two items consist of the deferred charge in pension expense and deferred outflows related to OPEB expense. The deferred charge in pension expense represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next fiscal year. The deferred outflows related to OPEB expense represents employer contributions subsequent to measurement date. These contributions will be recognized as OPEB expense in the next fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. These three items consist of unavailable revenue, deferred inflows related to pension expense, and deferred inflows related to OPEB expense. Unavailable revenue, arises under the modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and fines. The deferred inflows related to pension expense represents differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability and changes of assumptions about future economic or demographic factors or of other inputs. These deferred inflows will be recognized in pension expense using a systematic and rational method over a closed five-year period, beginning with the current reporting period. The deferred inflows related to OPEB expense represents differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total OPEB liability and changes of assumptions about future economic or demographic factors or of other inputs. These deferred inflows will be recognized in OPEB expense using a systematic and rational method over a closed five-year period, beginning with the current reporting period.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the liability has matured and is expected to be liquidated with expendable and available financial resources.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association of County Commissioners of Georgia (ACCG) Pickens County Defined Benefit Plan (Plan) and additions to/from from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Pickens County Other Postemployment Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Fund Equity/Net Position

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable - Fund balances are reported as nonspendable when the amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash like inventories and prepaid items) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.

Assigned - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's finance director to assign fund balances.

Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other governmental funds.

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

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

Net Investment in Capital Assets

The "Net investment in capital assets" reported on the government-wide statement of net position as of December 31, 2018 are as follows:

Net investment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 69,902,325	$ 29,071,646
Less accumulated depreciation	(26,656,206)	(9,855,405)
Book value	43,246,119	19,216,241
Less capital related debt	(751,161)	(12,198,239)
Less capital related accounts payable	(1,091,195)	(19,600)
Net investment in capital assets	$ 41,403,763	$ 6,998,402

Management Estimates

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

NOTE 2 - FUND BALANCE/NET POSITION

The governmental activities statement of net position reports $3,806,983 of restricted net position, of which none is restricted by enabling legislation.

Additional details related to fund balances at the governmental fund level are presented below:

Restricted:	
General Fund	
Judicial Programs - For unspent funds related to court related programs - juvenile court fund, drug abuse fund, crime victims assistance fund, etc.	$ 137,692
Capital outlay projects - For unspent funds from LMIG grant, capital leases and other debt	572,203
SPLOST Fund	
Capital outlay projects - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum.	2,454,006

Nonmajor Restricted Programs Funds

Judicial Programs -	
Law Library - Used to account for surcharges on fines and forfeitures which are for the operation of the County Law Library and other expenditures as restricted by the OCGA-36-15.	41,429
Restricted Programs - Used to account for multiple court administered state reimbursement grants (i.e., adult drug court, mental health court, family drug court, etc.), and CDBG pass through grant funds from Department of Community Affairs.	314,848
Subtotal - Restricted for Judicial Programs	356,277
Public Safety Programs -	
Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5.	78,393
Drug Task Force - To account for funds received to operate multi-jurisdictional drug enforcement agency that actively pursues all levels of illegal drug activity.	76,590
Sheriff's Special Revenue - to account for funds from seizures to be used for law enforcement activities.	108,116
Subtotal - Restricted for Public Safety Programs	263,099
Housing and Development Programs -	
Hotel/Motel Tax Fund - To account for funds received to promote tourism, conventions, and trade shows.	23,706
Total Restricted Fund Balance	$ 3,806,983

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The County Commission adopts an annual budget for all governmental fund types, prior to December 31, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the Board of Commissioners when capital budgets are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted at a public meeting.

Prior to October of each year, each department submits a proposed budget to the Board of Commissioners for review. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of the County in December. These hearings are publicized in the local paper at least one week before the first hearing, and the budget document is made available for public inspection during this week.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Any changes in total departmental expenditures/expenses must be approved by the Board of Commissioners or Budget Officer.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year end.

DEFICIT FUND BALANCES

There are no funds with deficits.

NOTE 4 - DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the government's deposits may not be returned. The County's policies permit it to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of December 31, 2018, all deposits of the County were insured or collateralized.

Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below:

> Under the *dedicated method*, a depository shall secure the deposits of each of its public depositors separately. State statutes require collateral pledged in the amount of 110% of deposits.

Under the *pooled method,* a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1. State statutes require collateral pledged in the amount of 110% of deposits under the single bank pooled method or at least 100% of amounts greater than 20% of the daily pool balance held by any one covered depository under the multibank pooled method.

The County utilized both methods to secure its deposits of public funds.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State statutes authorize the County to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state or of other states and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation of the United States government. The County does not have an investment policy that would further limit these investment choices.

A hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs requiring that the most observable inputs be used when available was establish. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets in active markets. Level 2 within the hierarchy states that valuations are based on observable inputs other than Level 1 process, such as quoted prices for similar assets, quoted prices in inactive markets and other inputs that may be corroborated by observable market data. Level 3 assets are not actively traded, and their values can only be estimated using a combination of complex market prices, mathematical models, and subjective assumptions.

As of December 31, 2018, the only assets that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments. Such investments are classified within Level 1 of the valuation hierarchy. As of December 31, 2018, the only assets measured at fair value on recurring basis in periods subsequent to initial recognition are investments. Such investments are classified within Level 1 or Level 2 of the valuation hierarchy.

As of December 31, 2018, the Law Library (a Non-Major Governmental Fund) had the following investments:

		Investment Maturities (in Years)/FMV Level	
Investment Type	Fair Market Value - Level 1	Less Than 1	Rating
Certificate of Deposit	$ 22,731	$ 22,731	N/A
Total	$ 22,731	$ 22,731	
Maximum Investment		100%	

Concentration of Credit Risk

The County places no limit on the amount it may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

NOTE 5 - RECEIVABLES

PRIMARY GOVERNMENT

Receivables as of year-end for the County's individual major funds and nonmajor governmental funds in the aggregate including the applicable allowances for uncollectible accounts are as follows:

	General Fund	SPLOST	Nonmajor Governmental Funds
Receivables:			
Property Taxes	$ 1,766,372	$ -	$ -
Accounts	1,163,171	-	410,744
Intergovernmental	291,896	475,597	97,957
Total Gross Receivables	3,221,439	475,597	508,701
Less: Allowance for Uncollectibles	(364,850)	-	-
Total Net Receivables	$ 2,856,589	$ 475,597	$ 508,701

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Delinquent property taxes receivable (General Fund)	$ 1,428,539	$ -	$ 1,428,539
Hotel/Motel tax promissory note for payment in arears (Nonmajor Funds)	40,933	-	40,933
Total unearned revenue for governmental funds	$ 1,469,472	$ -	$ 1,469,472

Property taxes receivable at December 31, 2018, consist of the following:

Digest Year	General Fund
2018	$ 998,296
2017	284,759
2016	94,698
2015	56,153
2014	65,014
2013	59,394
2012	83,318
2011	117,516
2010	7,224
Total	$ 1,766,372

BUSINESS TYPE ACTIVITIES

Receivables as of year-end for the County's enterprise funds, including the applicable allowances for uncollectible accounts are as follows:

	Water Fund
Receivables:	
Accounts	$ 287,631
Total Gross Receivables	287,631
Less: Allowance for Uncollectibles	(6,344)
Total Net Receivables	$ 281,287

DISCRETELY PRESENTED COMPONENT UNITS

Receivables as of year-end for the County's component units, including the applicable allowances for uncollectible accounts are as follows:

	Health Department
Receivables:	
Accounts	$ 62,800
Intergovernmental	12,752
Total Gross Receivables	75,552
Less: Allowance for Uncollectibles	-
Total Net Receivables	$ 75,552

The lease receivable in the County's component units consisted of the following at December 31, 2018:

