PICKENS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
(WITH INDEPENDENT AUDITOR'S REPORT)

Year Ended December 31, 2019

PICKENS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

August 27, 2020

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, 2019, 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, 2019, which represent 14.51%, (0.65)%, and 85.35%, 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, 2019, 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.

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, Budgetary Comparison Schedule - General Fund, and Budgetary Comparison Schedule - Restricted Programs 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 August 27, 2020 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, 2019. 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 $53,550,939 (net position) for the year reported. This represents an increase of $364,573 from the previous year.

Total net position is comprised of the following:

1. Net investment in capital assets equaled $50,893,441.
2. Net position of $4,351,136 are restricted for debt service, capital outlay, or by other constraints imposed by law or regulations.
3. At the end of 2019, unrestricted net position balance decreased by $(1,833,134) from $139,496 to $(1,693,638).

The County's governmental funds reported total ending fund balance of $12,396,179. This compares to the prior year ending fund balance of $12,155,979 showing an increase of $240,200 during the current year.

At the end of 2019, unassigned fund balance for the County's governmental funds was $7,443,233.

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, 2019 to the year ended December 31, 2018 as required by GASB Statement No. 34.

Comparative Schedule of Net Position
December 31

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Capital assets (net of depreciation)	$ 44,590,196	$ 43,246,119	$ 19,853,806	$ 19,216,241	$ 64,444,002	$ 62,462,360
Current and other assets	15,361,152	16,044,729	(2,552,597)	(1,809,935)	12,808,555	14,234,794
Total Assets	59,951,348	59,290,848	17,301,209	17,406,306	77,252,557	76,697,154
Total deferred outflows of resources	2,883,156	1,432,973	-	-	2,883,156	1,432,973
Long-term liabilities	12,804,228	9,491,046	12,088,785	12,206,253	24,893,013	21,697,299
Other liabilities	1,426,339	2,419,278	241,097	352,106	1,667,436	2,771,384
Total liabilities	14,230,567	11,910,324	12,329,882	12,558,359	26,560,449	24,468,683
Total deferred inflows of resources	24,325	475,078	-	-	24,325	475,078
Net Position:						
Net investment in capital assets	43,120,050	41,403,763	7,773,391	6,998,402	50,893,441	48,402,165
Restricted	4,351,136	3,806,983	-	837,722	4,351,136	4,644,705
Unrestricted	1,108,426	3,127,673	(2,802,064)	(2,988,177)	(1,693,638)	139,496
Total net position	$ 48,579,612	$ 48,338,419	$ 4,971,327	$ 4,847,947	$ 53,550,939	$ 53,186,366

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 $53,550,939 at December 31, 2019 compared to $53,186,366 at December 31, 2018. The total increase was $364,573.

The largest portion of net position, $50,893,441 (95%), 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 $4,351,136 (8%) 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 $(1,693,638) (-3.2%) of unrestricted net position.

The table below presents the County's condensed *Statement of Activities* for the year ended December 31, 2019 with comparative amounts for the year ended December 31, 2018.

Comparative Schedule of Changes in Net Position
December 31

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program revenues						
Charges for services	$ 5,245,725	$ 5,413,042	$ 3,354,960	$ 2,871,174	$ 8,600,685	$ 8,284,216
Operating grants and contributions	6,135,698	4,184,847	36,333	16,006	6,172,031	4,200,853
Capital grants and contributions	-	17,972	141,664	-	141,664	17,972
Subtotal for program revenues	11,381,423	9,615,861	3,532,957	2,887,180	14,914,380	12,503,041
General revenues						
Property taxes	13,111,108	13,001,906	-	-	13,111,108	13,001,906
Sales taxes	9,176,567	8,430,048	-	-	9,176,567	8,430,048
Insurance premium tax	1,730,464	1,613,886	-	-	1,730,464	1,613,886
Franchise tax	-	-	-	-	-	-
Other taxes	360,511	306,133	-	-	360,511	306,133
Interest and investment earnings	30,715	17,795	-	-	30,715	17,795
Other revenue	466,622	530,004	-	-	466,622	530,004
Grants and contributions not restricted to a specific program	52,228	49,496	-	-	52,228	49,496
Gain on sale of capital assets	152,320	37,382	1,401	19,000	153,721	56,382
Subtotal for general revenues	25,080,535	23,986,650	1,401	19,000	25,081,936	24,005,650
Total revenues	36,461,958	33,602,511	3,534,358	2,906,180	39,996,316	36,508,691
EXPENSES						
Program expenses						
General government	4,232,770	3,925,304	-	-	4,232,770	3,925,304
Judicial	6,039,643	5,670,717	-	-	6,039,643	5,670,717
Public safety	14,969,883	13,732,265	-	-	14,969,883	13,732,265
Public works	8,062,619	7,006,435	-	-	8,062,619	7,006,435
Health & welfare	635,002	614,966	-	-	635,002	614,966
Recreation & culture	1,119,412	1,080,781	-	-	1,119,412	1,080,781
Housing and development	844,471	757,693	-	-	844,471	757,693
Interest and paying agent fees	83,303	72,037	-	-	83,303	72,037
Water	-	-	2,609,295	2,404,269	2,609,295	2,404,269
Airport	-	-	1,035,345	649,732	1,035,345	649,732
Total expenses	35,987,103	32,860,198	3,644,640	3,054,001	39,631,743	35,914,199
Change in net position before transfers	474,855	742,313	(110,282)	(147,821)	364,573	594,492
Transfers	(233,662)	-	233,662	-	-	-
Change in net position	241,193	742,313	123,380	(147,821)	364,573	594,492
Net position, beginning of year	48,338,419	46,781,058	4,847,947	4,995,768	53,186,366	51,776,826
Change in accounting principle	-	815,047	-	-	-	815,047
Net position, beginning as restated	48,338,419	47,596,106	4,847,947	4,995,768	53,186,366	52,591,873
Net position, end of year	$ 48,579,612	$ 48,338,419	$ 4,971,327	$ 4,847,947	$ 53,550,939	$ 53,186,366

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 $25,080,535 in 2019 compared to $23,986,650 in 2018. This change is an increase of 4.56%.

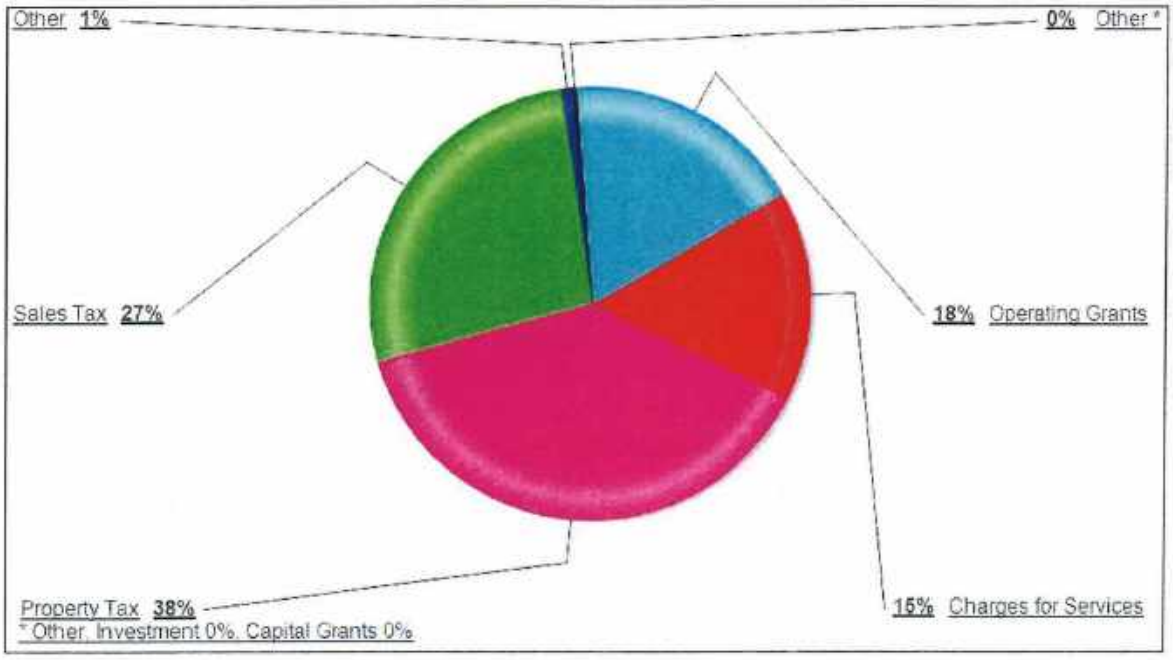
Governmental Activities Expenses by function as reflected in the table above show that during 2019, the County expended 42% for Public Safety, 17% for Judicial, 22% for Public Works, 12% for General Government, 3% for Culture and Recreation, 2% for Housing and Development, 2% for Health and Welfare, and 1% for Interest on Long-term debt.

As a comparative, during fiscal year 2018, the County expended 42% for Public Safety, 17% for Judicial, 12% 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.

Business-type activities decreased the County's net position by $123,380.

