

City of Pickens
Special Called
May 6, 2026
9:30 A.M.

The Mayor and City Council convened at Pickens City Hall, 219 Pendleton Street, Pickens, S.C. for a Special Called Meeting. Agendas were posted and sent to media on May 5, 2026.

Council Members in Attendance:

Mayor, Isaiah Scipio
Allie Winter, Mayor Pro-Tem
Council Member Danny Adams
Council Member Jonathan Baker
Council Member Cameron Rivers
Council Member Floyd Rogers
Council Member Ray Wilson

Staff:

Administrator, Tim O'Briant
Finance Director, Mandy Hess
Chief of Police, Randal Beach
Trey Adams, Public Works Director
Recreation Director, Jonathon Morris

(The minutes are a synopsis of the meeting, and they are not a verbatim discussion. Full viewing and recording of the meeting is available on the City of Pickens Web-page and Facebook. Also, the full agenda packet with all departmental reports are available in the City Clerk's office.)

WELCOME AND CALL TO ORDER:

Mayor Scipio called the special called meeting to order and welcomed those in attendance. Tim O'Briant further gave the invocation followed by the Pledge of Allegiance.

FY 2024 AUDIT PRESENTATION: (DRAFT COPY)

Larry Finney with Greene Finney Cauley, LLP did a power point presentation and wrote an extensive memorandum as it relates to the FY2024 Audit report and findings.

(the power point and memorandum are attached to the minutes as exhibit A)

- Mr. Finney did point out that during this 2024 audit it was noted that there are several suggestions regarding the City's unassigned fund balances continuing to decrease. This is an issue the City will need to address. Mr. Finney explained the City is currently borrowing funds from the Utility Fund, and the General Fund will have to pay those funds back.
- Mr. Finney advised the Mayor, Council and Staff to reach out to the Municipal Association of SC and the Appalachian Council of Government to obtain assistance and support during these challenging times.

Council discussed in light of the FY24 Audit and some of the concerns regarding reserve balances. The staff needs time to come back to Council with ways to trim the current budget and perhaps get in touch with AGOG and MASC for extra support.

The Administrator and Finance Director gave some points as it relates to the Audit report.

- *The City has improved financial structure by creating a separate investment account, though a utility operational account still needs to be established.*
 - *An account with the state was set up to separate and clarify funds, and internal financial processes have improved but remain incomplete.*
 - *The Finance Director emphasized that South Carolina law requires strict adherence to the adopted annual budget, and exceeding it is illegal unless supported by additional revenue through a formal amendment.*
 - *Long-standing issues with bank reconciliation persist because Wells Fargo's system cannot integrate with SmartFusion software.*
 - *An RFP was issued to seek compatible banks, but Wells Fargo was the only respondent, leaving no automated reconciliation option despite efforts to resolve the issue.*
 - *A preliminary 5-year analysis of the general fund has been completed, and a comparable review of the utility fund is underway. Although these analyses are not final, they will provide a much clearer picture of the city's current financial footing. Recent conversations with auditors raised concerns that the city's apparent cash reserves may be misleading. While the city shows a strong cash balance, much of that cash may actually be tied to borrowed funds rather than true available reserves. This realization has prompted a reassessment of the city's financial stability and the need for clearer, more accurate financial communication.*

>>Council concurred they have a lot of information to exam. They will meet (1) hour prior to the next work session and discuss these issues as it relates to the FY 2026 budget.

RESOLUTION ENDORSING SCDOT ROAD DIET FOR MAIN STREET:

The Administrator stated this was a resolution to support the road diet as it relates to Main Street.

Council discussed a proposed restriping project that would convert the current four-lane road into two travel lanes with a center turn lane, without altering any concrete. Parking spaces would be made 2 feet deeper with a 5-foot buffer to better accommodate larger trucks, and the entire change would be achieved through a new paint scheme. Although the road is technically striped for four lanes today, it cannot safely fit four cars side-by-side, so the new layout would reflect how the road already functions in practice. Drawings of the proposal are available in the office, and Councilman Wilson has been actively involved and supportive of the plan.

>>Mayor Scipio read the resolution and called for a motion. Motion was made by Council Member Floyd Rogers, seconded by Council Member Ray Wilson. All voted in favor with the exception of Council Member Danny Adams who opposed. Motion carried 5-1.