Lease receivable made to a local business - North Georgia Financial Holdings, LLC - through the Industrial Development Authority of Pickens County. Payments receivable in monthly installments of $10,500 during fiscal year 2014, $12,000 during fiscal year 2015, and $14,000 for all years thereafter, including imputed interest at 5.985%. This lease is secured by the County and matures on December 1, 2034.	$ 2,688,000
Less: Current portion	(168,000)
Long-term portion	$ 2,520,000

At December 31, 2018, scheduled maturities of the lease receivable were the following:

2019	$ 168,000
2020	168,000
2021	168,000
2022	168,000
2023	168,000
2024 - 2028	840,000
2029 - 2033	840,000
2034	168,000
Total maturities of lease receivable	2,688,000
Less unearned interest income	(960,958)
Total net book value of lease receivable	$ 1,727,042

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended December 31, 2018, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 4,271,996	$ 100,000	$ -	$ -	$ 4,371,996
Construction in progress	-	387,942	-	-	387,942
Total non-depreciable capital assets	4,271,996	487,942	-	-	4,759,938
Depreciable Assets:					
Land improvements	1,013,402	-	-	-	1,013,402
Buildings and improvements	37,429,670	64,290	-	-	37,493,960
Machinery and equipment	7,662,857	540,557	-	-	8,203,414
Vehicles	8,548,172	1,358,578	(31,000)	-	9,875,750
Infrastructure	8,555,861	-	-	-	8,555,861
Total depreciable capital assets	63,209,962	1,963,425	(31,000)	-	65,142,387
Less Accumulated Depreciation for:					
Land improvements	571,448	31,467	-	-	602,915
Buildings and improvements	7,503,685	803,748	-	-	8,307,433
Machinery and equipment	5,348,007	517,427	-	-	5,865,434
Vehicles	7,084,768	485,062	(31,000)	-	7,538,830
Infrastructure	3,913,040	428,554	-	-	4,341,594
Total accumulated depreciation	24,420,948	2,266,258	(31,000)	-	26,656,206
Total depreciable capital assets, net	38,789,014	(302,833)	-	-	38,486,181
Governmental activities capital assets, net	$ 43,061,010	$ 185,109	$ -	$ -	$ 43,246,119

Additions to governmental activities capital assets for the fiscal year ending December 31, 2018, consist of the following:

Capital Outlay	$ 2,451,366
Total	$ 2,451,366
Non-depreciable capital assets additions	$ 487,942
Depreciable capital assets additions	1,963,425
Rounding	(1)
Total	$ 2,451,366

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 547,014
Judicial	780,031
Public Safety	1,538
Public Works	713,517
Public Health and Welfare	38,447
Recreation and Culture	105,155
Housing and Development	80,556
Total depreciation expense-governmental activities	$ 2,266,258

The County has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to December 31, 2018, and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	Project Authorization	Expended to Date	Contracts in Progress	Authorized Not Obligated	Sources
Governmental Activities:					
Fire Station #12 - Moss Road	$ 405,000	$387,942	$ 17,058	$ -	SPLOST
Total Governmental Activities	$ 405,000	$387,942	$ 17,058	$ -	

BUSINESS TYPE ACTIVITIES

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type Activities:					
Non-Depreciable Assets:					
Land and improvements	$ 1,690,594	$ -	$ -	$ -	$ 1,690,594
Construction in progress	6,091,502	1,635,719	-	-	7,727,221
Total non-depreciable capital assets	7,782,096	1,635,719	-	-	9,417,815
Depreciable Assets:					
Land improvements	865,080	-	-	-	865,080
Infrastructure	16,435,832	-	-	-	16,435,832
Buildings and improvements	641,509	-	-	-	641,509
Machinery and Furniture	1,275,380	47,259	-	-	1,322,639
Vehicles	381,357	51,841	(44,426)	-	388,771
Total depreciable capital assets	19,599,158	99,100	(44,426)	-	19,653,831
Less Accumulated Depreciation for:					
Land improvements	434,155	59,981	-	-	494,136
Infrastructure	7,341,973	547,148	-	-	7,889,121
Buildings & Improvements	394,796	26,241	-	-	421,037
Machinery & Furniture	699,681	87,105	-	-	786,786
Vehicles	267,099	41,652	(44,426)	-	264,325
Total accumulated depreciation	9,137,704	762,127	(44,426)	-	9,855,405
Total depreciable capital assets, net	10,461,454	(663,027)	-	-	9,798,426
Business-type activities capital assets, net	$18,243,550	$ 972,692	$ -	$ -	$19,216,241

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type Activities:	
Water	$ 661,134
Airport	100,993
Total depreciation expense-business type activities	$ 762,127

The business-type activity funds have authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to December 31, 2018, and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	Project Authorization	Expended To Date	Contracts in Progress	Authorized Not Obligated	Sources
Business Type Activities:					
Grandview Lake Water Rights	$ 1,500,000	$ 662,278	$ 837,722	$ -	GEFA Loan
Grandview Water Treatment Plant	1,100,000	22,929	-	1,077,071	GEFA Loan
Grandview Water Lines	1,413,000	45,547	-	1,367,453	GEFA Loan
North T-Hanger	1,378,436	997,665	-	380,771	Revenue Bonds
Airport Improvements	5,923,726	5,923,727	-	-	FAA Grant/ DA Bonds
Airport Layout Plans	78,594	75,075	-	3,519	FAA Grant/State Grant
Total Business Type Activities	$ 11,393,756	$ 7,727,221	$ 837,722	$ 2,828,814	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Site Improvements	$ 61,695	$ 12,999	$ -	$ 74,694
Machinery and Equipment	26,128	25,874	-	52,002
Furniture & Fixtures	11,030	-	-	11,030
Vehicles	20,011	-	-	20,011
Total depreciable capital assets	118,864	38,873	-	157,737
Less Accumulated Depreciation for:				
Site Improvements	11,725	4,997	-	16,722
Machinery and Equipment	26,128	2,587	-	28,715
Furniture and Fixtures	11,030	-	-	11,030
Vehicles	20,011	-	-	20,011
Total accumulated depreciation	68,894	7,584	-	76,478
Capital Assets, net	$ 49,970	$ 31,289	$ -	$ 81,259

NOTE 7 - SHORT TERM DEBT

The County paid off a tax anticipitation note for operating purposes of $5,600,000 at a financial institution. The note carried an interest rate of 2.15% and matured on December 31, 2018. As of December 31, 2018, the principal was paid in full. The short term borrowings interest incurred and expensed for the period ended December 31, 2018 was $41,062.

Short-term liability activity for the year ended December 31, 2018, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Tax anticipation note	$ -	$ 5,600,000	$ (5,600,000)	$ -
Total short-term Liabilities	$ -	$ 5,600,000	$ (5,600,000)	$ -

NOTE 8 - LONG TERM DEBT

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Notes Payable	$ 454,600	$ -	$ (419,151)	$ 35,449	$ 35,449	$ -
Capital leases	1,024,185	218,490	(526,963)	715,712	396,569	319,143
Net OPEB liability	943,550	91,891	(70,902)	964,539	-	964,539
Net pension liability	7,113,681	967,627	(990,265)	7,091,043	-	7,091,043
Landfill postclosure	365,500	12,100	-	377,600	20,000	357,600
Compensated absences	245,727	232,984	(172,008)	306,703	214,692	92,011
Governmental activities long-term liabilities	$ 10,147,243	$ 1,523,092	$ (2,179,289)	$ 9,491,046	$ 666,710	$ 8,824,336
Business-type Activities:						
Bonds payable	$ 10,187,637	$ 929,493	$ (495,000)	$ 10,622,130	$ 547,942	$ 10,074,188
Notes payable	-	1,568,477	-	1,568,477	-	1,568,477
Capital Leases	38,858	-	(31,226)	7,632	7,632	-
Compensated absences	6,676	6,012	(4,674)	8,014	5,610	2,404
Business-type activities long-term liabilities	$ 10,233,171	$ 2,503,982	$ (530,900)	$ 12,206,253	$ 561,184	$ 11,645,069

The County implemented GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018 and as a result had a change in accounting principle in the net OPEB liability of ($815,047) for governmental activities that is included in the beginning balances.