Revenues by Source

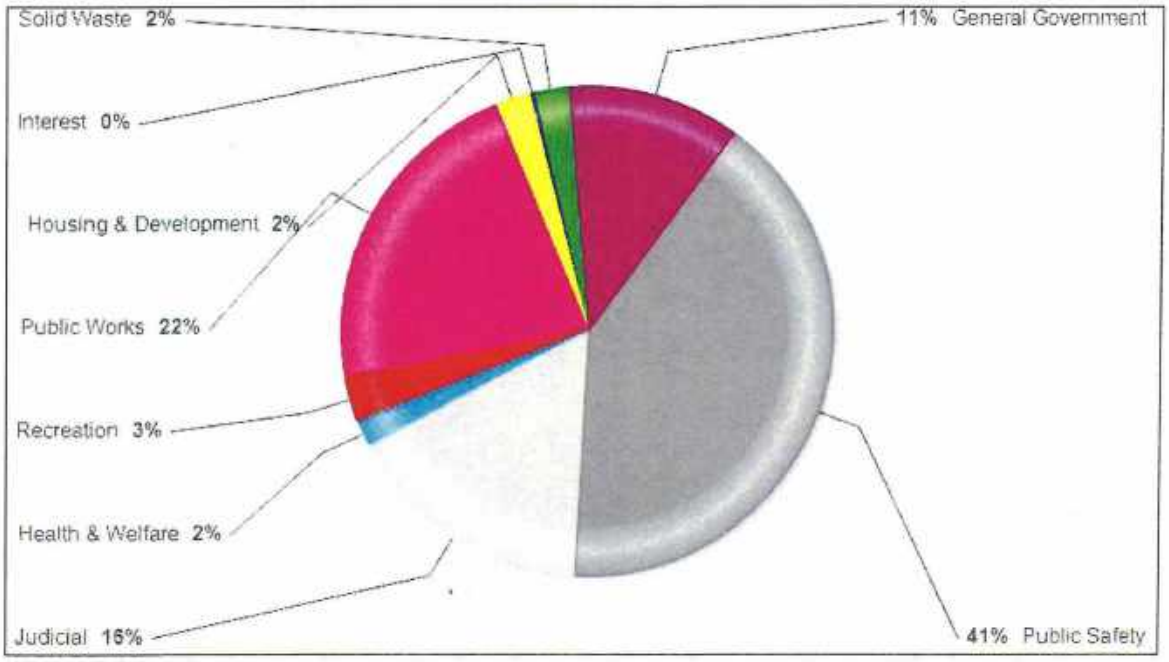
Government-Wide Activities



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

Expenses by Function

Government-Wide Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

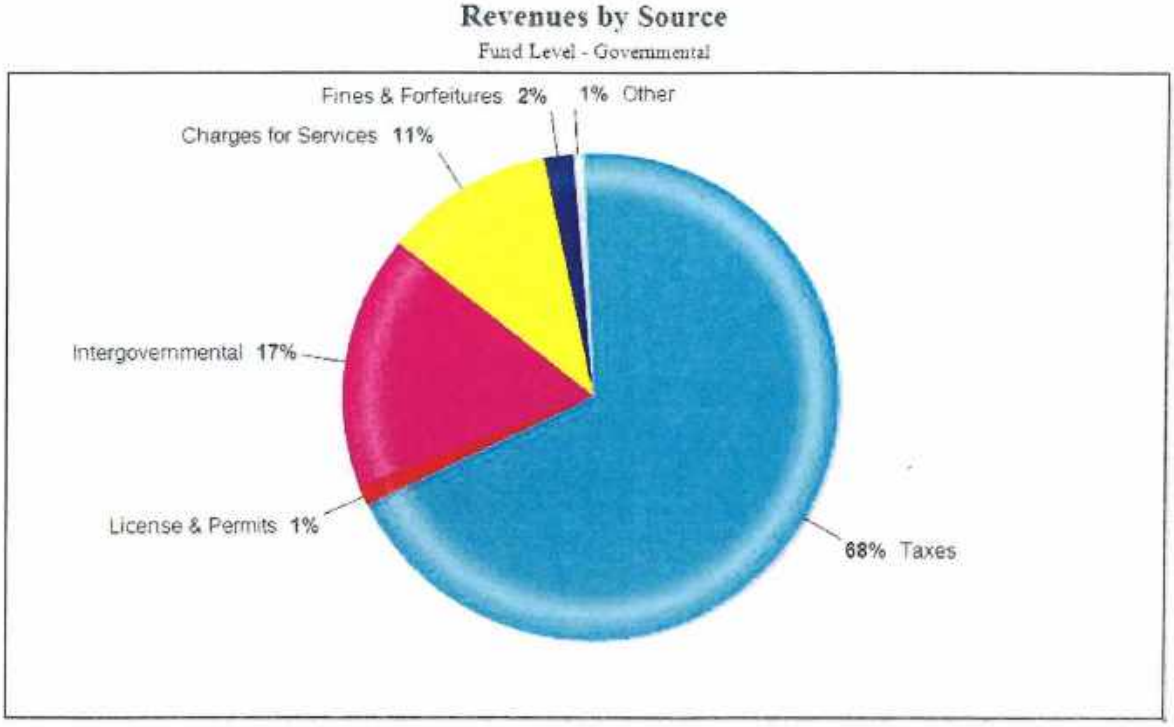
Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This information is useful in assessing the Government's financing requirements. Specifically, unassigned fund balance can be a useful measure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

The major governmental funds are the General Fund, SPLOST, and Restricted Programs. 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 $8,870,997. This compares to the prior year ending fund balance of $9,058,891 showing a decrease of $(187,894) during the current year. At the end of fiscal year 2019, unassigned fund balance for the County's governmental funds was $7,443,233.

Another of the County's major governmental funds is the SPLOST fund. The fund balance of the SPLOST fund increased by $357,369 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 $2,811,375 which is restricted for capital projects as outlined in the 2014 SPLOST referendum.

The County's other major governmental fund is the Restricted Programs fund. The fund balance of the Restricted Programs special revenue fund increased by $18,028 during the current fiscal year. The Restricted Programs fund is used to account for multiple court-administered reimbursement grants. The Restricted Programs fund has an ending fund balance of $332,876 which is restricted restricted specifically for the Judicial programs.

In 2019, governmental revenues increased $3,173,474 from 2018. 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 7.9% increase in revenues in the SPLOST fund. There was a 1.4% increase in revenues in the Restricted Programs 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, 2019 total $64,444,002 (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	
	2019	2018	2019	2018	2019	2018
Land and improvements	$ 4,751,023	$ 4,782,483	$ 2,001,557	$ 2,061,538	$ 6,752,580	$ 6,844,021
Construction in progress	118,253	387,942	6,159,979	7,727,221	6,278,232	8,115,163
Buildings	29,380,295	29,186,527	1,373,819	220,472	30,754,114	29,406,999
Machinery & equipment	2,156,116	2,337,980	543,375	535,853	2,699,491	2,873,833
Furniture & fixtures	-	-	-	-	-	-
Vehicles	2,455,284	2,336,920	93,284	124,446	2,548,568	2,461,366
Infrastructure	5,729,225	4,214,267	9,681,792	8,546,711	15,411,017	12,760,978
Total Assets	$ 44,590,196	$ 43,246,119	$ 19,853,806	$ 19,216,241	$ 64,444,002	$ 62,462,360

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

Long-term Debt. During 2019, the long-term debt of Pickens County's governmental activities increased $3,313,183. The inception of capital leases for the purchase of vehicles and equipment totaled $218,490 during 2019. The notes payable category decreased due to the continual repayment of debt. The net pension liability increased $2,663,214, and the net OPEB obligation decreased by $(61,202) due to contributions paid by the County and activity of the plans' fiduciary net position. Long-term debt decreased in business-type activities in the amount of $(117,468).

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Bonds payable	$ -	$ -	$ 10,511,938	$ 10,622,130	$ 10,511,938	$ 10,622,130
Capital leases	319,143	715,712	-	7,632	319,143	723,344
Notes payable	1,030,000	35,449	1,568,477	1,568,477	2,598,477	1,603,926
Landfill closure/postclosure	450,000	377,600	-	-	450,000	377,600
Compensated absences	347,492	306,703	8,370	8,014	355,862	314,717
Net pension liability	9,754,257	7,091,043	-	-	9,754,257	7,091,043
Net OPEB liability	903,337	964,539	-	-	903,337	964,539
Totals	$ 12,804,229	$ 9,491,046	$ 12,088,785	$ 12,206,253	$ 24,893,014	$ 21,697,299

Additional information regarding Pickens County's long-term debt and benefit plans can be found in Note 8 on pages 34 through 38 and Note 10 on pages 39 through 49 of this report.

ECONOMIC FACTORS AND THE 2020 BUDGET

- The 2019 millage rate decreased from 7.846 to 7.779 per $1,000 of valuation. The 2019 millage rate was a decrease of 0.67%, however the 2019 tax digest reflected an increase in overall valuation. The 2019 total County taxes levied increased $218,672 as compared to 2018.

- The 2020 budget was approved and adopted by the Board of Commissioners on December 19, 2019. The 2020 operating budget increased from $27,242,943 to $27,637,439, an increase of $394,496. 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, 2019

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash	$ 7,036,785	$ 800	$ 7,037,585	$ 533,549
Investments	23,193	-	23,193	-
Capital lease receivable	-	-	-	168,000
Receivables (net of allowance for uncollectibles)	3,747,430	262,996	4,010,426	60,595
Internal balances	2,910,636	(2,910,636)	-	-
Inventories	51,157	86,491	137,648	470
Prepaid items	550,653	-	550,653	-
Restricted assets:				
Cash	1,041,298	-	1,041,298	-
Customer deposits	-	7,752	7,752	-
Capital lease receivable	-	-	-	2,352,000
Net pension obligation	-	-	-	7,326
Capital assets:				
Capital assets not being depreciated	4,490,249	7,850,573	12,340,822	-
Capital assets being depreciated	69,179,919	22,655,737	91,835,656	157,737
Less: accumulated depreciation	(29,079,972)	(10,652,504)	(39,732,476)	(87,950)
Capital assets, net of depreciation	44,590,196	19,853,806	64,444,002	69,787
TOTAL ASSETS	59,951,348	17,301,209	77,252,557	3,191,727
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense	2,880,885	-	2,880,885	139,017
OPEB expense	2,271	-	2,271	129,148
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,883,156	-	2,883,156	268,165
TOTAL ASSETS & DEFERRED OUTFLOWS	62,834,504	17,301,209	80,135,713	3,459,892
LIABILITIES				
Accounts payable	578,153	172,983	751,136	1,961
Accrued interest payable	-	11,290	11,290	-
Other accrued items	848,186	25,967	874,153	-
Unearned revenue	-	30,857	30,857	859,392
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	243,244	5,859	249,103	8,848
Accrued landfill closure / postclosure	30,000	-	30,000	-
Notes from direct borrowings	92,598	-	92,598	-
Capital leases payable	300,193	-	300,193	-
Revenue bonds payable	-	780,671	780,671	75,299
Due in more than one year				
Compensated absences payable	104,247	2,511	106,758	8,848
Net pension liability	9,754,257	-	9,754,257	245,002
Net OPEB liability	903,337	-	903,337	402,100
Accrued landfill closure / postclosure	420,000	-	420,000	-
Notes from direct borrowings	937,402	1,568,477	2,505,879	-
Capital leases payable	18,950	-	18,950	-
Revenue bonds payable	-	9,731,267	9,731,267	1,578,840
TOTAL LIABILITIES	14,230,567	12,329,882	26,560,449	3,180,290
DEFERRED INFLOWS OF RESOURCES				
Pension expense	-	-	-	15,421
OPEB expense	24,325	-	24,325	134,131
TOTAL DEFERRED INFLOWS OF RESOURCES	24,325	-	24,325	149,552
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	14,254,892	12,329,882	26,584,774	3,329,842
NET POSITION				
Net investment in capital assets	43,120,050	7,773,391	50,893,441	69,787
Restricted for:				
Capital outlay projects	3,439,547	-	3,439,547	-
Judicial programs	569,839	-	569,839	-
Public safety programs	321,126	-	321,126	-
Health and welfare programs	-	-	-	32,003
Housing and development programs	20,624	-	20,624	-
Unrestricted	1,108,426	(2,802,064)	(1,693,638)	28,260
TOTAL NET POSITION	$ 48,579,612	$ 4,971,327	$ 53,550,939	$ 130,050