REQUEST FROM REX RICE FOR USE OF PICKENS AMPHITHEATER PROPERTY-CHARTERS OF FREEDOM DISPLAY:

Administrator O'Briant stated that Senator Rex Rice has asked the city to consider placing a Charter of Freedom display on the Amphitheater property, noting that the display materials are already completed and stored in his warehouse. The organization behind the project is seeking only an initial indication that the council is willing to work with them on identifying an appropriate spot on that site, which would allow them to continue fundraising and publicly promote the Amphitheater property as the intended location. This preliminary approval would not authorize construction, land transfer, or final

design decisions; it simply signals openness to collaboration. The group hoped for a response this week so they can determine whether to proceed with the city or pursue another host location, though all parties recognize that the full planning and installation process will take additional time.

>>Motion was made by Council Member Allie Winter to approve the request from Rex Rice to utilize space at the amphitheater for Charters of Freedom Display, motion was seconded by Council Member Floyd Rogers and unanimously approved. Council Member Cameron Rivers noted this motion is to begin working with the organization only. This was clarified it was to begin the process, and it is not open ended.

CONVENE INTO EXECUTIVE SESSION:

>>Mayor Scipio stated that the council has full authority to decide who may attend executive session. Council will want the administrator and finance director present as needed to assist with daily operations, and they prefer the clerk to stay so she can provide information from past meeting minutes. Beyond those roles, the Mayor emphasizes that the purpose is to help the council move forward and that everyone must recognize this is the council's executive session.

>>Motion was made by Council Member Danny Adams, seconded by Council Member Ray Wilson to convene into executive session for the stated purpose. All voted in favor with the exception of Council Member Floyd Rogers who opposed. Motion carried 5-1.

- a. Motion to enter into executive session to discuss employment, appointment, compensation, or promotion, demotion, discipline, or release of an employee, a student, or a person regulated by a public body or the appointment of a person to a public body as allowed by S.C. 30-4-70 (a) (1): evaluations and personnel matters as they relate to administration and finance.

RECONVENE INTO PUBLIC SESSION:

>>Council Member Ray Wilson moved to reconvene into public session. Motion was seconded by Council Member Floyd Rogers and unanimously passed.

>>Council Member Ray Wilson moved to break for lunch for (1) hour. Council Member Floyd Rogers seconded the motion and unanimously passed. (Council took a (1) hour lunch break)

>>at 1:41 p.m. Council Member Floyd Rogers made a motion to reconvene into executive session to continue discussions of the stated purposes. Motion was seconded by Council Member Danny Adams and unanimously passed. (it was noted Mayor Scipio had to leave and Mayor Pro-Tem Winter presided)

RECONVENE INTO PUBLIC SESSION:

>>Council Member Ray Wilson moved to reconvene back into public session, motion was seconded by Council Member Floyd Rogers and unanimously passed.

ACTION AS IT RELATES TO EXECUTIVE SESSION:

Mayor Pro-Tem Winter stated the executive session was productive with no need for action.

ADJOURNMENT:

Hearing no further business, Mayor Pro-Tem Winter called for the motion to adjourn. Motion was made by Council Member Ray Wilson, seconded by Council Member Floyd Rogers and unanimously passed. Pickens City Council stood adjourned at 2:32 p.m.

Respectfully Submitted:

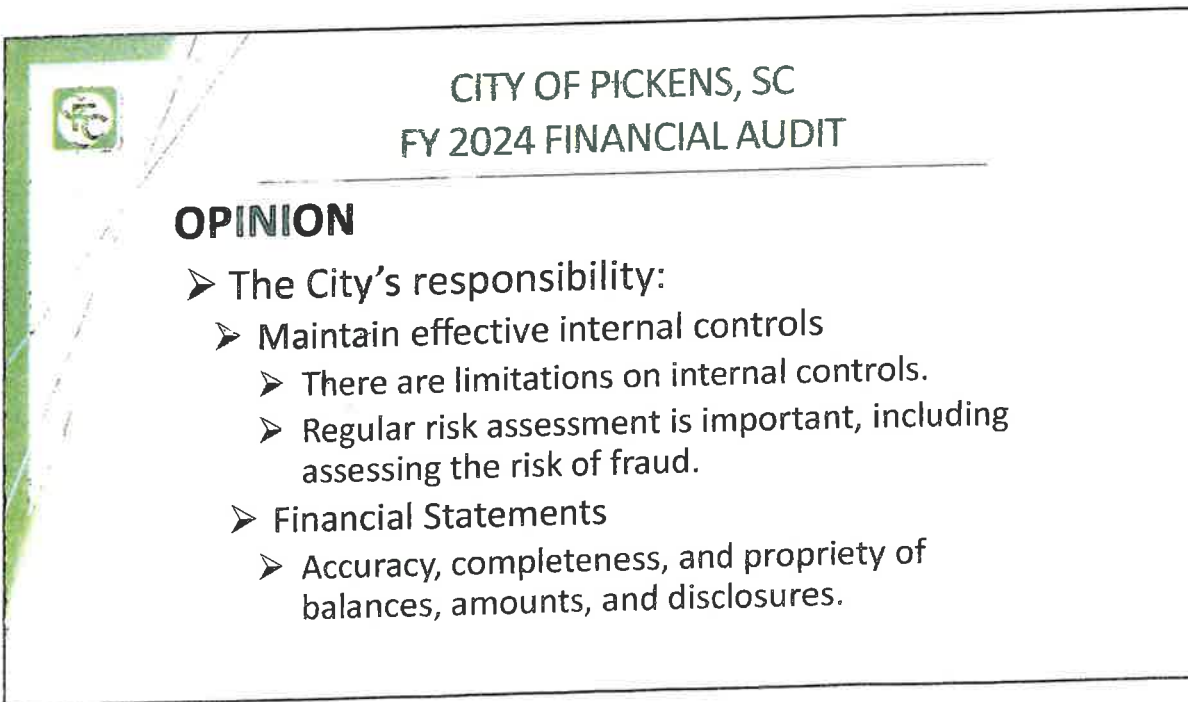
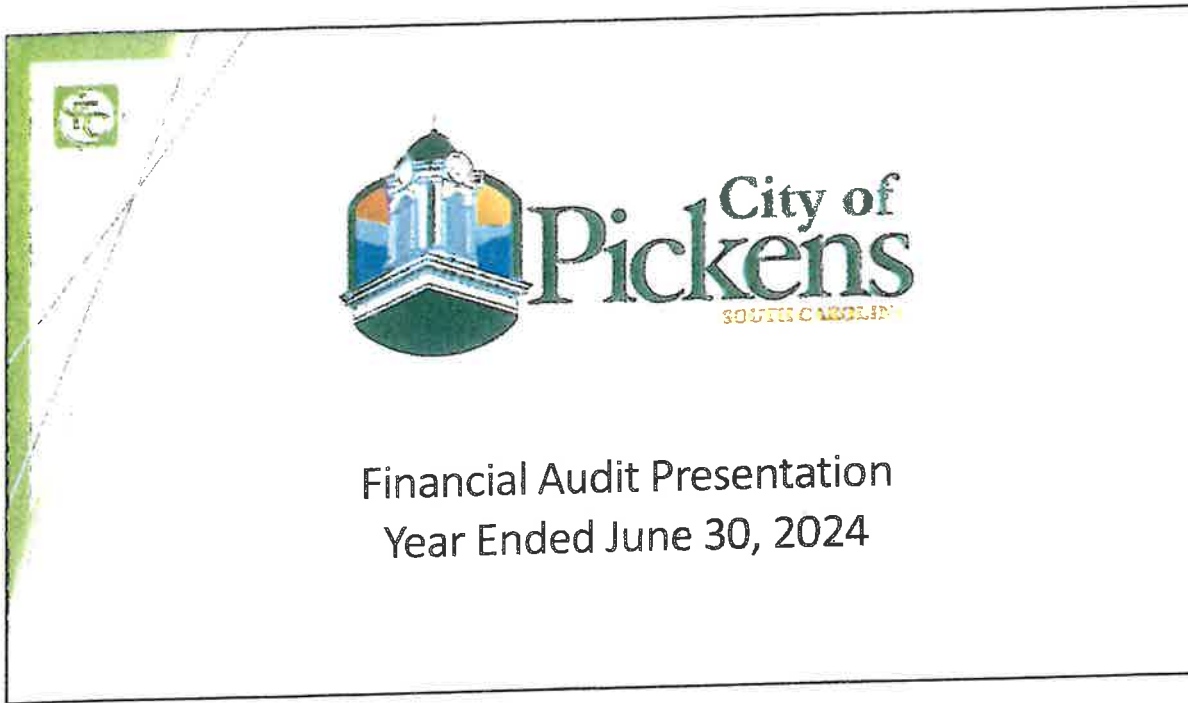
Approved:




Donna Owen, City Clerk



Mayor, Isaiah Scipio






CITY OF PICKENS, SC

FY 2024 FINANCIAL AUDIT

OPINION (CONTINUED)

- Greene Finney Cauley, LLP responsibility:
 - Opinion – reasonable assurance that financial statements are materially correct
 - Does not address the financial condition of the City
 - Purpose of the audit is not to detect fraud. We cannot take responsibility for finding fraud, if it existed.
 - Issued unmodified opinion
 - Prior period adjustments paragraph
 - Financial struggles paragraph



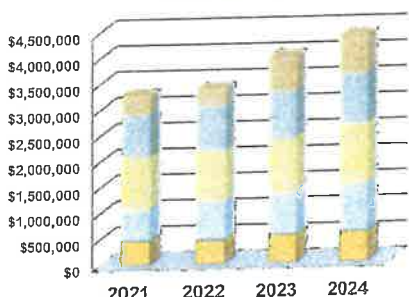
CITY OF PICKENS, SC

FY 2024 FINANCIAL AUDIT

General Fund Revenues:

- \$4.4M for 2024:
 - \$0.6 million from property taxes
 - \$0.9 million in fees, charges, and rentals
 - \$1.2 million in licenses, permits, and franchise fees
 - \$1.0 million in intergovernmental revenues
 - \$0.4 million in grants revenues
 - \$0.3 million for all other revenues
- \$0.4M increase from 2023
 - Primarily due to higher (a) Fees, Charges, and Rentals of \$123k, (b) business licenses of \$83k, (c) LOST revenues of \$48k, and (d) SRO revenue of \$56k.
- \$211k (5%) over budget
 - Same as noted above