GOVERNMENTAL ACTIVITIES

Notes Payable

The County has entered into an agreement with a financial institution to finance the purchase of buildings and equipment in regards to the Community Center in the original amount of

$3,000,000 with an outstanding balance of $35,449. This note has annual payments ranging from $392,093 to $427,738, with an interest rate of 3.25% and matures in 2019.

The annual requirements to amortize notes payable outstanding as of December 31, 2018, are as follows:

December 31,	Principal	Interest	Total
2019	$ 35,449	$ 99	$ 35,548
Total	$ 35,449	$ 99	$ 35,548

Capital Leases

The County has entered into an agreement for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Accounting Standards Codification 840 Leases, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. This year, $429,817 was included in depreciation expense. The balance of these leases at December 31, 2018 is $715,712 for governmental activities.

The County leases certain equipment under non-cancelable capital leases. The leases relate to equipment and vehicles for EMS, fire, and road. Ownership of the related assets will be transferred to the County at the end of the lease terms. The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery and equipment	$ 537,251
Vehicles	1,852,920
Less: Accumulated Depreciation	(1,289,487)
Total	$ 1,100,684

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018, were as follows:

Year Ending December 31,	Governmental Activities
2019	$ 409,327
2020	304,612
2021	19,089
Total minimum lease payments	733,028
Less: amount representing interest (1.93% - 4.84%)	(17,316)
Present value of minimum lease payments	$ 715,712

BUSINESS-TYPE ACTIVITIES

Bonds Payable

During 2015, the County issued $8,090,000 of revenue bonds (2015 Refunding Series) for a full refunding of the Authority's Series 1995A, 1995B, and 2005 revenue bonds, which had been issued for the acquisition and construction of waterline infrastructure. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of $3,599,055. Bond payments are due in semi-annual installments ranging from $184,944 to $324,772, with interest at 2.35%. As of December 31, 2018, the outstanding balance is $6,270,000. The bonds mature in 2029.

The County entered into an agreement with the Development Authority to issue bonds to finance the construction of an airport taxiway in the amount of $3,966,969. During 2014, the agreement was modified due to additional project costs. As of December 31, 2018, the bonds have an outstanding balance of $3,422,637, with an interest rate of 3.25%. The bonds mature in 2029.

During 2018, the County entered into an agreement with the Development Authority to issue $1,500,000 of revenue bonds (Series 2018) to finance the acquisition and construction of an aircraft hanger at Pickens County Airport. As of December 31, 2018, the bonds have an outstanding balance of $929,493, with an interest rate of 5%. The County will make interest-only payments until all draws on the bonds are complete and the commencement of the Amortization Period begins. At the completion of draws, the interest rate will increase to 6% and bond payments will be due in monthly installments. The bonds mature in 2035.

The annual requirements to amortize bonds payable outstanding as of December 31, 2018, are as follows:

December 31,	Principal	Interest	Total
2019	$ 547,942	$ 175,760	$ 723,702
2020	783,100	312,196	1,095,296
2021	811,634	284,442	1,096,076
2022	840,520	256,019	1,096,539
2023	869,303	226,404	1,095,707
2024-2028	4,838,786	642,493	5,481,279
2028-2029	1,001,352	20,461	1,021,813
Total	$ 9,692,637	$ 1,917,775	$ 11,610,412
Series 2018 Bonds	1,897,733		
Total	$ 11,590,370		

Notes Payable

In 2018, the County entered into promissory notes with the Georgia Environmental Finance Authority the original amounts of $4,013,000, with interest rates from 1.89% to 2.39%, to finance the construction of water distribution lines and related appurtenances and constructing a new 0.325 MGD water treatment plant, a 100,000 gallon ground storage tank, and the purchase of water rights from the Grandview Lake Company. As of December 31, 2018, the County had two such loan agreements with outstanding balances of $1,568,477. The County will make interest-only payments until all draws on the notes are complete and the commencement of the Amortization Period begins. At the completion of draws, the note payments will be due in monthly installments. The notes will mature 20 years from the commencement date.

Capital Leases

The County has entered into an agreement for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Accounting Standards Codification 840 Leases, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. This year, $24,845 was included in depreciation expense. The balance of these leases at December 31, 2018 is $7,632 for business-type activities.

The County leases certain equipment under non-cancelable capital leases. The leases relate to equipment for water operations. Ownership of the related assets will be transferred to the County at the end of the lease terms. The assets acquired through capital leases are as follows:

	Business-type Activities
Machinery and equipment	$ 211,948
Less: Accumulated Depreciation	(104,185)
Total	$ 107,763

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018, were as follows:

Year Ending December 31,	Governmental Activities
2019	$ 7,677
Total minimum lease payments	7,677
Less: amount representing interest (.58%)	(45)
Present value of minimum lease payments	$ 7,632

DISCRETELY PRESENTED COMPONENT UNITS

Long-term debt activity for the *Health Department* for the year ended December 31, 2018, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 12,533	$ 10,264	$ (6,267)	$ 16,530	$ 8,265	$ 8,265
Net OPEB Liability	376,191	-	(78,242)	297,949	-	297,949
Net Pension Liability	412,161	-	(83,965)	328,196	-	328,196
Total long-term Liabilities	$ 800,885	$ 10,264	$ (174,197)	$ 642,675	$ 8,265	$ 634,410

The Health Department implemented GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018 and as a result had a change in accounting principle in the net OPEB liability of ($376,191) and deferred outflows related to OPEB of $37,238 for governmental activities that is included in the beginning balances.

Long-term debt activity for the *Industrial Development Authority* for the year ended December 31, 2018, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Bonds payable	$ 1,795,125	$ -	$ (68,870)	$ 1,726,255	$ 72,116	$ 1,654,139
Total long-term liabilities	$ 1,795,125	$ -	$ (68,870)	$ 1,726,255	$ 72,116	$ 1,654,139

During 2015, the Industrial Development Authority issued $1,960,000 of revenue bonds (2015 Series) for a full refunding of the loan agreement with Restaurant Interiors to finance the purchase of an industrial building in the original amount of $1,249,206. The refunding was undertaken to reduce total future debt service payments. Bond payments are due in monthly installments with annual principal amounts ranging from $60,447 to $143,831 with a variable interest rate. The interest rate at December 31, 2018 is 3.20%. As of December 31, 2018, the outstanding balance is $1,726,255. This bond will mature in May 2035.

The annual requirements to amortize long-term debt as of December 31, 2018, are as follows:

Year Ending December 31,	Principal	Interest	Total
2019	$ 72,116	$ 72,503	$ 144,619
2020	75,299	69,474	144,773
2021	79,062	66,311	145,373
2022	82,787	62,991	145,778
2023	86,688	59,514	146,202
2024-2028	498,372	239,431	737,803
2029-2033	627,653	130,731	758,384
2034-2035	204,278	11,118	215,396
Total	$ 1,726,255	$ 712,073	$ 2,438,328

NOTE 9 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of December 31, 2018, is as follows:

Due To	Due From				
	General Fund	Other Nonmajor Governmental Funds	Water Fund	Airport Fund	Total Due from Other Funds
General Fund	$ -	$ 66,622	$ 2,342,149	$833,516	$ 3,242,287
Nonmajor Governmental Funds	24,275	253,355	-	-	277,630
Water Fund	167,917	-	-	-	167,917
Total Due to Other Funds	$ 192,192	$ 319,977	$ 2,342,149	$833,516	$ 3,687,834

These balances resulted from 1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, 2) the time lag between the dates that transactions are recorded in the accounting system, 3) the time lag between the dates that payments between funds are made, 4) short-term loans, and 5) to fund capital projects.