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

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	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTAL	COMPONENT UNITS
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	$ 4,232,770	$ 919,246	$ 16,784	$ -	$ (3,296,740)	$ -	$ (3,296,740)	$ -
Judicial	6,039,643	1,115,004	5,642,212	-	717,573	-	717,573	-
Public safety	14,969,883	2,265,101	412,380	-	(12,292,402)	-	(12,292,402)	-
Public works	8,062,619	409,380	-	-	(7,653,239)	-	(7,653,239)	-
Public health and welfare	635,002	25,015	64,322	-	(545,665)	-	(545,665)	-
Recreation and culture	1,119,412	211,929	-	-	(907,483)	-	(907,483)	-
Housing and development	844,471	300,050	-	-	(544,421)	-	(544,421)	-
Interest	83,303	-	-	-	(83,303)	-	(83,303)	-
Total Governmental Activities	35,987,103	5,245,725	6,135,698	-	(24,605,680)	-	(24,605,680)	-
BUSINESS-TYPE ACTIVITIES								
Water	2,609,295	2,622,072	36,333	-	-	49,110	49,110	-
Airport	1,035,345	732,888	-	141,664	-	(160,793)	(160,793)	-
Total Business-Type Activities	3,644,640	3,354,960	36,333	141,664	-	(111,683)	(111,683)	-
TOTAL PRIMARY GOVERNMENT	$ 39,631,743	$ 8,600,685	$ 6,172,031	$ 141,664	(24,605,680)	(111,683)	(24,717,363)	-
COMPONENT UNITS								
Health Department	$ 635,898	$ 328,561	$ 379,315	$ -	-	-	-	71,978
Development Authority	68,881	101,566	-	20,000	-	-	-	52,685
TOTAL COMPONENT UNITS	$ 704,779	$ 430,127	$ 379,315	$ 20,000	-	-	-	124,663
GENERAL REVENUES								
Property taxes					13,111,108	-	13,111,108	-
Sales taxes					9,176,567	-	9,176,567	-
Insurance premium taxes					1,730,464	-	1,730,464	-
Real estate recording taxes					360,511	-	360,511	-
Other taxes					466,622	-	466,622	-
Total taxes					24,845,272	-	24,845,272	-
Unrestricted investment earnings					30,715	-	30,715	192
Grants and contributions not restricted to a specific program					52,228	-	52,228	-
Gain on sale of capital assets					152,320	1,401	153,721	-
TRANSFERS					(233,662)	233,662	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					24,846,873	235,063	25,081,936	192
CHANGES IN NET POSITION					241,193	123,380	364,573	124,855
NET POSITION, Beginning					48,338,419	4,847,947	53,186,366	5,195
NET POSITION, Ending					$ 48,579,612	$ 4,971,327	$ 53,550,939	$ 130,050

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	GENERAL	SPLOST	RESTRICTED PROGRAMS	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash	$ 5,109,372	$ 1,380,911	$ 142,669	$ 403,832	$ 7,036,784
Investments	-	-	-	23,193	23,193
Receivables (net of allowance for uncollectibles)	2,749,064	530,050	320,066	148,250	3,747,430
Interfund receivables	3,099,224	-	234,494	20,904	3,354,622
Prepaid items	550,653	-	-	-	550,653
Inventories	51,157	-	-	-	51,157
Restricted assets:					
Cash	119,782	921,516	-	-	1,041,298
TOTAL ASSETS	11,679,252	2,832,477	697,229	596,179	15,805,137
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 11,679,252	$ 2,832,477	$ 697,229	$ 596,179	$ 15,805,137
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 492,604	$ 21,102	$ 30,886	$ 33,560	$ 578,152
Other accrued items	612,449	-	57,618	178,119	848,186
Interfund payables	167,908	-	275,849	229	443,986
TOTAL LIABILITIES	1,272,961	21,102	364,353	211,908	1,870,324
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	1,535,294	-	-	-	1,535,294
Unavailable revenue - fines	-	-	-	3,340	3,340
TOTAL DEFERRED INFLOWS OF RESOURCES	1,535,294	-	-	3,340	1,538,634
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,808,255	21,102	364,353	215,248	3,408,958
FUND BALANCES					
Nonspendable:					
Prepaid expenditure	550,653	-	-	-	550,653
Inventories	51,157	-	-	-	51,157
Restricted:					
Capital outlay projects	628,172	2,811,375	-	-	3,439,547
Judicial programs	197,782	-	332,876	39,181	569,839
Public safety programs	-	-	-	321,126	321,126
Housing and development programs	-	-	-	20,624	20,624
Unassigned	7,443,233	-	-	-	7,443,233
TOTAL FUND BALANCES	8,870,997	2,811,375	332,876	380,931	12,396,179
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 11,679,252	$ 2,832,477	$ 697,229	$ 596,179	$ 15,805,137

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, 2019

Total Fund Balances for Governmental Funds (page 3)		$ 12,396,179
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.		44,590,196
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property Taxes	1,535,294	
Fines	3,340	
		1,538,634
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	(9,754,257)	
Net deferred inflows (outflows) - pension expense	2,880,885	
Compensated absences	(347,491)	
Capital leases	(319,143)	
Net OPEB liability	(903,337)	
Net deferred inflows (outflows) - OPEB expense	(22,054)	
Notes payable	(1,030,000)	
Accrued landfill closure/postclosure	(450,000)	
		(9,945,397)
Total net position of governmental activities (page 1)		$ 48,579,612

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, 2019

	GENERAL	SPLOST	RESTRICTED PROGRAMS	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	$ 19,279,810	$ 5,394,078	$ -	$ 102,221	$ 24,776,109
Licenses and permits	470,932	-	-	-	470,932
Intergovernmental	3,656,246	-	2,301,648	159,343	6,117,237
Fines and forfeitures	287,639	-	340,556	88,954	717,149
Charges for services	2,925,036	-	214,301	819,844	3,959,181
Contributions and donations	9,525	-	17,001	44,163	70,689
Investment income	10,729	13,502	1,443	5,040	30,714
Miscellaneous	98,117	-	-	343	98,460
TOTAL REVENUES	26,738,034	5,407,580	2,874,949	1,219,908	36,240,471
EXPENDITURES					
Current Expenditures					
General government	3,588,495	-	-	-	3,588,495
Judicial	3,305,295	-	2,069,127	12,172	5,386,594
Public safety	11,831,467	245,678	-	1,503,683	13,580,828
Public works	2,925,051	3,023,254	-	-	5,948,305
Public health and welfare	224,522	-	372,228	-	596,750
Recreation and culture	1,013,168	-	-	-	1,013,168
Housing and development	638,970	-	-	30,338	669,308
Intergovernmental	-	1,208,599	490,619	140,554	1,839,772
Capital outlay	2,598,611	1,213,552	-	-	3,812,163
Debt service					
Principal	205,137	150,808	-	76,073	432,018
Interest	76,605	4,658	-	2,040	83,303
TOTAL EXPENDITURES	26,407,321	5,846,549	2,931,974	1,764,860	36,950,704
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	330,713	(438,969)	(57,025)	(544,952)	(710,233)
OTHER FINANCING SOURCES (USES)					
Sale of county property	154,095	-	-	-	154,095
Issuance of notes payable	-	1,030,000	-	-	1,030,000
Transfers in	-	-	75,053	597,649	672,702
Transfers out	(672,702)	(233,662)	-	-	(906,364)
TOTAL OTHER FINANCING SOURCES (USES)	(518,607)	796,338	75,053	597,649	950,433
NET CHANGE IN FUND BALANCES	(187,894)	357,369	18,028	52,697	240,200
FUND BALANCES, Beginning of year	9,058,891	2,454,006	314,848	328,234	12,155,979
FUND BALANCES, End of year	$ 8,870,997	$ 2,811,375	$ 332,876	$ 380,931	$ 12,396,179

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, 2019

Net change in fund balances (page 5)		$ 240,200
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	3,812,163	
Depreciation expense	(2,466,311)	
		1,345,852
In the statement of activities, only the gain/loss on the sale of various capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.		
Net book value of capital assets sold	(1,775)	
		(1,775)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	1,535,294	
Fines	3,340	
		1,538,634
Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities.		
Property taxes	(1,428,539)	
Fines	(40,933)	
		(1,469,472)
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	(1,030,000)	
Principal payments on long-term debt	432,018	
Accrued landfill closure/postclosure, current year	(450,000)	
Accrued landfill closure/postclosure, prior year	377,600	
		(670,382)
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	(347,492)	
Compensated absences, prior year	306,703	
		(40,789)
Net OPEB obligation is not available during the current period and therefore is not reported in the funds and changes in the OPEB plan actuarial assumptions are reported in the deferred outflows and deferred inflows.		
End of year - net OPEB liability	(903,337)	
Beginning of year - net OPEB liability	964,539	
End of year - deferred outflows	2,271	
Beginning of year - deferred outflows	(28,750)	
End of year - deferred inflows	(24,325)	
Beginning of year - deferred inflows	-	
		10,398
Net pension liability is not available during the current period and therefore is not reported in the funds and changes in the ACCG pension plan actuarial assumptions are reported in deferred outflows and deferred inflows.		
End of year - net pension liability	(9,754,257)	
Beginning of year - net pension liability	7,091,043	
End of year - deferred outflows	2,880,885	
Beginning of year - deferred outflows	(1,404,223)	
End of year - deferred inflows	-	
Beginning of year - deferred inflows	475,078	
		(711,474)
Rounding		1
Changes in net position of governmental activities (page 2)		$ 241,193