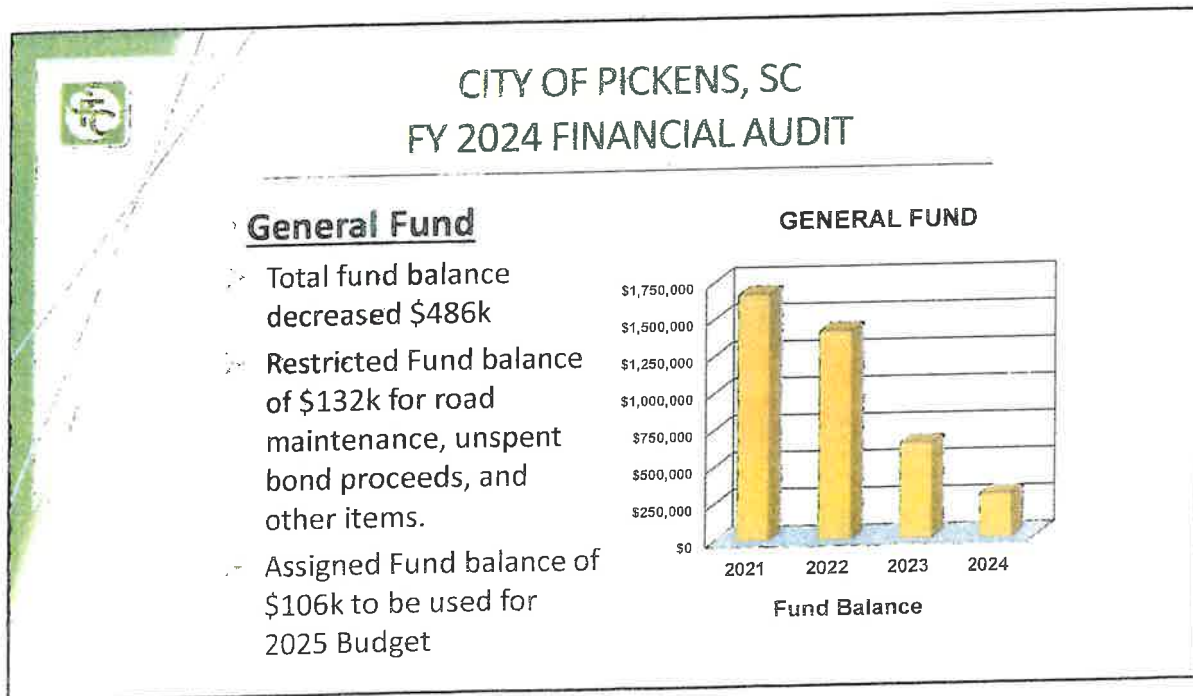
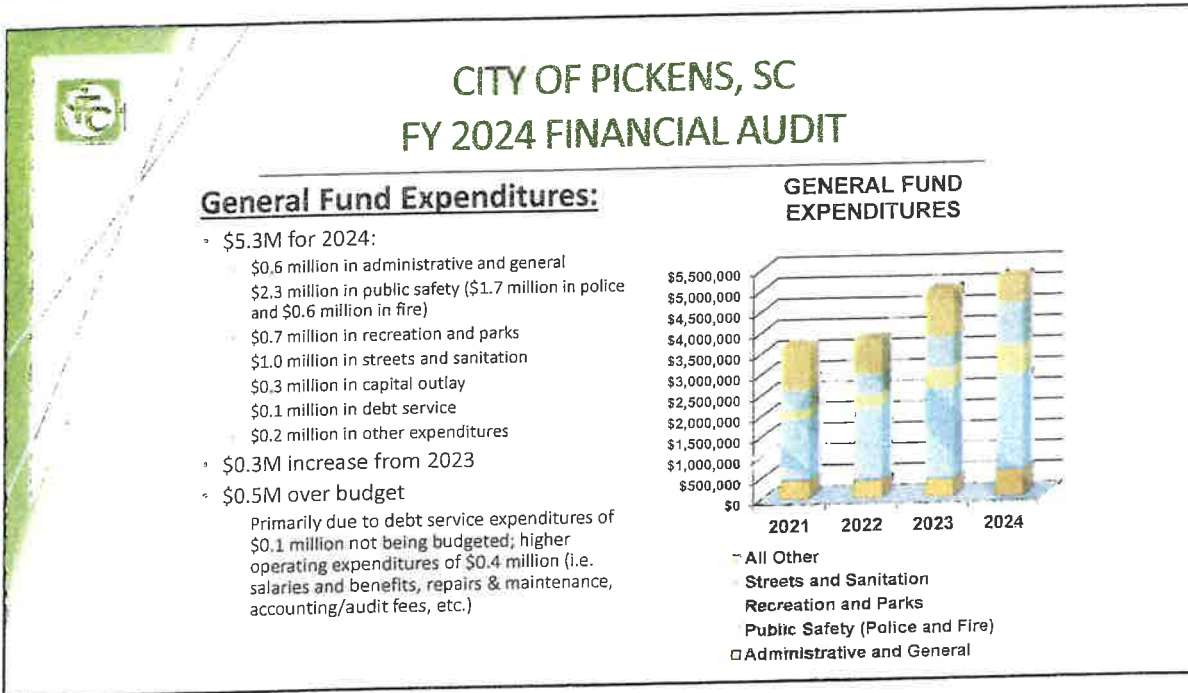
GENERAL FUND REVENUES




Year	Property Taxes	Fees, Charges, and Rentals	Intergovernmental Revenues	Licenses, Permits, and Franchise Fees	Other Revenues
2021	\$0.6M	\$0.9M	\$1.0M	\$1.2M	\$0.4M
2022	\$0.6M	\$0.9M	\$1.0M	\$1.2M	\$0.4M
2023	\$0.6M	\$0.9M	\$1.0M	\$1.2M	\$0.4M
2024	\$0.6M	\$0.9M	\$1.0M	\$1.2M	\$0.4M

Transfers In

- \$0.4M for 2024





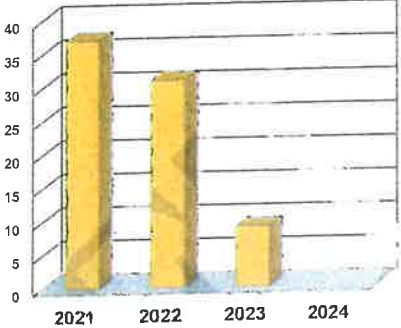
CITY OF PICKENS, SC

FY 2024 FINANCIAL AUDIT


General Fund

- Unassigned fund balance is \$0, which is 0% of 2024 actual expenditures (\$5.2m) and 0% of 2025 budgeted expenditures (\$5.3m).
- GFOA recommends a minimum of 16.7% (two months)
- Council's minimum fund balance policy requires unassigned fund balance to be 3-4 months (24%-32%) of General Fund operating expenditures.