Interfund transfers as of the year ended December 31, 2018, are as follows:

Transfers Out	Transfers in	
	Other Nonmajor Governmental Funds	Total Transfers Out
General Fund	$ 723,358	$ 723,358
Total - Transfers in	$ 723,358	$ 723,358

Transfers are used to 1) supplement operating budgets, 2) help fund construction projects and debt service, 3) reimburse unrestricted revenue, 4) reimburse pension costs, and 5) move the County's matching portion on federal and state grants.

NOTE 10 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

Plan Description

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (the "Plan"), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan Document. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Pension Service Company, 1100 Circle 75 Parkway, Suite 320, Atlanta, Georgia 30339.

All full-time employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire with unreduced benefits at age 65 with three years of plan participation. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 2% of annual average compensation plus $36 for each year of service payable as a life annuity. Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Commission.

Participant counts as of January 1, 2017, (the most recent actuarial valuation date) and covered compensation (base on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disabled participants receiving benefits	65
Terminated plan participants entitled to but not yet receiving benefits	109
Active employees participating in the Plan	162
Total number of Plan participants	336
Covered compensation for active participants	$ 6,761,050
Contributions as a percentage of covered payroll	14.60%

Contributions

The County is required to contribute at an actuarially determined rate. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statutes. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability as of the January 1, 2017 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary Increases	4.00% - 6.50%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected with Scale AA for Males and Females.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 1988 - December 31, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.07%
Domestic large equities	30.00	1.97
Domestic mid equities	5.00	0.86
Domestic small equities	5.00	0.30
REIT	5.00	0.52
International	15.00	0.47
Multi cap	5.00	0.51
Global allocation	5.00	0.58
TOTAL	100.00%	

* Rates shown are net of the 3.50% assumed rate of inflation

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in the Net Pension Liability

	Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2017	$ 13,727,187	$ 6,613,506	$ 7,113,681
Changes for the year:			
Plan Change	-	-	-
Service cost	516,229	-	516,229
Interest	976,033	-	976,033
Difference between expected and actual experience	742,096	-	742,096
Assumption Change	36,116	-	36,116
Contribution-employer	-	990,265	(990,265)
Contribution-employee	-	349,920	(349,920)
Net investment income	-	1,046,254	(1,046,254)
Benefit payments	(529,326)	(529,326)	-
Administrative expense	-	(34,798)	34,798
Other charges	-	(58,529)	58,529
Net changes	1,741,148	1,763,786	(22,638)
Balances at December 31, 2018*	$ 15,468,335	$ 8,377,292	$ 7,091,043

* Measurement date of December 31, 2017

The following presents the County's net pension liability calculated using the discount rate of 7.25%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1 % Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	$ 9,436,847	$ 7,091,043	$ 5,155,658

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2018, the County recognized pension expense of $996,107. The required contribution for the year ended December 31, 2018 was $990,265.

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 889,334	$ (475,078)
Changes of assumptions	514,889	-
Net difference between projected and actual earnings on pension plan investments	-	-
TOTAL	$ 1,404,223	$ (475,078)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2019	$ 253,022
2020	241,411
2021	162,727
2022	135,159
2023	136,826
Thereafter	-

DEFINED CONTRIBUTION PLAN

Plan Description

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Contribution Plan for Pickens County Employees (Plan A), a public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. Plan A was established by the County in January 2016 pursuant to Section 401(a) of the Internal Revenue Code of 1986 as a Money-Purchase Plan and Trust. At the inception of Plan A, the Defined Contribution Plan excepted all employees with an employment commencement date prior to January 1, 2016. Plan A issues a stand alone report. It may be obtained from: Pension Services Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

All full-time County employees are eligible to participate in the Plan A the first day of the first pay period beginning on or the date the participant first meets the eligibility requirements. Benefits vest after five years of service. The County contributes 50% on amounts participants contribute to the 457(b) Eligible Deferred Compensation Plan. The maximum matching contribution shall be no more than 2.5% of compensation. A participant becomes eligible to retire at the normal retirement age of 65. Any participant leaving the plan before vesting "forfeits" the County's matching contribution to Plan A.

Funding Policy

Contributions totaling $124,949 ($32,208 employer and $92,741 employee) were made in accordance with the Plan A guidelines and the designations by County Employees.

DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Because the assets are held in trust for the employees, they are not assets of the County and are not reported in these financial statements.

OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Pickens County Retiree Insurance Program (the "OPEB Plan") is a single-employer defined benefit post-employment health care plan. Participant counts as of January 1, 2018, the most recent valuation date, are shown below. The Board of Commissioners have the authority under which the obligations of the plan members and the employer are established or may be amended. The OPEB Plan does not issue a stand-alone financial report.

Eligible retirees must be a minimum of age 55 with 15 or more years of consecutive full-time service, and must have been hired before January 1, 2002, in order to receive benefits.

Participant counts as of January 1, 2018, (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	-
Active employees	25
Total	30
Covered-employee payroll for active participants	$ 1,239,011
Contributions as a percentage of its covered-employee payroll	3.62 %

Contributions

Eligible retirees and former employees are offered the same health coverage as active employees. Retirees contribute an average of $533 per month towards the actuarially calculated monthly rates. The County contributes the remainder of the rates. The OPEB Plan is funded on a pay-as-you-go basis. For fiscal year 2018, the County contributed $44,902 to the plan.

Net OPEB Liability

The County's net OPEB liability is reported herein as of January 1, 2018 for the employer fiscal year and reporting period ending December 31, 2018. The values shown for this fiscal year and reporting period are based on a measurement date of January 1, 2018. The measurement of the total OPEB liability is based on a valuation date of January 1, 2018.

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.00%
Real wage growth:	1.00%
Wage inflation:	4.00%
Salary increases, inc wage inflation	4.00% - 6.50%
Municipal Bond Index Rate	
Prior measurement date	3.76%
Measurement date	3.44%
Health Care cost trends	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Mortality:	RP-2000 Combined Mortality Scale, projected with Scale AA to 2017
Actuarial Cost Method:	Entry Age Normal

The discount rate has been set to equal to 3.44% and represents the Municipal GO AA 20-year yield curve rate as of January 1, 2018.

The actuarial assumptions used were based on the pension valuation prepared by GEBCorp as of December 31, 2017. The employer contributions required to support the benefits of the OPEB Plan are determined following a level funding approach, and consist of a normal contribution and an actuarial accrued liability contribution.

Change in the Net OPEB Liability

	OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2017	$ 943,550	$ -	$ 943,550
Changes for the year:			
Service cost	22,750	-	22,750
Interest	34,339	-	34,339
Difference between expected and actual experience	7,844	-	7,844
Contribution-employer	-	44,902	(44,902)
Assumption Change	26,958	-	26,958
Benefit payments	(44,902)	(44,902)	-
Implicit subsidy credit	(26,000)	-	(26,000)
Other charges	-	-	-
Net changes	20,989	-	20,989
Balances at December 31, 2018*	$ 964,539	$ -	$ 964,539

*Measurement date is as of January 1, 2018

The following presents the County's net OPEB liability of the employer as of the measurement date calculated using the discount rate of 3.44%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.44%) or 1-percentage-point higher (4.44%) than the current rate:

	1 % Decrease (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
County's net OPEB liability	$ 1,047,714	$ 964,539	$ 887,277

The following presents the County's net OPEB liability of the employer as of the measurement date calculated using the Pre-Medicare trend rate of 7.25%, as well as what the County's net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1 % Decrease (6.25%)	Current Trend Rate (7.25%)	1% Increase (8.25%)
County's net OPEB liability	$ 866,177	$ 964,539	$ 1,077,991

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, under GASB 75 the County's OPEB expense is $63,141.