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER FUND	AIRPORT FUND	TOTAL
ASSETS			
Current Assets			
Cash	$ 800	$ -	$ 800
Receivables (net of allowance for uncollectibles)	249,226	13,770	262,996
Interfund receivables	131,585	-	131,585
Inventories	27,401	59,090	86,491
Restricted assets:			
Customer deposits	7,752	-	7,752
TOTAL CURRENT ASSETS	416,764	72,860	489,624
Noncurrent Assets			
Capital assets			
Capital assets not being depreciated	452,161	7,398,412	7,850,573
Capital assets being depreciated	19,680,672	2,975,065	22,655,737
Less: accumulated depreciation	(9,386,634)	(1,265,870)	10,652,504)
TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	10,746,199	9,107,607	19,853,806
TOTAL NONCURRENT ASSETS	10,746,199	9,107,607	19,853,806
TOTAL ASSETS	11,162,963	9,180,467	20,343,430
LIABILITIES			
Current Liabilities			
Accounts payable	130,650	42,333	172,983
Other accrued items	22,049	3,918	25,967
Interfund payables	2,150,833	891,388	3,042,221
Unearned revenue	20,357	10,500	30,857
Compensated absences payable	5,859	-	5,859
Revenue bonds payable	517,000	263,671	780,671
Accrued interest payable	11,290	-	11,290
TOTAL CURRENT LIABILITIES	2,858,038	1,211,810	4,069,848
Noncurrent Liabilities			
Compensated absences payable	2,511	-	2,511
Notes from direct borrowings	1,568,477	-	1,568,477
Revenue bonds payable	5,248,000	4,483,267	9,731,267
TOTAL NONCURRENT LIABILITIES	6,818,988	4,483,267	11,302,255
TOTAL LIABILITIES	9,677,026	5,695,077	15,372,103
NET POSITION			
Net investment in capital assets	3,412,722	4,360,669	7,773,391
Unrestricted	(1,926,785)	(875,279)	(2,802,064)
TOTAL NET POSITION	$ 1,485,937	$ 3,485,390	$ 4,971,327

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, 2019

	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	$ 2,430,523	$ -	$ 2,430,523
Water connection fees	191,548	-	191,548
Other	-	529	529
Charges for services-other	-	732,359	732,359
Total Operating Revenues	2,622,071	732,888	3,354,959
OPERATING EXPENSES			
Salaries and benefits	662,383	93,563	755,946
Other services and charges	1,096,334	511,460	1,607,794
Depreciation	669,889	127,211	797,100
Professional fees	-	6,678	6,678
Repairs and maintenance	-	21,916	21,916
Total Operating Expenses	2,428,606	760,828	3,189,434
OPERATING INCOME (LOSS)	193,465	(27,940)	165,525
NONOPERATING REVENUES (EXPENSES)			
Interest expense	(180,688)	(274,517)	(455,205)
Gain (loss) on sale of capital assets	1,401	-	1,401
Total Nonoperating Revenues (Expenses)	(179,287)	(274,517)	(453,804)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	14,178	(302,457)	(288,279)
Capital grants	-	141,664	141,664
Pledged as security for revenue bonds:			
Developers - Cash	36,333	-	36,333
Transfer in	233,662	-	233,662
CHANGE IN NET POSITION	284,173	(160,793)	123,380
TOTAL NET POSITION, Beginning of year	1,201,764	3,646,183	4,847,947
TOTAL NET POSITION, End of year	$ 1,485,937	$ 3,485,390	$ 4,971,327

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, 2019

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER FUND	AIRPORT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customer	$ 2,617,799	$ 721,730	$3,339,529
Payments to suppliers	(1,246,466)	(586,684)	1,833,150)
Payments to employees	(656,280)	(92,196)	(748,476)
Net cash provided by (used in) operating activities	715,053	42,850	757,903
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,093,529)	(304,805)	1,398,334)
Proceeds from sale of capital assets	1,401	-	1,401
Proceeds from new debt	-	394,808	394,808
Proceeds from capital grants	-	141,664	141,664
Transfers in	233,662	-	233,662
Principal payments on debt	(525,137)	-	(525,137)
Payments to escrow agent	12,505	-	12,505
Interest paid	(181,677)	(274,517)	(456,194)
Net cash provided (used) by capital and related financing activities	(1,552,775)	(42,850)	1,595,625)
Net increase (decrease) in cash and cash equivalents	(837,722)	-	(837,722)
CASH, Beginning of year	838,522	-	838,522
CASH, End of year	$ 800	$ -	$ 800
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ 193,465	$ (27,940)	$ 165,525
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	669,889	127,211	797,100
(Increase) decrease in:			
Accounts receivable	32,061	(13,770)	18,291
Inventory	-	(16,239)	(16,239)
Increase (decrease) in:			
Accounts payable	4,851	(88,263)	(83,412)
Compensated absences	356	-	356
Other accrued items	5,747	1,367	7,114
Deferred revenue	(36,333)	2,612	(33,721)
Interfund payables	(154,983)	57,872	(97,111)
Net cash provided by (used in) operating activities	$ 715,053	$ 42,850	$ 757,903

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2019

	AGENCY FUNDS
ASSETS	
Cash	$ 1,557,792
TOTAL ASSETS	$ 1,557,792
LIABILITIES	
Amount held in trust	$ 1,557,792
TOTAL LIABILITIES	$ 1,557,792

The accompanying notes are an integral part of this statement.

PICKENS COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2019

	HEALTH DEPARTMENT	INDUSTRIAL DEVELOPMENT AUTHORITY	TOTAL
ASSETS			
Cash	$ 325,001	$ 208,548	$ 533,549
Capital lease receivable	-	168,000	168,000
Receivables (net of allowance for uncollectibles)	60,595	-	60,595
Inventories	470	-	470
Non-current assets:			
Capital lease receivable	-	2,352,000	2,352,000
Net pension obligation	7,326	-	7,326
Capital assets:			
Capital assets being depreciated	157,737	-	157,737
Less: accumulated depreciation	(87,950)	-	(87,950)
Capital assets, net of depreciation	69,787	-	69,787
TOTAL ASSETS	463,179	2,728,548	3,191,727
DEFERRED OUTFLOWS OF RESOURCES			
Pension expense	139,017	-	139,017
OPEB expense	129,148	-	129,148
TOTAL DEFERRED OUTFLOWS OF RESOURCES	268,165	-	268,165
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	731,344	2,728,548	3,459,892
LIABILITIES			
Accounts payable	1,961	-	1,961
Unearned revenue	-	859,392	859,392
Noncurrent liabilities:			
Due within one year			
Compensated absences payable	8,848	-	8,848
Revenue bonds payable	-	75,299	75,299
Due in more than one year			
Compensated absences payable	8,848	-	8,848
Net OPEB liability	245,002	-	245,002
Net pension liability	402,100	-	402,100
Revenue bonds payable	-	1,578,840	1,578,840
TOTAL LIABILITIES	666,759	2,513,531	3,180,290
DEFERRED INFLOWS OF RESOURCES			
Pension expense	15,421	-	15,421
OPEB expense	134,131	-	134,131
TOTAL DEFERRED INFLOWS OF RESOURCES	149,552	-	149,552
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	816,311	2,513,531	3,329,842
NET POSITION			
Net investment in capital assets	69,787	-	69,787
Restricted for:			
Public health and welfare	32,003	-	32,003
Unrestricted	(186,757)	215,017	28,260
TOTAL NET POSITION	$ (84,967)	$ 215,017	$ 130,050

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, 2019

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	$ 635,898	$ 328,561	$ 379,315	$ -	$ 71,978	$ -	$ 71,978
Industrial Development Authority	68,881	101,566	-	20,000	-	52,685	52,685
TOTAL COMPONENT UNITS	$ 704,779	$ 430,127	$ 379,315	$ 20,000	71,978	52,685	124,663
GENERAL REVENUES							
Unrestricted investment earnings					55	137	192
TOTAL GENERAL REVENUES AND TRANSFERS					55	137	192
CHANGES IN NET POSITION					72,033	52,822	124,855
NET POSITION, Beginning					(157,000)	162,195	5,195
NET POSITION, Ending					$ (84,967)	$ 215,017	$ 130,050

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.

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 *Restricted Programs Fund* is used to account for multiple court administered state reimbursement grants restricted specifically for the Judicial Programs.

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 2019 taxes were levied October 4, 2019, and were due December 4, 2019. 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 2019 are to fund operations for the County's fiscal year beginning January 1, 2019.

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, 2019 are as follows:

Net investment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 73,670,168	$ 30,506,310
Less accumulated depreciation	(29,079,972)	(10,652,504)
Book value	44,590,196	19,853,806
Less capital related debt	(1,349,143)	(12,080,415)
Less capital related accounts payable	(121,003)	-
Net investment in capital assets	$ 43,120,050	$ 7,773,391

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 $4,351,136 of restricted net position, of which $176,875 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.	$ 197,782
Capital outlay projects - For unspent funds from LMIG grant, capital leases and other debt	628,172

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.	2,811,375
Restricted Programs	
Judicial 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.	332,876
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.	39,181
Subtotal - Restricted for Judicial Programs	39,181
Public Safety Programs -	
Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5.	117,070
Drug Task Force - To account for funds received to operate multi-jurisdictional drug enforcement agency that actively pursues all levels of illegal drug activity.	38,489
Sheriff's Special Revenue - to account for funds from seizures to be used for law enforcement activities.	165,567
Subtotal - Restricted for Public Safety Programs	321,126
Housing and Development Programs -	
Hotel/Motel Tax Fund - To account for funds received to promote tourism, conventions, and trade shows.	20,624
Total Restricted Fund Balance	$ 4,351,136

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, 2019, 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, 2019, 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, 2019, 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, 2019, 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	$ 23,193	$ 23,193	N/A
Total	$ 23,193	$ 23,193	
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	Restricted Programs	Nonmajor Governmental Funds
Receivables:				
Property Taxes	$ 1,808,615	$ -	$ -	$ -
Accounts	1,083,559	-	279,749	134,533
Intergovernmental	69,736	530,050	40,317	13,717
Total Gross Receivables	2,961,910	530,050	320,066	148,250
Less: Allowance for Uncollectibles	(212,846)	-	-	-
Total Net Receivables	$ 2,749,064	$ 530,050	$ 320,066	$ 148,250

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)	$ 1,535,294	$ -	$ 1,535,294
Hotel/Motel tax promissory note for payment in arrears (Nonmajor Funds)	3,340	-	3,340
Total unearned revenue for governmental funds	$ 1,538,634	$ -	$ 1,538,634

Property taxes receivable at December 31, 2019, consist of the following:

Digest Year	General Fund
2019	$ 985,573
2018	339,843
2017	159,946
2016	77,038
2015	54,296
2014	56,333
2013	46,744
2012	88,842
Total	$ 1,808,615

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	Airport Fund	Total
Receivables:			
Accounts	$ 265,758	$ 13,770	$ 279,528
Total Gross Receivables	265,758	13,770	279,528
Less: Allowance for Uncollectibles	(16,532)	-	(16,532)
Total Net Receivables	$ 249,226	$ 13,770	$ 262,996