GENERAL FUND



Year	Unassigned Fund Balance as a % of General Fund Expenditures
2021	38
2022	33
2023	12
2024	0



CITY OF PICKENS, SC

FY 2024 FINANCIAL AUDIT

Major Reasons To Maintain An Adequate Fund Balance:

- Cash flow through second half of calendar year; property taxes and business licenses are cyclical.
- Significant emergencies and unanticipated expenditures.
- Flexibility for discretionary funding needs.
- Potential for better interest rates on debt issues (can save the City money).
- To cover potential shortfalls from the state (a) due to budget cuts or (b) as a result of the change in legislation
- Extremely important given the uncertain economic times (health pandemic).



CITY OF PICKENS, SC FY 2024 FINANCIAL AUDIT

City's Financial Position


- The City has continued to experience significant decreases in its fund balance in the General Fund for the years ended June 30, 2022, 2023, and 2024 of approximately (\$254,000), (\$767,000), and (\$486,000), respectively.
- The City elected to claim reimbursements in FY 2024 for current and past Utility Fund improvement costs by drawing down from the US Bank bond proceeds account (related to the 2021B Refunding and Improvement Bonds).
- These funds were deposited in the General Fund in the City's pooled main operating account with a corresponding interfund payable to the Utility Fund.
- In order to gain an accurate picture of the General Fund's true cash position or its fund balance – you need to take the cash balances in the General Fund and reduce them by the net interfund payables (primarily to the Utility Fund) and other related net assets.
- Going forward, the City may have to borrow from the Utility Fund to pay some of its General Fund operating costs.



CITY OF PICKENS, SC FY 2024 FINANCIAL AUDIT

Other Funds


- **Hospitality Tax Fund** had approximately \$0.9 million in fund balance at year end, all of which was restricted for debt service or tourism related expenditures.
 - Revenues of \$0.7 million and expenditures of \$0.5 million.
 - Expenditures were primarily for salaries and employee benefits, tourism related events, and debt service payments.
 - Transfer out of \$113k for joint costs and overhead reimbursement to the General Fund.
- **Grants Fund** had approximately \$19k in fund balance at year end, all of which was restricted.



CITY OF PICKENS, SC FY 2024 FINANCIAL AUDIT

Utility Fund

- Had approximately \$20.9 million in net position at year end and an increase in net position of \$4.6 million:
 - Utility Fund operating revenues of \$3.6 million and operating expenses of \$3.3 million compared to 2023 operating revenues of \$3.5 million and operating expenses of \$4.0 million. Operating expenses decreased primarily due to lower pension costs (due to lower allocations of pension balances from the state retirement plan due to much lower headcount), partially offset by higher material and supplies, maintenance, and depreciation expense.
 - Nonoperating items of \$0.2 million – primarily interest expense on bonds
 - Contributions consist of \$4.6 million in capital grants (primarily SCIP grants) and \$0.3 million in capital improvement fee. Transfer out of \$0.3 million to the General Fund in lieu of payroll, property taxes, franchise fees, and to cover a greater portion of joint costs (that were budgeted and paid for in the General Fund).



CITY OF PICKENS, SC FY 2024 FINANCIAL AUDIT

Net Pension Liability:

- Relates to the City's proportionate shares of the net pension liabilities and deferred outflows/inflows of resources related to the City's participation in the South Carolina Retirement System and the SC Police Officers Retirement System ("Plans").
- Total Net Pension Liability ("NPL") of \$3.9 million (\$4.4 million in the prior year) on the City's government-wide Statement of Net Position for 2024.
 - Decrease in the NPL of \$0.5 million from the prior year is primarily due to less staff in the Utility Fund (via contracting with Clear Water Solutions), partially offset by more staff and higher salaries in the governmental funds.
 - PEBA approved continuing rate increases of 1% each year until a final employer rate of 18.56% and 21.24% for the SCRS and PORS, respectively, is achieved (was achieved in FY 2024).
 - No net impact on governmental funds but does impact the Utility Fund and the government-wide financial statements.

Significant pension disclosures in Note IV.B.