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,480	$ -
Changes of assumptions	22,270	-
TOTAL	$ 28,750	$ -

Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2019	$ 6,052
2020	6,052
2021	6,052
2022	6,052
2023	4,542
Thereafter	-

NOTE 11 - CONTINGENT LIABILITIES AND COMMITMENTS

The County's encumbrances outstanding at the end of the fiscal year that will be honored in the next fiscal year are not significant for any of the major funds nor for the nonmajor funds in total.

Amounts received or receivable for grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The County is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The County's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

NOTE 12 - RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are ways the County handles these risks:

WORKERS' COMPENSATION

The County participates in the Association County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees who are representatives from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A. 34-9-150 et seq. and the Georgia Insurance Commissioner's Office. The members of ACCG-Group Self Insurance Workers' Compensation Fund are assessable if the losses that ACCG must pay exceed the assets of the pool. At December 31, 2018, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

As part of this risk pool (GSIWCF), the County is obligated to pay all contributions and assessments to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible, in accordance with any coverage descriptions issued, all incidents that could require the funds to pay any type of loss. The County is also to allow all the pools' agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the County.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

OTHER

The County also purchases combined automobile, crime, liability, and property insurance coverage from OneBeacon Government Risks. The following is a summary of coverage at December 31, 2018:

Property Losses	$	3,000,000	aggregate
Comprehensive General Liability	$	1,000,000	per occurrence
	$	3,000,000	aggregate
Automobile Liability	$	2,000,000	per occurrence
Law Enforcement Liability	$	1,000,000	per occurrence
	$	3,000,000	aggregate
Excess Liability	$	1,000,000	per occurrence
Crime Coverage (theft/fraud)	$	3,000,000	aggregate

The County has no outstanding claims in excess of coverage for which a liability should be recorded as of December 31, 2018.

Settled claims in the past three years have not exceeded the coverage.

NOTE 13 - JOINT VENTURE

On January 4, 1995, Pickens County entered into an agreement with Bartow County, Georgia, establishing a Joint Development Authority. The County Commissioner of Pickens County and the County Commissioner of Bartow County signed an agreement whereby the Joint Development Authority of Bartow County and Pickens County was established for the promotion of business development in each county as well as expanding industry, trade and employment opportunities for the citizens of Bartow and Pickens Counties. The Board of Directors of the Joint Development Authority consists of seven members. Three members of the Board are appointed by Bartow County and four members are appointed by Pickens County. As of December 31, 2018, the Joint Development Authority owned no assets and had no liabilities. Also, there have been no financial transactions conducted by the Joint Development Authority in 2018. As a result, no balance sheet or income statement is presented in the audited financial statements of Pickens County at December 31, 2018.

NOTE 14 - NORTHWEST GEORGIA REGIONAL COMMISSION

Under Georgia Law, the County, in conjunction with other cities and counties in the northwest Georgia area, is a member of the Northwest Georgia Regional Commission (NWGRC) and is required to pay annual dues thereto. During the year ended December 31, 2018, the County paid $26,877 in such dues. Membership in the NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The NWGRC Board membership includes the chief elected official in each county and municipality of the area. The County Board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines regional commissions as "public agencies and instrumentalities of their members." Georgia laws also provide that the member governments are liable for any debts or obligations of a regional commission beyond its resources. (O.C.G.A. 50-8-39.1)

Separate financial statements for the NWGRC can be obtained from NWGRC, P.O. Box 1798, Rome, Georgia 30162.

NOTE 15 - NORTHWEST GEORGIA REGIONAL WATER RESOURCES PARTNERSHIP

The County is a member of the Northwest Georgia Regional Water Resources Partnership. This organization is made up of water withdrawal permit holders, local governments, and other advocacy entities with an interest in water issues. The purpose of the Partnership is a regional organization of water related interest in Northwest Georgia for monitoring and contributing to the development of federal, state, and local policy; educating the citizens on water related issues; funding and managing regional water-related activities; and coordinating the activities for federal, state, and local entities. The County paid annual dues in the amount of $680 for the year ended December 31, 2018.

Separate financial statements can be obtained from Northwest Georgia Regional Water Resources Partnership, P.O. Box 1793, Rome, Georgia 30162.

NOTE 16 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until the landfill is closed. The amount recognized each year is based on the landfill capacity used as of the balance sheet date.

As of December 31, 2018, the County has recorded a liability for its solid waste landfill of $377,600, which represents the estimated closure and postclosure costs based on 100% of landfill capacity used to date. All estimated liability for these costs has been recognized since the landfill is no longer used.

These amounts are based on what it would cost to perform all closure and postclosure care in 2018. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is also required to demonstrate financial assurance that the closure and postclosure care cost can be paid in the future. The County is in compliance at December 31, 2018, based on requirements issued by the EPA.

NOTE 17 - SIGNIFICANT ESTIMATES

As discussed in Note 1, estimates are used in the preparation of these financial statements. Three of the estimates qualify as significant estimates in that it is reasonably possible that the estimates will change in the near term due to one or more future confirming events and this change will have a material effect on the financial statements.

These estimates are as follows:

The liability for landfill closure and postclosure care cost is based on estimates provided by the County's engineering consultants and reduced each year by expenses related to the closure and postclosure of the landfill. These estimates are based on what it would cost to perform closure and postclosure care currently. Actual costs may change due to higher inflation, changes in technology, or changes in regulations.

The estimate for accumulated depreciation on capital assets. This estimate is based on the original or estimated cost of the assets, depreciated over the estimated useful lives using the straight line method and composite method.

The estimate for allowance for doubtful accounts relating to Pickens County EMS accounts receivable qualifies as a significant estimate. The estimate is calculated based on the previous year's collection percentage of accounts greater than one year old.

NOTE 18 - HOTEL/MOTEL TAX

During the year ended December 31, 2018, the County had receipts of $99,523 and spent $75,594 to promote tourism, conventions, and trade shows. The total expenditures represent 76% of the tax receipts to be expended for these purposes under OCGA 48-13-51. The County has complied with the requirements of this law.

NOTE 19 - PRIOR PERIOD ADJUSTMENTS

As of January 1, 2018, the County restated its financial statements for the year ended December 31, 2017.

The restatement was a result of the following:

Development Authority (Component Unit)	
To restate the 2017 ending balance of unearned interest income to agree to the related lease receivable amortization schedule.	$ (108,108)
Net decrease in component unit net position	$ (108,108)

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE

As of January 1, 2018, the County restated its financial statements for the fiscal year ended December 31, 2017 due to the implementation of GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The restatement resulted in a net increase to the entity-wide net position in Governmental Activities of $815,047. Component unit net position was restated by a net decrease of ($338,953).