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	$ 47,701
Intergovernmental	12,894
Total Gross Receivables	60,595
Less: Allowance for Uncollectibles	-
Total Net Receivables	$ 60,595

The lease receivable in the County's component units consisted of the following at December 31, 2019:

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.	$ 2,520,000
Less: Current portion	(168,000)
Long-term portion	$ 2,352,000

At December 31, 2019, scheduled maturities of the lease receivable were the following:

2020	$	168,000
2021		168,000
2022		168,000
2023		168,000
2024		168,000
2025 - 2029		840,000
2030 - 2034		672,000
Total maturities of lease receivable		2,352,000
Less unearned interest income		(859,392)
Total net book value of lease receivable	$	1,492,608

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended December 31, 2019, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 4,371,996	$ -	$ -	$ -	$ 4,371,996
Construction in progress	387,942	118,253	-	(387,942)	118,253
Total non-depreciable capital assets	4,759,938	118,253	-	(387,942)	4,490,249
Depreciable Assets:					
Land improvements	1,013,402	-	-	-	1,013,402
Buildings and improvements	37,493,960	626,649	-	387,942	38,508,551
Machinery and equipment	8,203,414	358,520	(44,320)	-	8,517,614
Vehicles	9,875,750	747,388	-	-	10,623,138
Infrastructure	8,555,861	1,961,353	-	-	10,517,214
Total depreciable capital assets	65,142,387	3,693,910	(44,320)	387,942	69,179,919
Less Accumulated Depreciation for:					
Land improvements	602,915	31,460	-	-	634,375
Buildings and improvements	8,307,433	820,823	-	-	9,128,256
Machinery and equipment	5,865,434	538,609	(42,545)	-	6,361,498
Vehicles	7,538,830	629,024	-	-	8,167,854
Infrastructure	4,341,594	446,395	-	-	4,787,989
Total accumulated depreciation	26,656,206	2,466,311	(42,545)	-	29,079,972
Total depreciable capital assets, net	38,486,181	1,227,599	(1,775)	387,942	40,099,947
Governmental activities capital assets, net	$ 43,246,119	$ 1,345,852	$ (1,775)	$ -	$ 44,590,196

Additions to governmental activities capital assets for the fiscal year ending December 31, 2019, consist of the following:

Capital Outlay	$ 3,812,163
Total	$ 3,812,163
Non-depreciable capital assets additions	$ 118,253
Depreciable capital assets additions	3,693,910
Total	$ 3,812,163

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

Governmental Activities:	
General Government	$ 538,646
Judicial	947,559
Public Safety	1,123
Public Works	772,461
Public Health and Welfare	38,253
Recreation and Culture	86,661
Housing and Development	81,608
Total depreciation expense-governmental activities	$ 2,466,311

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, 2019, 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:					
Recycle Center Property	$ 1,300,000	$ 10,000	$ -	$1,290,000	Recycle Center
Public Works Building	1,049,770	108,253	941,517	-	Public Works/ General Fund
Total Governmental Activities	$ 2,349,770	$ 118,253	$ 941,517	$1,290,000	

BUSINESS TYPE ACTIVITIES

Capital asset activity for the year ended December 31, 2019, 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	7,727,221	-	-	(1,567,243)	6,159,979
Total non-depreciable capital assets	9,417,815	-	-	(1,567,243)	7,850,573
Depreciable Assets:					
Land improvements	865,080	-	-	-	865,080
Infrastructure	16,435,832	1,027,996	-	662,278	18,126,106
Buildings and improvements	641,509	296,453	-	904,965	1,842,926
Machinery and Furniture	1,322,638	110,215	-	-	1,432,854
Vehicles	388,771	-	-	-	388,771
Total depreciable capital assets	19,653,830	1,434,664	-	1,567,243	22,655,737
Less Accumulated Depreciation for:					
Land improvements	494,136	59,981	-	-	554,117
Infrastructure	7,889,122	555,193	-	-	8,444,314
Buildings & Improvements	421,037	48,070	-	-	469,107
Machinery & Furniture	786,786	102,694	-	-	889,479
Vehicles	264,325	31,162	-	-	295,487
Total accumulated depreciation	9,855,406	797,100	-	-	10,652,504
Total depreciable capital assets, net	9,798,424	637,564	-	1,567,243	12,003,233
Business-type activities capital assets, net	$19,216,239	$ 637,564	$ -	$ -	$19,853,806

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

Business-type Activities:	
Water	$ 669,889
Airport	127,211
Total depreciation expense-business type activities	$ 797,100

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, 2019, 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 Water Treatment Plant	$ 1,100,000	$ 22,929	$ -	$ 1,077,071	GEFA Loan
Grandview Water Lines	1,413,000	45,549	-	1,367,451	GEFA Loan
North T-Hanger Area Development	100,700	92,700	-	8,000	Airport Authority Loan
Airport Improvements	5,923,726	5,923,726	-	-	FAA Grant/ DA Bonds
Airport Layout Plans	78,594	75,075	-	3,519	FAA Grant/State Grant
Total Business Type Activities	$ 8,616,020	$ 6,159,979	$ -	$ 2,456,041	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Depreciable Assets:				
Site Improvements	$ 74,694	$ -	$ -	$ 74,694
Machinery and Equipment	52,002	-	-	52,002
Furniture & Fixtures	11,030	-	-	11,030
Vehicles	20,011	-	-	20,011
Total depreciable capital assets	157,737	-	-	157,737
Less Accumulated Depreciation for:				
Site Improvements	16,722	6,297	-	23,019
Machinery and Equipment	28,715	5,175	-	33,890
Furniture and Fixtures	11,030	-	-	11,030
Vehicles	20,011	-	-	20,011
Total accumulated depreciation	76,478	11,472	-	87,950
Capital Assets, net	$ 81,259	$ (11,472)	$ -	$ 69,787

NOTE 7 - SHORT TERM DEBT

The County paid off a tax anticipitation note for operating purposes of $5,500,000 at a financial institution. The note carried an interest rate of 2.99% and matured on December 31, 2019. As of December 31, 2019, the principal was paid in full. The short term borrowings interest incurred and expensed for the period ended December 31, 2019 was $68,909.

Short-term liability activity for the year ended December 31, 2019, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Tax anticipation note	$ -	$ 5,500,000	$ (5,500,000)	$ -
Total short-term Liabilities	$ -	$ 5,500,000	$ (5,500,000)	$ -

NOTE 8 - LONG TERM DEBT

Long-term liability activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Notes from direct borrowings	$ 35,449	$ 1,030,000	$ (35,449)	$ 1,030,000	$ 92,598	$ 937,402
Capital leases	715,712	-	(396,569)	319,143	300,193	18,950
Net OPEB liability	964,539	3,196	(64,398)	903,337	-	903,337
Net pension liability	7,091,043	3,740,947	(1,077,733)	9,754,257	-	9,754,257
Landfill postclosure	377,600	127,988	(55,588)	450,000	30,000	420,000
Compensated absences	306,702	255,481	(214,691)	347,492	243,244	104,247
Governmental activities long-term liabilities	$ 9,491,045	$ 5,157,612	$ (1,844,428)	$ 12,804,229	$ 666,035	$ 12,138,193
Business-type Activities:						
Bonds payable	$ 10,622,130	$ 394,808	$ (505,000)	$ 10,511,938	$ 780,671	$ 9,731,267
Notes from direct borrowings	1,568,477	-	-	1,568,477	-	1,568,477
Capital leases	7,632	-	(7,632)	-	-	-
Compensated absences	8,014	5,966	(5,610)	8,370	5,859	2,511
Business-type activities long-term liabilities	$ 12,206,253	$ 400,774	$ (518,242)	$ 12,088,785	$ 786,530	$ 11,302,255

GOVERNMENTAL ACTIVITIES

Notes from Direct Borrowings

The County has entered into an agreement with the Association of County Commissioners of Georgia to finance the purchase of land to be used for a facility to build, maintain, and repair roads, streets, sidewalks, and bridges in the original amount of $1,030,000 with an outstanding balance of $1,030,000 and secured with collateral of the Property and Maintenance Shop Building. The County may exercise a prepayment option to terminate this agreement and change the timing of repayment of outstanding amounts. This note has semi-annual payments ranging of $58,031, with an interest rate of 3.33% and matures in 2029.

The annual requirements to amortize notes payable outstanding as of December 31, 2019, are as follows:

December 31,	Principal	Interest	Total
2020	$ 92,598	$ 23,463	$ 116,061
2021	94,769	21,293	116,062
2022	96,989	19,071	116,060
2023	99,263	16,799	116,062
2024	101,589	14,472	116,061
2025-2029	544,792	35,514	580,306
Total	$ 1,030,000	$ 130,612	$ 1,160,612

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, $240,384 was included in depreciation expense. The balance of these leases at December 31, 2019 is $319,143 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	$ 304,924
Vehicles	946,162
Less: Accumulated Depreciation	(659,679)
Total	$ 591,407

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, were as follows:

Year Ending December 31,	Governmental Activities
2020	$ 304,473
2021	19,089
2022	-
Total minimum lease payments	323,562
Less: amount representing interest (1.93% - 2.94%)	(4,419)
Present value of minimum lease payments	$ 319,143

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 and secured with collateral of the water service 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, 2019, the outstanding balance is $5,765,000. 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, 2019, 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, 2019, the bonds have an outstanding balance of $1,324,301, 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 County's outstanding bonds related to the Pickens County Airport are secured by a pledge by the Development Authority and contain a provision that if the County is unable to make its payment, outstanding amounts are due immediately.

The annual requirements to amortize bonds payable outstanding as of December 31, 2019, are as follows:

December 31,	Principal	Interest	Total
2020	$ 780,671	$ 314,626	$ 1,095,297
2021	811,634	284,442	1,096,076
2022	840,521	256,019	1,096,540
2023	869,303	226,404	1,095,707
2024	900,692	195,892	1,096,584
2025-2029	4,984,816	495,998	5,480,814
Total	$ 9,187,637	$ 1,773,381	$ 10,961,018
Series 2018 Bonds	1,324,301		
Total	$ 10,511,938		

Notes from Direct Borrowings

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 and secured with collateral of the water withdrawal permits and water treatment plant. As of December 31, 2019, 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.

The County's outstanding notes from direct borrowings related to business-type activities are secured by the County's full faith and credit and revenue-raising power (including its taxing power). The outstanding notes from direct borrowings related to business-type activities contain a provision that if the County is unable to make its payment, outstanding amounts are due immediately. The County's outstanding notes from direct borrowings do not contain a subjective acceleration clause.