CITY OF PICKENS, SC FY 2024 FINANCIAL AUDIT

Other Items of Note – Capital Assets:


- Total capital assets were \$33.1 million at June 30, 2024 – increase of \$4.5 million from June 30, 2023:
 - Total capital asset additions of \$6.4 million which consisted of:
 - Water system upgrade project
 - Several vehicles and equipment related items (most notably a backhoe and diesel generator).
 - Other building improvements.
 - Depreciation expense of \$1.9 million.



CITY OF PICKENS, SC FY 2024 FINANCIAL AUDIT

Other Items of Note – Long-term Obligations:

- Total long-term obligations outstanding at June 30, 2024 were \$10.4 million – decrease of \$0.9 million from June 30, 2023:
 - Principal payments of \$0.9 million made during 2024.
- Debt services payments are estimated to be \$1.1 million for 2025 (\$0.3 million for governmental activities debt and \$0.8 million for business-type activities).



CITY OF PICKENS, SC FY 2024 FINANCIAL AUDIT


AUDITING/ACCOUNTING UPDATE:

Future Significant Changes in Auditing Principles:

- None

Future Significant Changes in Accounting Principles:

- GASB Statement #101 "*Compensated Absences*" – a government should recognize a liability for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through. This will be applicable for the City for FY 2025.
- GASB Statement #102 "*Certain Risk Disclosures*" – need to assess and disclose significant concentrations and constraints that could expose the City to substantial financial risk. This will be applicable for the City for FY 2025.
- GASB #103 "*Financial Reporting Model Improvements*" – this will primarily require (a) more robust management's discussion and analysis, (b) change in the presentation of the enterprise funds statements of revenues and expenses and changes in fund balances, and (c) budgetary comparison explanations. This will be applicable for the City for FY 2026.
- GASB #104 "*Disclosure of Certain Capital Assets*" – will require more disclosure for certain types of capital assets (i.e. leases, SBITA's, assets held for sale, etc.). This will be applicable for the City for FY 2026.



CITY OF PICKENS, SC FY 2024 FINANCIAL AUDIT

Management Letter

- Required communications to management and those charged with governance – four comments
 - Formalize Policies and Procedures and Bank Accounts
 - Financial Struggles - Unassigned Fund Balance
 - Budget
 - Professional Support – MASC/ACOG

Compliance

- Three audit findings were noted for FY 2024
 - Accounting Cutoff – material weakness
 - Annual Report – compliance finding
 - ARPA Reporting – single audit



CITY OF PICKENS, SC FY 2024 FINANCIAL AUDIT

Summary

- Unmodified opinion on the Financial Statements from Greene Finney Cauley, LLP.
- The City needs to tighten its belt to improve its fund balance (City will need to raise revenues, cut expenditures, or a combination of both).
- We would highly encourage the City to reach out to MASC or Appalachian Council of Governments to get some ongoing municipal assistance to deal with these challenging times.

April 30, 2026

The Honorable Mayor and Members of City Council
City of Pickens
Pickens, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pickens (the "City") for the year ended June 30, 2024 ("2024"). Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 9, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. No new significant accounting policies were adopted and the application of existing policies was not significantly changed during 2024. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant sensitive estimates affecting the City's financial statements were:

Management's estimates of the useful lives of capital assets and the resulting depreciation expense are based on historical data and industry standards. Management's estimate of property taxes, utility, and other receivables and the corresponding allowances for uncollectible accounts is based on information provided by the County and/or historical collection rates. Management's estimate of the compensated absences liability is based on historical usage patterns. Management's estimate of the net pension liabilities and deferred outflows/inflows of resources is based on an actuarial valuation (the actuarial valuation assumptions are based on accounting requirements, actuarial standards, historical data, and industry trends) prepared and certified by an independent actuary. We evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. For purposes of this communication, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the City's financial reporting process (that may or may not cause future financial statements to be materially misstated). Since it is inherently judgmental to determine what adjustments would or would not have been detected except through our auditing procedures, a schedule of all adjusting and reporting journal entries is attached, including those prepared by the City as part of their closing process after we obtained the initial trial balance.

In our judgment, there were no material known unrecorded and uncorrected misstatements, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 30, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Matters for City Council's Consideration

During the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls and improving operating efficiency. The memorandum (Attachment A) that accompanies this letter summarizes our comments and suggestions regarding these matters. This letter does not affect our independent auditor's report dated April 30, 2026 on the financial statements for the City.

We have already discussed our comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

In addition to the matters discussed in Attachment A, we have noted other findings that have been reported in the compliance section of the 2024 financial statements.