The restatement was a result of the following:

Governmental Funds	
General Fund	
Governmental Activities	
To restate the 2017 ending balance of the net OPEB liability to implement GASB 75.	$ 815,047
Net increase in Governmental Activities net position	815,047
Net increase in entity wide net position	$ 815,047
Health Department (Component Unit)	
To restate the 2017 ending balance of the net OPEB liability to implement GASB 75.	$ (338,953)
Net decrease in component unit net position	$ (338,953)

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY -
ACCG DEFINED BENEFIT PLAN
For the Year Ended December 31, 2018
"Unaudited"

For the Year Ended December 31,	2018	2017	2016	2015
Net pension liability	$ 7,091,043	$ 7,113,681	$ 3,218,002	$ 2,670,675
Covered payroll	$ 6,761,050	$ 6,732,730	$ 6,261,763	$ 6,455,121
Net pension liability as a percentage of its covered payroll	104.88%	105.66%	51.39%	41.37%
Plan fiduciary net position as a percentage of the total pension liability	54.20%	48.20%	62.70%	66.00%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS -
ACCG DEFINED BENEFIT PLAN
For the Year Ended December 31, 2018
"Unaudited"

For the Year Ended December 31,	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 865,930	$ 726,960	$ 556,622	$ 565,792	$ 547,417	$ 519,277	$ 481,354	$ 479,261	$ 396,496
Contributions in relation to the contractually required contribution	990,265	866,021	576,852	604,422	551,249	519,277	481,354	447,823	164,546
Contribution deficiency (excess)	$ (124,335)	$ (139,061)	$ (20,230)	$ (38,630)	$ (3,832)	$ -	$ -	$ 31,438	$ 231,950
County's covered payroll	$6,761,050	$6,732,730	$6,261,763	$6,455,121	$7,234,670	$7,126,832	$6,713,647	$6,852,406	$ 5,521,511
Contributions as a percentage of covered payroll	14.65%	12.86%	9.21%	9.36%	7.62%	7.29%	7.17%	6.54%	2.98%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available, data from 8 previous years presented.

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - ACCG DEFINED BENEFIT PLAN
For the Year Ended December 31, 2018
"Unaudited"

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which donations are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended December 31, 2018 reported in that schedule:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, open
Remaining Amortization period	30 years
Asset Valuation method	Five-year smoothed market
Inflation Rate	3.50%
Salary Increases	4.00% - 6.50%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
HEALTH CARE PLAN OF PICKENS COUNTY, GEORGIA
For the Year Ended December 31, 2018
"Unaudited"

Fiscal Year Ending December 31,		2018
Total OPEB liability		
Service cost	$	22,750
Interest		34,339
Differences between expected and actual experience		7,844
Changes in assumptions		26,958
Benefit payments		(44,902)
Implicit subsidy credit		(26,000)
Net changes in total OPEB liability		20,989
Total OPEB liability - beginning		943,550
Total OPEB liability - ending (a)	$	964,539
Plan fiduciary net position		
Contributions - employer	$	44,902
Benefit payments, including refunding of employee contributions		(44,902)
Net change is plan fiduciary net position		-
Plan fiduciary net position - beginning		-
Plan fiduciary net position - ending (b)	$	-
Net OPEB liability - ending (a)-(b)	$	964,539
Plan fiduciary net position as a percentage of the total OPEB liability		0.00 %
Covered-employee payroll	$	1,239,011
Net OPEB liability as a percentage of covered-employee payroll		77.85 %

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH CARE PLAN OF PICKENS COUNTY, GEORGIA
For the Year Ended December 31, 2018
"Unaudited"

Fiscal Year Ending December 31,	2018
Actuarially Determined Contribution	$ 44,902
Contributions in relation to the Actuarially Determined Contribution	44,902
Contribution deficiency (excess)	$ -
Expected covered-employee payroll	$ 1,239,011
Contributions as a percentage of covered-employee payroll	3.62 %

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
HEALTH CARE PLAN OF PICKENS COUNTY, GEORGIA
For the Year Ended December 31, 2018
"Unaudited"

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The County has elected to make an annual contribution equal to the benefit payments. The County share of net benefits is the difference between the expected benefit payments and the retiree contributions. It is sometimes referred to as "pay-as-you-go."

The expected benefit payments are actuarially determined to reflect the age difference between the overall covered group and the retiree group.

Actuarially determined contributions, which are based on the expected "pay-as-you-go" cost, and actual contributions are from the measurement periods ending December 31 of the year prior to the year-end of the reporting periods shown. This is the first valuation under GASB 75 for the reported Plan.

PICKENS COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2018
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 8,703,790	$ 8,703,790	$ 8,703,790	$ -
RESOURCES (INFLOWS)				
Taxes	18,309,800	18,309,800	18,325,735	15,935
Licenses and permits	392,500	392,500	445,799	53,299
Intergovernmental	1,933,531	1,942,126	1,749,983	(192,143)
Fines and forfeitures	314,700	314,700	289,413	(25,287)
Charges for services	3,618,234	3,618,234	3,097,855	(520,379)
Contributions and donations	-	69,800	83,902	14,102
Investment income	15,100	15,100	10,917	(4,183)
Miscellaneous	43,700	98,961	116,906	17,945
Sale of county property	-	22,604	37,382	14,778
Capital lease proceeds	402,000	402,000	218,490	(183,510)
Total Resources (Inflows)	25,029,565	25,185,825	24,376,382	(809,443)
AMOUNTS AVAILABLE FOR APPROPRIATION	33,733,355	33,889,615	33,080,172	(809,443)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	166,236	166,236	165,320	916
General administration	1,011,783	858,970	602,167	256,803
County clerk	117,708	117,708	116,498	1,210
Elections	334,408	334,408	265,733	68,675
Finance	379,597	385,597	385,486	111
Law	180,000	199,000	198,621	379
Human resources	113,470	113,470	100,702	12,768
Tax commissioner	561,046	561,046	528,638	32,408
Tax assessor	578,146	578,146	549,178	28,968
Buildings	420,728	528,728	528,426	302
Agencies	32,000	32,000	26,877	5,123
Total General Government	3,895,122	3,875,309	3,467,646	407,663
Judicial				
Judicial Administration	138,364	144,364	144,245	119
Superior court	196,760	214,760	213,793	967
Clerk of Superior court	565,620	549,620	536,577	13,043
District attorney	486,160	494,160	493,417	743
Magistrate court	450,287	450,287	425,512	24,775
Probate court	469,488	469,488	405,446	64,042
Juvenile court	413,465	413,465	386,456	27,009
Board of equalization	16,658	16,658	12,030	-
Public defender	661,657	645,657	590,294	55,363
Total Judicial	3,398,459	3,398,459	3,207,770	186,061
Public Safety				
Sheriff	3,660,685	3,838,994	3,838,369	625
Jail operation	2,550,886	2,739,181	2,737,940	1,241
Court services	27,500	52,500	51,619	881
Fire	4,447,431	4,177,046	4,145,474	31,572
Coroner/Medical Examiner	53,275	53,275	47,225	6,050
E-911/Communications center	696,618	696,618	599,609	97,009
School resource officers	384,740	384,740	347,598	37,142
Emergency Management Agency	167,659	182,472	165,912	16,560
Animal control	238,025	238,025	211,058	26,967
Total Public Safety	12,226,819	12,362,851	12,144,804	218,047

PICKENS COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2018
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CONTINUED.....				
Public Works				
Roadways and walkways	2,319,985	2,347,726	2,148,702	199,024
Solid waste and recycling	524,551	524,551	509,142	15,409
Maintenance and shop	144,730	144,730	141,313	3,417
Total Public Works	2,989,266	3,017,007	2,799,157	217,850
Public Health and Welfare				
Health department	2,750	7,750	7,301	449
Public health and welfare	119,606	113,106	98,217	14,889
Senior citizens center	24,300	25,800	25,407	393
Community Center	427,739	427,739	427,640	99
Transportation services	234,011	234,011	150,190	83,821
Total Public Health and Welfare	808,406	808,406	708,755	99,651
Recreation and Culture				
Parks and recreation	651,124	663,424	657,663	5,761
Library	315,440	315,440	314,728	712
Total Recreation and Culture	966,564	978,864	972,391	6,473
Housing and development				
Extention office	73,736	73,735	44,126	29,609
Building inspection	-	100	9	91
Planning and zoning	421,959	420,823	404,081	16,742
County marshall	106,961	106,998	96,025	10,973
Economic development	56,273	57,273	56,768	505
Total Housing and Development	658,929	658,929	601,009	57,920
Transfers out	86,000	86,000	119,749	(33,749)
TOTAL CHARGES TO APPROPRIATIONS	25,029,565	25,185,825	24,021,281	1,159,916
CHANGE IN FUND BALANCE	-	-	355,101	355,101
FUND BALANCE, End of year	$ 8,703,790	$ 8,703,790	$ 9,058,891	$ 355,101