DISCRETELY PRESENTED COMPONENT UNITS

Long-term debt activity for the *Health Department* for the year ended December 31, 2019, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 16,530	$ 10,264	$ (9,098)	$ 17,696	$ 8,848	$ 8,848
Net OPEB Liability	297,949	12,589	(65,536)	245,002	-	245,002
Net Pension Liability	328,196	128,654	(54,750)	402,100	-	402,100
Total long-term Liabilities	$ 642,675	$ 267,572	$ (118,598)	$ 664,798	$ 8,848	$ 655,950

Long-term debt activity for the *Industrial Development Authority* for the year ended December 31, 2019, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Bonds payable	$ 1,726,255	$ -	$ (72,116)	$ 1,654,139	$ 75,299	$ 1,578,840
Total long-term liabilities	$ 1,726,255	$ -	$ (72,116)	$ 1,654,139	$ 75,299	$ 1,578,840

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, 2019 is 3.20%. As of December 31, 2019, the outstanding balance is $1,654,139. This bond will mature in May 2035.

The annual requirements to amortize long-term debt as of December 31, 2019, are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 72,116	$ 72,503	$ 144,619
2021	75,299	69,474	144,773
2022	79,062	66,311	145,373
2023	82,787	62,991	145,778
2024	86,688	59,514	146,202
2025-2029	498,372	239,431	737,803
2030-2034	555,537	58,228	613,765
2035	204,278	11,118	215,396
Total	$ 1,654,139	$ 639,570	$ 2,293,709

NOTE 9 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of December 31, 2019, is as follows:

Due To	Due From					
	General Fund	Restricted Programs	Other Nonmajor Governmental Funds	Water Fund	Airport Fund	Total Due from Other Funds
General Fund	$ -	$ 56,774	$ 229	$ 2,150,833	$891,388	$ 3,099,224
Restricted Programs	15,419	219,075	-	-	-	234,494
Nonmajor Governmental Funds	20,904	-	-	-	-	20,904
Water Fund	131,585	-	-	-	-	131,585
Total Due to Other Funds	$ 167,908	$ 275,849	$ 229	$ 2,150,833	$891,388	$ 3,486,207

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, 2019, are as follows:

Transfers Out	Transfers in			
	Restricted Programs	Other Nonmajor Governmental Funds	Water Fund	Total Transfers Out
General Fund	$ 75,053	$ 597,649	$ -	$ 672,702
SPLOST	-	-	233,662	233,662
Total - Transfers in	$ 75,053	$ 597,649	$ 233,662	$ 906,364

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, 2018, (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	77
Terminated plan participants entitled to but not yet receiving benefits	128
Active employees participating in the Plan	150
Total number of Plan participants	355
Covered compensation for active participants	$ 6,813,847
Contributions as a percentage of covered payroll	15.82%

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, 2018, 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, 2018 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary Increases	4.50% - 6.50%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation Effective December 31, 2018, the expected long-term rate of return was revised to 7.00%

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, 2018 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 inflation

The discount rate used to measure the total pension liability was 7.00%. 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, 2018	$ 15,468,335	$ 8,377,292	$ 7,091,043
Changes for the year:			
Plan Change	-	-	-
Service cost	563,685	-	563,685
Interest	1,099,774	-	1,099,774
Difference between expected and actual experience	1,029,288	-	1,029,288
Assumption Change	895,492	-	895,492
Contribution-employer	-	1,077,733	(1,077,733)
Contribution-employee	-	334,523	(334,523)
Net investment income	-	(369,268)	369,268
Benefit payments	(598,066)	(598,066)	-
Administrative expense	-	(37,089)	37,089
Other charges	-	(80,874)	80,874
Net changes	2,990,173	326,959	2,663,214
Balances at December 31, 2019*	$ 18,458,508	$ 8,704,251	$ 9,754,257

* Measurement date of December 31, 2018

The following presents the County's net pension liability calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1 % Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 12,460,328	$ 9,754,257	$ 7,517,853

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

For the year ended December 31, 2019, the County recognized pension expense of $1,789,195. The required contribution for the year ended December 31, 2019 was $1,077,721.

At December 31, 2019, 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	$ 1,843,069	$ -
Changes of assumptions	1,037,816	-
Net difference between projected and actual earnings on pension plan investments	-	-
TOTAL	$ 2,880,885	$ -

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,	
2020	$ 961,671
2021	882,986
2022	699,355
2023	336,873
2024	-
Thereafter	-
	$ 2,880,885

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 $133,756 ($43,651 employer and $90,105 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, 2019, 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, 2019, (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	2.95 %

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 2019, the County contributed $36,498 to the plan.

Net OPEB Liability

The County's net OPEB liability is reported herein as of January 1, 2019 for the employer fiscal year and reporting period ending December 31, 2019. The values shown for this fiscal year and reporting period are based on a measurement date of January 1, 2019. The measurement of the total OPEB liability is based on a valuation date of January 1, 2019.

The total OPEB liability in the January 1, 2019 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	3.44%
Measurement date	4.10%
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, 2019.

The actuarial assumptions used were based on the pension valuation prepared by GEBCorp as of December 31, 2018. 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, 2018	$ 964,539	$ -	$ 964,539
Changes for the year:			
Service cost	25,288	-	25,288
Interest	32,082	-	32,082
Difference between expected and actual experience	(3,444)	-	(3,444)
Contribution-employer	-	36,498	(36,498)
Assumption Change	(50,730)	-	(50,730)
Benefit payments	(36,498)	(36,498)	-
Implicit subsidy credit	(27,900)	-	(27,900)
Other charges	-	-	-
Net changes	(61,202)	-	(61,202)
Balances at December 31, 2019*	$ 903,337	$ -	$ 903,337

*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 4.10%, 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 (3.10%) or 1-percentage-point higher (5.10%) than the current rate:

	1 % Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
County's net OPEB liability	$ 981,138	$ 903,337	$ 831,279

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	$ 806,717	$ 903,337	$ 1,014,572

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

For the year ended December 31, 2019, under GASB 75 the County's OPEB expense is $54,000.

At December 31, 2019, 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	$ 2,271	$ -
Changes of assumptions	-	24,325
TOTAL	$ 2,271	$ 24,325

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

Year Ended December 31,	
2020	$ (3,370)
2021	(3,370)
2022	(3,370)
2023	(4,880)
2024	(7,064)
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, 2019, 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, 2019:

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, 2019.

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, 2019, 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 2019. As a result, no balance sheet or income statement is presented in the audited financial statements of Pickens County at December 31, 2019.

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, 2019, the County paid $27,441 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, 2019.

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, 2019, the County has recorded a liability for its solid waste landfill of $450,000, 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 2019. 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, 2019, 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. Four 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.

The amount reported as the estimated amounts for the net pension liability, the other post-employment benefits (OPEB) liability, and related deferred inflows and outflows of resources qualify as significant estimates and are based on actuarial studies and projections.

NOTE 18 - HOTEL/MOTEL TAX

During the year ended December 31, 2019, the County had receipts of $102,221 and spent $78,740 to promote tourism, conventions, and trade shows. The total expenditures represent 77% 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 - SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus was reported to have surfaced in China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The spread of this virus (COVID-19) appeared in the United States and began to cause some operational disruptions in the first quarter of calendar year 2020. While this disruption is currently expected to be temporary, there is considerable uncertainty regarding the potential duration of the virus. Therefore, while management expects this matter could negatively impact operating results, the total financial impact and duration cannot be reasonably estimated at this time.

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY -
ACCG DEFINED BENEFIT PLAN
For the Year Ended December 31, 2019
"Unaudited"

For the Year Ended December 31,	2019	2018	2017	2016	2015
Net pension liability	$ 9,754,257	$ 7,091,043	$ 7,113,681	$ 3,218,002	$ 2,670,675
Covered payroll	$ 6,813,847	$ 6,761,050	$ 6,732,730	$ 6,261,763	$ 6,455,121
Net pension liability as a percentage of its covered payroll	143.15%	104.88%	105.66%	51.39%	41.37%
Plan fiduciary net position as a percentage of the total pension liability	47.20%	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, 2019
"Unaudited"

For the Year Ended December 31,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 986,766	$ 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	1,077,733	990,265	866,021	576,852	604,422	551,249	519,277	481,354	447,823	164,546
Contribution deficiency (excess)	$ (90,967)	$ (124,335)	$ (139,061)	$ (20,230)	$ (38,630)	$ (3,832)	$ -	$ -	$ 31,438	$ 231,950
County's covered payroll	$ 6,813,847	$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	15.82%	14.65%	12.86%	9.21%	9.36%	7.62%	7.29%	7.17%	6.54%	2.98%

PICKENS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - ACCG DEFINED BENEFIT PLAN
For the Year Ended December 31, 2019
"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, 2019 reported in that schedule:

Valuation Date	January 1, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, open
Remaining Amortization period	30 years
Asset Valuation method	Five-year smoothed market
Inflation Rate	2.00%
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, 2019
"Unaudited"

Fiscal Year Ending December 31,	2019	2018
Total OPEB liability		
Service cost	$ 25,288	$ 22,750
Interest	32,082	34,339
Differences between expected and actual experience	(3,444)	7,844
Changes in assumptions	(50,730)	26,958
Benefit payments	(36,498)	(44,902)
Implicit subsidy credit	(27,900)	(26,000)
Net changes in total OPEB liability	(61,202)	20,989
Total OPEB liability - beginning	964,539	943,550
Total OPEB liability - ending (a)	$ 903,337	$ 964,539
Plan fiduciary net position		
Contributions - employer	$ 36,498	$ 44,902
Benefit payments, including refunding of employee contributions	(36,498)	(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)	$ 903,337	$ 964,539
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %
Covered-employee payroll	$ 1,239,011	$ 1,239,011
Net OPEB liability as a percentage of covered-employee payroll	72.91 %	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, 2019
"Unaudited"