Other Matters

We applied certain limited procedures to the budgetary comparison schedules and pension plan schedules which are required supplementary information ("RSI") that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information and the schedule of expenditures of federal awards, as listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled this information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Mayor, City Council, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Certified Public Accountants

ATTACHMENT A

**CITY OF PICKENS, SOUTH CAROLINA
MATTERS FOR CONSIDERATION
YEAR ENDED JUNE 30, 2024**

2024-A: FORMALIZE POLICIES AND PROCEDURES AND BANK ACCOUNTS

- Condition:** We noted that the City does not have a formal system for tracking/monitoring franchise fees. We noted that the some of the bank reconciliations were not signed and dated by the preparer and reviewer and that some accounts did not have formal bank reconciliations. We noted that the City has a significant amount of cash in the General Fund that it owes to the Utility Fund, we would recommend that either (a) these funds be moved to a separate Utility Fund cash account to avoid confusion or (b) to always be netted against the related outstanding interfund balances. We also noted that various restricted monies do not have their own separate bank accounts (i.e. Victims Assistance Fund, Grants Fund, unspent bond proceeds, etc.).
- Recommendation:** We recommend that the City formalize policies and procedures for tracking/monitoring franchise fees and for reviewing/approving bank reconciliation. We also recommend that the City consider setting up a Utility Fund checking account and investment account with the SC Local Government Investment Pool ("LGIP"). The City could use these accounts to better separate Utility Fund cash from the General Fund and ensure that they have higher investment returns and have quick access to cash. We also recommend that restricted cash accounts have their own separate bank accounts.
- Response:** The Finance Department has established a tracking method for franchise fees. All bank reconciliations are currently being reviewed and signed by the City administrator and the mayor. Separate bank accounts have been established for the restricted police department accounts.

2024-B: FINANCIAL STRUGGLES

- Condition:** The City has continued to experience significant decreases in its fund balance in the General Fund for the years ended June 30, 2022, 2023, and 2024 of approximately (\$254,000), (\$767,000), and (\$486,000), respectively. These decreases have resulted in the City depleting its unassigned fund balance at June 30, 2024. In addition, the City was unable to file its annual audit/financial statements ("Annual Report") with the State within 13 months of its fiscal year end. The State has begun to withhold state allocations until such Annual Report has been received. The City is currently borrowing funds from the City's Utility Fund to pay current General Fund costs in excess of General Fund revenues – and will repay the Utility Fund once its financial position in the General Fund has improved. City Council and management have worked to begin addressing these shortfalls by increasing revenues and decreasing expenditures – and believe that these future changes will begin to improve the City's financial position for the General Fund in the coming years.
- Recommendation:** We recommend that the City increase revenues, decrease expenditures, or a combination of both in the General Fund in an effort to get unassigned fund balance to a higher balance and a higher percentage of General Fund expenditures.
- Response:** City Council and management have worked to begin addressing these shortfalls by increasing revenues and decreasing expenditures – and believe that these future changes will begin to improve the City's financial position for the General Fund in the coming years.

ATTACHMENT A

CITY OF PICKENS, SOUTH CAROLINA
MATTERS FOR CONSIDERATION
YEAR ENDED JUNE 30, 2024

2024-C: BUDGET

- Condition: The City is over budget in a number of its expenditure accounts in its General Fund. Most of City Council and management are fairly new and were not present for all of fiscal year 2024. The reason for being over budget in some accounts was not always formally communicated, documented, and/or approved by City Council. City Council and management should have a better process for dealing with budget to actual variances and should consider amending its budget when significant changes are known.
- Recommendation: We recommend that the City adhere to its approved budget or ensure that Council has amended or formally approved any expenditures over budgeted amounts.
- Response: The City will consider this recommendation and will determine an appropriate course of action.
-

2024-D: MUNICIPAL ASSISTANCE

- Condition: As noted above, the City has experienced a lot of Council and staff turnover over the past few years. The City is also experiencing some significant financial struggles and strained relationships where outside professional support could be helpful.
- Recommendation: We would encourage the City to reach out to the Municipal Association of South Carolina ("MASC") or the Appalachian Council of Government ("ACOG") to obtain assistance and support during these challenging times. We believe this would be a great resource to have another set of eyes and opinions as the City tries to improve its operations and financial position.
- Response: The City will consider this recommendation and will determine an appropriate course of action.
-