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2018

	SPECIAL REVENUE FUNDS						
	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	EMERGENCY TELEPHONE SYSTEM	DRUG TASK FORCE	HOTEL/ MOTEL TAX	RESTRICTED PROGRAMS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS							
Cash	$ 18,922	$ 108,116	$ -	$ 211,306	$ 39,373	$ 228,398	$ 606,115
Investments	22,731	-	-	-	-	-	22,731
Receivables (net of allowance for uncollectibles)	-	-	78,393	40,776	51,041	338,491	508,701
Interfund receivables	-	-	-	8,855	-	268,775	277,630
TOTAL ASSETS	$ 41,653	$ 108,116	$ 78,393	$ 260,937	$ 90,414	$ 835,664	$ 1,415,177
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ 8,759	$ 25,775	$ 160,895	$ 195,429
Other accrued items	-	-	-	175,588	-	40,168	215,756
Interfund payables	224	-	-	-	-	319,753	319,977
TOTAL LIABILITIES	224	-	-	184,347	25,775	520,816	731,162
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - fines	-	-	-	-	40,933	-	40,933
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	40,933	-	40,933
FUND BALANCES							
Restricted:							
Judicial programs	41,429	-	-	-	-	314,848	356,277
Public safety programs	-	108,116	78,393	76,590	-	-	263,099
Housing and development programs	-	-	-	-	23,706	-	23,706
TOTAL FUND BALANCES	41,429	108,116	78,393	76,590	23,706	314,848	643,082
TOTAL LIABILITIES AND FUND BALANCES	$ 41,653	$ 108,116	$ 78,393	$ 260,937	$ 90,414	$ 835,664	$ 1,415,177

PICKENS COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	SPECIAL REVENUE FUNDS						
	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	EMERGENCY TELEPHONE SYSTEM	DRUG TASK FORCE	HOTEL/ MOTEL TAX	RESTRICTED PROGRAMS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ 99,523	$ -	$ 99,523
Intergovernmental	-	5,100	-	240,461	-	2,126,231	2,371,792
Fines and forfeitures	15,271	11,822	-	33,719	-	378,789	439,601
Charges for services	-	109,083	600,405	-	-	300,124	1,009,612
Contributions and donations	-	15,320	-	-	-	13,346	28,666
Investment income	283	293	-	117	4,932	1,253	6,878
Miscellaneous	-	-	231	-	-	13,624	13,855
TOTAL REVENUES	15,554	141,618	600,636	274,297	104,455	2,833,367	3,969,927
EXPENDITURES							
Current Expenditures							
Judicial	9,676	-	-	-	-	2,148,965	2,158,641
Public safety	-	86,628	1,111,565	202,557	-	-	1,400,750
Public health and welfare	-	-	-	-	-	295,405	295,405
Housing and development	-	-	-	-	39,649	-	39,649
Intergovernmental	7,874	-	-	100,123	75,594	295,958	479,549
Capital outlay	-	17,470	-	-	-	-	17,470
Principal	-	-	74,623	-	-	-	74,623
Interest	-	-	3,490	-	-	-	3,490
TOTAL EXPENDITURES	17,550	104,098	1,189,678	302,680	115,243	2,740,328	4,469,577
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(1,996)	37,520	(589,042)	(28,383)	(10,788)	93,039	(499,650)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	4,000	599,609	40,703	-	79,046	723,358
TOTAL OTHER FINANCING SOURCES (USES)	-	4,000	599,609	40,703	-	79,046	723,358
NET CHANGE IN FUND BALANCES	(1,996)	41,520	10,567	12,320	(10,788)	172,085	223,708
FUND BALANCES, Beginning of year	43,425	66,596	67,826	64,270	34,494	142,763	419,374
FUND BALANCES, End of year	$ 41,429	$ 108,116	$ 78,393	$ 76,590	$ 23,706	$ 314,848	$ 643,082

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
LAW LIBRARY SPECIAL REVENUE FUND
For the Year Ended December 31, 2018

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 43,425	$ 43,425	$ 43,425	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	17,000	17,000	15,271	(1,729)
Investment income	(1,000)	1,000	283	(717)
Total Resources (Inflows)	16,000	18,000	15,554	(2,446)
AMOUNTS AVAILABLE FOR APPROPRIATION	59,425	61,425	58,979	(2,446)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	18,000	18,000	17,550	450
TOTAL CHARGES TO APPROPRIATIONS	18,000	18,000	17,550	450
CHANGE IN FUND BALANCE	(2,000)	-	(1,996)	(1,996)
FUND BALANCE, End of year	$ 41,425	$ 43,425	$ 41,429	$ (1,996)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
SHERIFF'S LAW ENFORCEMENT SPECIAL REVENUE FUND
For the Year Ended December 31, 2018

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 66,596	$ 66,596	$ 66,596	$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	-	5,100	5,100
Fines and forfeitures	4,000	4,000	11,822	7,822
Charges for services	100,000	100,000	109,083	9,083
Contributions and donations	1,000	1,000	15,320	14,320
Investment income	-	-	293	293
Transfer in	-	-	4,000	4,000
Total Resources (Inflows)	105,000	105,000	145,618	40,618
AMOUNTS AVAILABLE FOR APPROPRIATION	171,596	171,596	212,214	40,618
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	105,000	105,000	104,098	902
TOTAL CHARGES TO APPROPRIATIONS	105,000	105,000	104,098	902
CHANGE IN FUND BALANCE	-	-	41,520	41,520
FUND BALANCE, End of year	$ 66,596	$ 66,596	$ 108,116	$ 41,520

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
EMERGENCY TELEPHONE SYSTEM SPECIAL REVENUE FUND
For the Year Ended December 31, 2018

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 67,826	$ 67,826	$ 67,826	$ -
RESOURCES (INFLOWS)				
Charges for services	590,000	590,000	600,405	10,405
Miscellaneous	-	-	231	231
Transfer in	600,000	600,000	599,609	(391)
Total Resources (Inflows)	1,190,000	1,190,000	1,200,245	10,245
AMOUNTS AVAILABLE FOR APPROPRIATION	1,257,826	1,257,826	1,268,071	10,245
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	1,190,000	1,190,000	1,189,678	322
TOTAL CHARGES TO APPROPRIATIONS	1,190,000	1,190,000	1,189,678	322
CHANGE IN FUND BALANCE	-	-	10,567	10,567
FUND BALANCE, End of year	$ 67,826	$ 67,826	$ 78,393	$ 10,567

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
DRUG TASK FORCE SPECIAL REVENUE FUND
For the Year Ended December 31, 2018

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 64,270	$ 64,270	$ 64,270	$ -
RESOURCES (INFLOWS)				
Intergovernmental	228,000	228,000	240,461	12,461
Fines and forfeitures	34,000	34,000	33,719	(281)
Investment income	-	-	117	117
Miscellaneous	1,000	1,000	-	(1,000)
Transfer in	40,000	40,000	40,703	703
Total Resources (Inflows)	303,000	303,000	315,000	12,000
AMOUNTS AVAILABLE FOR APPROPRIATION	367,270	367,270	379,270	12,000
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	303,000	303,000	302,680	320
TOTAL CHARGES TO APPROPRIATIONS	303,000	303,000	302,680	320
CHANGE IN FUND BALANCE	-	-	12,320	12,320
FUND BALANCE, End of year	$ 64,270	$ 64,270	$ 76,590	$ 12,320