Fiscal Year Ending December 31,	2019	2018
Actuarially Determined Contribution	$ 36,498	$ 44,902
Contributions in relation to the Actuarially Determined Contribution	36,498	44,902
Contribution deficiency (excess)	$ -	$ -
Expected covered-employee payroll	$ 1,239,011	$ 1,239,011
Contributions as a percentage of covered-employee payroll	2.95 %	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, 2019
"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, 2019
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 9,058,891	$ 9,058,891	$ 9,058,891	$ -
RESOURCES (INFLOWS)				
Taxes	19,107,300	19,107,300	19,279,810	172,510
Licenses and permits	465,700	465,700	470,932	5,232
Intergovernmental	1,792,404	3,670,404	3,656,246	(14,158)
Fines and forfeitures	303,100	303,100	287,639	(15,461)
Charges for services	3,283,500	3,283,500	2,925,036	(358,464)
Contributions and donations	-	5,275	9,525	4,250
Investment income	10,100	10,100	10,729	629
Miscellaneous	150,500	167,790	98,117	(69,673)
Sale of county property	-	9,774	154,095	144,321
Capital lease proceeds	220,000	220,000	-	(220,000)
Total Resources (Inflows)	25,332,604	27,242,943	26,892,129	(350,814)
AMOUNTS AVAILABLE FOR APPROPRIATION	34,391,495	36,301,834	35,951,020	(350,814)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	172,981	172,981	169,061	3,920
General administration	701,153	663,653	662,641	1,012
County clerk	119,585	119,585	115,985	3,600
Elections	229,944	183,944	182,047	1,897
Finance	396,761	396,761	394,846	1,915
Law	180,000	213,000	212,487	513
Human resources	113,053	108,053	104,476	3,577
Tax commissioner	590,678	669,178	668,947	231
Tax assessor	569,003	558,003	557,803	200
Buildings	474,531	578,531	577,994	537
Agencies	32,000	28,000	27,441	559
Total General Government	3,579,689	3,691,689	3,673,728	17,961
Judicial				
Judicial Administration	222,173	249,173	249,062	111
Superior court	199,250	212,250	212,023	227
Clerk of Superior court	589,585	576,860	566,893	9,967
District attorney	564,118	428,118	418,479	9,639
Magistrate court	455,060	437,060	429,927	7,133
Probate court	466,202	416,202	402,071	14,131
Juvenile court	419,545	412,545	401,601	10,944
Board of equalization	16,658	16,658	12,393	4,265
Public defender	666,272	658,272	647,658	10,614
Total Judicial	3,598,863	3,407,138	3,340,107	67,031
Public Safety				
Sheriff	3,877,368	4,193,142	4,192,606	536
Jail operation	2,642,062	2,892,062	2,891,289	773
Court services	212,911	157,911	140,078	17,833
Fire	4,638,314	4,196,314	4,185,379	10,935
Coroner/Medical Examiner	53,275	53,275	50,498	2,777
E-911/Communications center	705,900	535,900	526,608	9,292
School resource officers	458,219	443,219	441,148	2,071
Emergency Management Agency	204,993	200,993	198,210	2,783
Animal control	248,491	318,491	318,308	183
Total Public Safety	13,041,533	12,991,307	12,944,124	47,183

PICKENS COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CONTINUED.....				
Public Works				
Roadways and walkways	2,332,330	4,422,330	4,422,089	241
Solid waste and recycling	574,105	588,105	587,417	688
Maintenance and shop	149,406	150,406	149,675	731
Total Public Works	3,055,841	5,160,841	5,159,181	1,660
Public Health and Welfare				
Health department	2,750	2,750	819	1,931
Public health and welfare	119,606	90,606	89,865	741
Senior citizens center	24,300	25,300	24,559	741
Community Center	35,646	37,646	37,071	575
Transportation services	130,515	115,515	109,279	6,236
Total Public Health and Welfare	312,817	271,817	261,593	10,224
Recreation and Culture				
Parks and recreation	677,598	683,598	679,985	3,613
Library	333,626	333,626	333,183	443
Total Recreation and Culture	1,011,224	1,017,224	1,013,168	4,056
Housing and development				
Extention office	73,735	76,735	75,787	948
Planning and zoning	421,959	418,249	417,082	1,167
County marshall	106,170	99,170	89,833	9,337
Economic development	56,273	56,273	56,268	5
Total Housing and Development	658,137	650,427	638,970	11,457
Transfers out	74,500	52,500	49,152	3,348
TOTAL CHARGES TO APPROPRIATIONS	25,332,604	27,242,943	27,080,023	162,920
CHANGE IN FUND BALANCE	-	-	(187,894)	(187,894)
FUND BALANCE, End of year	$ 9,058,891	$ 9,058,891	$ 8,870,997	$ (187,894)

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, 2019

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 314,848	$ 314,848	$ 314,848	$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,969,172	2,315,557	2,301,648	(13,909)
Fines and forfeitures	254,332	254,332	340,556	86,224
Charges for services	229,200	229,200	214,301	(14,899)
Contributions and donations	-	-	17,001	17,001
Investment income	600	600	1,444	844
Miscellaneous	10,000	10,000	-	(10,000)
Transfer in	74,755	123,755	75,053	(48,702)
Total Resources (Inflows)	2,538,059	2,933,444	2,950,003	16,559
AMOUNTS AVAILABLE FOR APPROPRIATION	2,852,907	3,248,292	3,264,851	16,559
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	1,893,440	2,069,236	2,069,128	108
Public health and welfare	250,637	373,226	372,228	998
Intergovernmental	393,982	490,982	490,619	363
TOTAL CHARGES TO APPROPRIATIONS	2,538,059	2,933,444	2,931,975	1,469
CHANGE IN FUND BALANCE	-	-	18,028	18,028
FUND BALANCE, End of year	$ 314,848	$ 314,848	$ 332,876	$ 18,028

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, 2019

	SPECIAL REVENUE FUNDS					
	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	EMERGENCY TELEPHONE SYSTEM	DRUG TASK FORCE	HOTEL/ MOTEL TAX	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS						
Cash	$ 17,216	$ 165,567	$ -	$ 181,987	$ 39,062	$ 403,832
Investments	23,193	-	-	-	-	23,193
Receivables (net of allowance for uncollectibles)	-	-	117,070	13,717	17,463	148,250
Interfund receivables	-	-	-	20,904	-	20,904
TOTAL ASSETS	$ 40,409	$ 165,567	$ 117,070	$ 216,608	$ 56,525	$ 596,179
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 999	$ -	$ -	$ -	$ 32,561	$ 33,560
Other accrued items	-	-	-	178,119	-	178,119
Interfund payables	229	-	-	-	-	229
TOTAL LIABILITIES	1,228	-	-	178,119	32,561	211,908
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - fines	-	-	-	-	3,340	3,340
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	3,340	3,340
FUND BALANCES						
Restricted:						
Judicial programs	39,181	-	-	-	-	39,181
Public safety programs	-	165,567	117,070	38,489	-	321,126
Housing and development programs	-	-	-	-	20,624	20,624
TOTAL FUND BALANCES	39,181	165,567	117,070	38,489	20,624	380,931
TOTAL LIABILITIES AND FUND BALANCES	$ 40,409	$ 165,567	$ 117,070	$ 216,608	$ 56,525	$ 596,179

PICKENS COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2019

	SPECIAL REVENUE FUNDS					
	LAW LIBRARY	SHERIFF'S LAW ENFORCEMENT	EMERGENCY TELEPHONE SYSTEM	DRUG TASK FORCE	HOTEL/ MOTEL TAX	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ 102,221	$ 102,221
Intergovernmental	-	-	-	159,343	-	159,343
Fines and forfeitures	15,390	7,107	-	66,457	-	88,954
Charges for services	-	100,813	719,031	-	-	819,844
Contributions and donations	-	44,163	-	-	-	44,163
Investment income	510	529	-	226	3,775	5,040
Miscellaneous	-	-	206	137	-	343
TOTAL REVENUES	15,900	152,612	719,237	226,163	105,996	1,219,908
EXPENDITURES						
Current Expenditures						
Judicial	12,172	-	-	-	-	12,172
Public safety	-	156,208	1,129,055	218,420	-	1,503,683
Housing and development	-	-	-	-	30,338	30,338
Intergovernmental	5,976	-	-	55,838	78,740	140,554
Principal	-	-	76,073	-	-	76,073
Interest	-	-	2,040	-	-	2,040
TOTAL EXPENDITURES	18,148	156,208	1,207,168	274,258	109,078	1,764,860
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(2,248)	(3,596)	(487,931)	(48,095)	(3,082)	(544,952)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	61,047	526,608	9,994	-	597,649
TOTAL OTHER FINANCING SOURCES (USES)	-	61,047	526,608	9,994	-	597,649
NET CHANGE IN FUND BALANCES	(2,248)	57,451	38,677	(38,101)	(3,082)	52,697
FUND BALANCES, Beginning of year	41,429	108,116	78,393	76,590	23,706	328,234
FUND BALANCES, End of year	$ 39,181	$ 165,567	$ 117,070	$ 38,489	$ 20,624	$ 380,931

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
LAW LIBRARY SPECIAL REVENUE FUND
For the Year Ended December 31, 2019

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 41,429	$ 41,429	$ 41,429	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	17,500	17,500	15,390	(2,110)
Investment income	1,000	1,000	510	(490)
Total Resources (Inflows)	18,500	18,500	15,900	(2,600)
AMOUNTS AVAILABLE FOR APPROPRIATION	59,929	59,929	57,329	(2,600)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	18,500	18,500	18,148	352
TOTAL CHARGES TO APPROPRIATIONS	18,500	18,500	18,148	352
CHANGE IN FUND BALANCE	-	-	(2,248)	(2,248)
FUND BALANCE, End of year	$ 41,429	$ 41,429	$ 39,181	$ (2,248)

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, 2019

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 108,116	$ 108,116	$ 108,116	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	8,000	8,000	7,107	(893)
Charges for services	104,000	104,000	100,813	(3,187)
Contributions and donations	45,000	45,000	44,163	(837)
Investment income	-	-	529	529
Transfer in	-	-	61,047	61,047
Total Resources (Inflows)	157,000	157,000	213,659	56,659
AMOUNTS AVAILABLE FOR APPROPRIATION	265,116	265,116	321,775	56,659
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	157,000	157,000	156,208	792
TOTAL CHARGES TO APPROPRIATIONS	157,000	157,000	156,208	792
CHANGE IN FUND BALANCE	-	-	57,451	57,451
FUND BALANCE, End of year	$ 108,116	$ 108,116	$ 165,567	$ 57,451

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, 2019

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 78,393	$ 78,393	$ 78,393	$ -
RESOURCES (INFLOWS)				
Charges for services	565,300	565,300	719,031	153,731
Miscellaneous	-	-	207	207
Transfer in	-	642,000	526,608	(115,392)
Total Resources (Inflows)	565,300	1,207,300	1,245,846	38,546
AMOUNTS AVAILABLE FOR APPROPRIATION	643,693	1,285,693	1,324,239	38,546
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	-	1,207,300	1,207,169	131
TOTAL CHARGES TO APPROPRIATIONS	-	1,207,300	1,207,169	131
CHANGE IN FUND BALANCE	565,300	-	38,677	38,677
FUND BALANCE, End of year	$ 643,693	$ 78,393	$ 117,070	$ 38,677

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, 2019

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 76,590	$ 76,590	$ 76,590	$ -
RESOURCES (INFLOWS)				
Intergovernmental	170,000	170,000	159,343	(10,657)
Fines and forfeitures	80,000	80,000	66,457	(13,543)
Investment income	-	-	226	226
Miscellaneous	5,000	5,000	137	(4,863)
Transfer in	20,000	20,000	9,994	(10,006)
Total Resources (Inflows)	275,000	275,000	236,157	(38,843)
AMOUNTS AVAILABLE FOR APPROPRIATION	351,590	351,590	312,747	(38,843)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	275,000	275,000	274,258	742
TOTAL CHARGES TO APPROPRIATIONS	275,000	275,000	274,258	742
CHANGE IN FUND BALANCE	-	-	(38,101)	(38,101)
FUND BALANCE, End of year	$ 76,590	$ 76,590	$ 38,489	$ (38,101)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

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

PICKENS COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
For the Year Ended December 31, 2019

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 23,706	$ 23,706	$ 23,706	$ -
RESOURCES (INFLOWS)				
Taxes	105,000	105,000	102,221	(2,779)
Investment income	5,000	5,000	3,775	(1,225)
Total Resources (Inflows)	110,000	110,000	105,996	(4,004)
AMOUNTS AVAILABLE FOR APPROPRIATION	133,706	133,706	129,702	(4,004)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	110,000	110,000	109,078	922
TOTAL CHARGES TO APPROPRIATIONS	110,000	110,000	109,078	922
CHANGE IN FUND BALANCE	-	-	(3,082)	(3,082)
FUND BALANCE, End of year	$ 23,706	$ 23,706	$ 20,624	$ (3,082)

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, 2019

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash	$ 818,611	$ 447,666	$ 22,522	$ 232,356	$ 36,637	$ 1,557,792
TOTAL ASSETS	$ 818,611	$ 447,666	$ 22,522	$ 232,356	$ 36,637	$ 1,557,792
LIABILITIES						
Amounts held in trust	$ 818,611	$ 447,666	$ 22,522	$ 232,356	$ 36,637	$ 1,557,792
TOTAL LIABILITIES	$ 818,611	$ 447,666	$ 22,522	$ 232,356	$ 36,637	$ 1,557,792

PICKENS COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended December 31, 2019

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF	TOTAL
ASSETS						
Cash						
Balance, January 1, 2019	$ 1,291,751	$ 307,026	$ 22,551	$ 233,646	$ 63,810	$ 1,918,784
Additions	41,816,829	2,026,401	375,963	237,565	513,844	44,970,602
Deductions	(42,289,969)	(1,885,761)	(375,992)	(238,855)	(541,017)	(45,331,594)
Balance, December 31, 2019	818,611	447,666	22,522	232,356	36,637	1,557,792
TOTAL ASSETS	$ 818,611	$ 447,666	$ 22,522	$ 232,356	$ 36,637	$ 1,557,792
LIABILITIES						
Due to County						
Balance, January 1, 2019	$ -	$ -	$ -	$ -	$ -	$ -
Additions	13,515,811	1,366,099	242,118	48,701	185,169	15,357,898
Deductions	(13,515,811)	(1,366,099)	(242,118)	(48,701)	(185,169)	(15,357,898)
Balance, December 31, 2019	-	-	-	-	-	-
Amounts held in trust						
Balance, January 1, 2019	1,291,751	307,026	22,551	233,646	63,810	1,918,784
Additions	28,301,018	660,302	133,845	188,864	328,675	29,612,704
Deductions	(28,774,158)	(519,662)	(133,874)	(190,154)	(355,848)	(29,973,696)
Balance, December 31, 2019	818,611	447,666	22,522	232,356	36,637	1,557,792
Total Liabilities						
Balance, January 1, 2019	1,291,751	307,026	22,551	233,646	63,810	1,918,784
Additions	41,816,829	2,026,401	375,963	237,565	513,844	44,970,602
Deductions	(42,289,969)	(1,885,761)	(375,992)	(238,855)	(541,017)	(45,331,594)
Balance, December 31, 2019	818,611	447,666	22,522	232,356	36,637	1,557,792
TOTAL LIABILITIES	$ 818,611	$ 447,666	$ 22,522	$ 232,356	$ 36,637	$ 1,557,792

PICKENS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended December 31, 2019

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	$ 8,854,587	$ 3,023,023
Capital Improvements				
Public Safety	5,987,000	5,987,000	3,718,437	1,506,443
Library	2,000,000	2,000,000	133,176	-
Water and Sewer	800,000	800,000	-	-
Contractual Payments				
City of Jasper	6,000,000	6,000,000	3,446,847	1,067,196
City of Nelson	729,000	729,000	418,792	129,664
City of Talking Rock	66,000	66,000	37,915	11,739
Total 2014 Projects	$ 30,000,000	$ 30,000,000	$ 16,609,754	$ 5,738,065

PICKENS COUNTY, GEORGIA
Reconciliation of Expenditures for SPLOST
Year Ended December 31, 2019

Statement of Revenues, Expenditures and Changes in Fund Balance (page 5)		
	Expenditures	$ 5,846,549
Subtotal		5,846,549
Less items not included as expenditures on SPLOST schedule below:		
Proceeds from notes from direct borrowings		(1,030,000)
Add back unspent proceeds		921,516
Subtotal of adjustments		(108,484)
Expenditures reported on Splost schedule		**$ 5,738,065**
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (page 73)		
	2014 SPLOST	$ 5,738,065
Total		$ 5,738,065

PICKENS COUNTY, GEORGIA
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

State Program Name	Contract Number	Current Year Received	Current Year Expended	Amount Due from (to) State
Family Connections	93-202000133 93-191900114	$ 49,322	$ 49,322	$ 11,915

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*

August 27, 2020

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, 2019, 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 August 27, 2020. 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:

Magistrate Court

2019-001

Statement of Condition:

Appropriate segregation of duties does not exist among custody, receipting, recording, distribution, reconciliation of cash accounts and other operational functions in the office.

Criteria:

Internal controls should be in place which provide reasonable assurance that an individual can not misappropriate funds without such actions being detected during the normal course of business.

Effect of Condition:

Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause of Condition:

This is caused by the limited number of employees in each office to perform all of the duties.

Recommendation:

We recommend the Court segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts.

Response:

Administration of the Pickens Magistrate Court has changed and internal controls have been implemented to allow adequate separation of duties even with limited staff.

2019-002 ***Statement of Condition:***
During testing, we noted funds held were not properly reconciled or accounted for during month close procedures.

Criteria:
Reporting should be in place to ensure funds held are accurate.

Effect of Condition:
The risk of not knowing for whom the funds belong.

Cause of Condition:
There is insufficient record keeping.

Recommendation:
We recommend that a report is implemented to agree balances held at the end of each month to the appropriate parties to whom these amounts will be paid.

Response:
The Magistrate Court has installed new computer software to reconcile and track funds held. This program provides reporting so that funds are accounted for and reconciled at the end of each month. This will ensure that accounting for funds held is accurate.

Tax Commissioner

2019-003 ***Statement of Condition:***
During testing, we noted that the bank reconciliation contained outstanding transactions that have been listed for more than 90 days amounting to $21,553.20.

Criteria:
An accurate bank reconciliation should be performed on a monthly basis and items outstanding for more than 90 days should be evaluated and removed from the bank reconciliation.

Effect of Condition:
The risk of misrepresenting the cash balance.

Cause of Condition:
There is not a process in place to review and remove outstanding checks from the bank reconciliation.

Recommendation:
We recommend the Tax Commissioner work to clear or adjust the balances and implement a process of clearing reconciling items from the bank reconciliation in a timely manner.

Response:
We rectified a large portion of those funds by tracking the recipients to the correct address (such as one business moving to another state). We have put policies in place to prevent checks from remaining outstanding longer than 90 days in the future.

Clerk of Court

2019-004

Statement of Condition:
The court is holding funds in its registry for an excessively long period of time.

Criteria:
Funds held should be disbursed to the appropriate party in a timely manner or remitted to the State of Georgia as unclaimed funds.

Effect of Condition:
Although the issue has not had a material effect on the financial statements, the court should not hold funds that are legally owed to others.

Cause of Condition:
Records for funds held from a previous Clerk's term are not detailed by case number.

Recommendation:
We recommend that the Court disburse the funds held in a timely manner, as legally feasible. Either court orders should be obtained to disburse the funds or the funds should be turned over to the state if unable to disburse.

Response:
The amount in the Court Registry was inherited to the current Clerk from previous administrations. In the three years the current Clerk has been in office, the balance held in the registry has decreased from $1,174,762 to $363,322, which also includes funds from open cases that are to remain in the account until the cases are concluded, so the amount to be reimbursed is actually lower than this stated amount.

The Clerk's office has made great strides to reduce this amount tremendously and feels it is best to try and get this money back to the people it is owed instead of turning it over to the state. There are Orders done that are not clear and by Judges that are no longer sitting and the previous Clerks records has many mistakes. The Clerk and Chief Judge believe that it needs to be looked into further with help from the County Attorney to collaborate to understand and interpret the unclear Orders. The incorrect discrepancies in the previous Clerks records will be subjected to further, independent examination. If there is no clear understanding of Orders after review and can come to no person to remit it, the Clerk will then turn that money over to the state after the 7 years that we are required to hold the money by law.

Law Library

2019-005 ***Statement of Condition:***
The Law Library does not record revenue and expenditure activities.

Criteria:
Reporting should be in place to ensure funds held are accurate.

Effect of Condition:
The risk of not knowing for where the monies are being received and spent.

Cause of Condition:
There is not a process in place to record activity on a monthly basis.

Recommendation:
We recommend that each month's activity is recorded and reconciled in a timely manner.

Response:
The Law Library is now utilizing accounting software to record and track Law Library bank account activity and complete bank reconciliations monthly.

Finance

2019-006 ***Statement of Condition:***
During the course of performing the audit, we discovered that there was a missing receivable from the Board of Education that was due to lack of timeliness in invoicing procedures.

Criteria:
Invoices should be issued to the appropriate party in a timely manner.

Effect of Condition:
Revenue in the current period is understated.

Cause of Condition:
The invoice for this reimbursement was sent to the Board of Education later than in previous years causing this receivable not to be recognized in the correct fiscal period.

Recommendation:
We recommend a control to be enacted to ensure invoices are processed timely and a review procedure put into place.

Response:
Corrective measures have been enacted with bi-annual invoice billing schedules to ensure processing of invoices and receipt of revenue in a timely manner.

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