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
For the Year Ended December 31, 2018

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 34,494	$ 34,494	$ 34,494	$ -
RESOURCES (INFLOWS)				
Taxes	116,000	116,000	99,523	(16,477)
Investment income	-	-	4,932	4,932
Total Resources (Inflows)	116,000	116,000	104,455	(11,545)
AMOUNTS AVAILABLE FOR APPROPRIATION	150,494	150,494	138,949	(11,545)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	116,000	116,000	115,243	757
TOTAL CHARGES TO APPROPRIATIONS	116,000	116,000	115,243	757
CHANGE IN FUND BALANCE	-	-	(10,788)	(10,788)
FUND BALANCE, End of year	$ 34,494	$ 34,494	$ 23,706	$ (10,788)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
RESTRICTED PROGRAMS SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2018

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 142,763	$ 142,763	$ 142,763	$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,759,673	1,940,673	2,126,231	185,558
Fines and forfeitures	584,300	584,300	378,789	(205,511)
Charges for services	240,381	240,381	300,124	59,743
Contributions and donations	-	-	13,346	13,346
Investment income	450	450	1,253	803
Miscellaneous	3,500	3,500	13,624	10,124
Transfer in	50,581	50,581	79,046	28,465
Total Resources (Inflows)	2,638,885	2,819,885	2,912,413	92,528
AMOUNTS AVAILABLE FOR APPROPRIATION	2,781,648	2,962,648	3,055,176	92,528
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	2,003,649	2,148,649	2,148,965	(316)
Public health and welfare	260,236	296,236	295,405	831
Intergovernmental	375,000	375,000	295,958	79,042
TOTAL CHARGES TO APPROPRIATIONS	2,638,885	2,819,885	2,740,328	79,557
CHANGE IN FUND BALANCE	-	-	172,085	172,085
FUND BALANCE, End of year	$ 142,763	$ 142,763	$ 314,848	$ 172,085

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

PICKENS COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
December 31, 2018

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash	$ 1,291,751	$ 307,026	$ 22,551	$ 233,646	$ 63,810	$ 1,918,784
TOTAL ASSETS	$ 1,291,751	$ 307,026	$ 22,551	$ 233,646	$ 63,810	$ 1,918,784
LIABILITIES						
Amounts held in trust	$ 1,291,751	$ 307,026	$ 22,551	$ 233,646	$ 63,810	$ 1,918,784
TOTAL LIABILITIES	$ 1,291,751	$ 307,026	$ 22,551	$ 233,646	$ 63,810	$ 1,918,784

PICKENS COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended December 31, 2018

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash						
Balance, January 1, 2018	$ 1,021,297	$ 1,063,826	$ 34,312	$ 249,233	$ 65,720	$ 2,434,388
Additions	41,196,688	1,461,625	422,238	303,934	637,489	44,021,974
Deductions	(40,926,234)	(2,218,425)	(433,999)	(319,521)	(639,399)	(44,537,578)
Balance, December 31, 2018	1,291,751	307,026	22,551	233,646	63,810	1,918,784
TOTAL ASSETS	$ 1,291,751	$ 307,026	$ 22,551	$ 233,646	$ 63,810	$ 1,918,784
LIABILITIES						
Due to County						
Balance, January 1, 2018	$ -	$ -	$ -	$ -	$ -	$ -
Additions	13,136,902	828,411	288,802	53,184	306,831	14,614,130
Deductions	(13,136,902)	(828,411)	(288,802)	(53,184)	(306,831)	(14,614,130)
Balance, December 31, 2018	-	-	-	-	-	-
Amounts held in trust						
Balance, January 1, 2018	1,021,297	1,063,826	34,312	249,233	65,720	2,434,388
Additions	28,059,786	633,214	133,436	250,750	330,658	29,407,844
Deductions	(27,789,332)	(1,390,014)	(145,197)	(266,337)	(332,568)	(29,923,448)
Balance, December 31, 2018	1,291,751	307,026	22,551	233,646	63,810	1,918,784
Total Liabilities						
Balance, January 1, 2018	1,021,297	1,063,826	34,312	249,233	65,720	2,434,388
Additions	41,196,688	1,461,625	422,238	303,934	637,489	44,021,974
Deductions	(40,926,234)	(2,218,425)	(433,999)	(319,521)	(639,399)	(44,537,578)
Balance, December 31, 2018	1,291,751	307,026	22,551	233,646	63,810	1,918,784
TOTAL LIABILITIES	$ 1,291,751	$ 307,026	$ 22,551	$ 233,646	$ 63,810	$ 1,918,784

PICKENS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended December 31, 2018

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	EXPENDITURES CURRENT YEAR
Special Local Option Sales Tax				
2014 Projects				
Road Improvements	$ 14,418,000	$ 14,418,000	$ 5,853,781	$ 3,000,806
Capital Improvements				
Public Safety	5,987,000	5,987,000	1,702,847	2,015,590
Library	2,000,000	2,000,000	100,000	33,176
Water and Sewer	800,000	800,000	-	-
Contractual Payments				
City of Jasper	6,000,000	6,000,000	2,462,409	984,438
City of Nelson	729,000	729,000	299,183	119,609
City of Talking Rock	66,000	66,000	27,086	10,829
Total 2014 Projects	$ 30,000,000	$ 30,000,000	$ 10,445,306	$ 6,164,448

PICKENS COUNTY, GEORGIA
Reconciliation of Expenditures for SPLOST
Year Ended December 31, 2018

Statement of Revenues, Expenditures and Changes in Fund Balance (page 5)		
	Expenditures	$ 6,164,448
Expenditures reported on Splost schedule		**$ 6,164,448**
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (page 75)		
	2014 SPLOST	$ 6,164,448
Total		$ 6,164,448

PICKENS COUNTY, GEORGIA
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

		Current Year		
State Program Name	Contract Number	Received	Expended	Amount Due from (to) State
Family Connections	93-181800114	$ 49,250	$ 49,250	$ 12,500

The above schedule has been prepared on the modified accrual basis of accounting.

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

June 20, 2019

Board of Commissioners
PICKENS COUNTY, GEORGIA
Jasper, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of PICKENS COUNTY, GEORGIA, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the PICKENS COUNTY, GEORGIA's basic financial statements, and have issued our report thereon dated June 20, 2019. Our report includes a reference to other auditors who audited the financial statements of the Pickens County Health Department, as described in our report on PICKENS COUNTY, GEORGIA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

TAX COMMISSIONER

2018-01

Statement of Condition:
During testing, we noted that the bank reconciliation for the Tax Commissioner's General Account was incorrectly reconciled for the fiscal year 2018.

Criteria:
An accurate bank reconciliation should be performed on a monthly basis.

Effect of Condition:
The risk of misappropriation and fraud increases when cash is not timely and accurately reconciled on a monthly basis.

Cause of Condition:
Deposits in transit were being recorded in QuickBooks as they were clearing the bank which creates a timing issue.

Recommendation:
We recommend the Tax Commissioner's QuickBooks file be updated to reflect current and appropriate bank reconciliation's for fiscal year 2018 and going forward. Also, that an additional monthly procedure of reviewing the bank reconciliation is implemented.

Response:
The Tax Commissioner's General Account was reconciled for the year regarding outstanding checks, the deposits in transit were not listed correctly. We will make sure that this is corrected going forward and in the correct format, as we will be working with the auditors to make sure that this doesn't happen again.

COMPLIANCE AND OTHER MATTERS

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

PICKENS COUNTY, GEORGIA'S RESPONSE TO FINDINGS

The PICKENS COUNTY, GEORGIA's response to the findings identified in our audit are described above. The PICKENS COUNTY, GEORGIA's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

PURPOSE OF THIS REPORT

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

Bates, Carter & Co., LLP