FRANKLIN COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2007

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FRANKLIN COUNTY, GEORGIA
FINANCIAL REPORT
For the fiscal year ended June 30, 2007

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Independent Auditor's Report

Honorable Chairman and Members
of the Board of Commissioners
Franklin County, Georgia

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 Franklin County, Georgia, as of and for the fiscal year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Franklin County, Georgia. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Franklin County Health Department, a component unit of Franklin County, Georgia, which represent 3.7 percent, 3.0 percent, and 12.9 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions on the financial statements, insofar as they relate to the amounts included for the Franklin County Health Department, is based on the report of the other auditors.

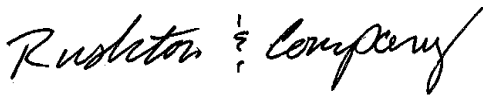
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our 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 Franklin County, Georgia, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparisons of the General Fund and the Emergency 911 Special Revenue Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2007, on our consideration of Franklin County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 12 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the state reporting section with the special purpose local option sales tax report are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, and the state reporting section with the special purpose local option sales tax report have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.



Certified Public Accountants

Gainesville, Georgia
December 20, 2007

FRANKLIN COUNTY
BOARD OF COMMISSIONERS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Franklin County, it is our pleasure to present this narrative discussion and analysis of Franklin County's financial performance, providing an overview of the activities for the fiscal year ended June 30, 2007. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Franklin County. This analytical information is presented as an overview and should be reviewed in conjunction with the County's financial statements that follow this section.

Financial Highlights

- Franklin County's assets exceeded its liabilities at June 30, 2007, by $56,256,756 (reported as *net assets*).

- As of June 30, 2007, Franklin County's governmental funds reported combined ending fund balances of $20,947,935. Approximately 36% of this total amount, or $7,507,381, is available for spending at the Board of Commissioners' discretion (unreserved fund balance of the General Fund).

More detailed information regarding these activities and funds begins on page 8.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Franklin County's basic financial statements. Franklin County's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the County as a whole). The focus of the government-wide financial statements is on the overall financial position and activities of Franklin County and is designed to provide readers with a broad overview of the County's financial activities in a manner similar to a private business enterprise.

The County's government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These two statements report information about Franklin County using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the ***Statement of Net Assets*** (pages 13-14) is to attempt to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net assets*. Although the purpose of the County is not to accumulate net assets, in general, as this amount increases it indicates that the financial position of the County is improving over time.

The ***Statement of Activities*** (page 15), on the other hand, presents the revenues and expenses of the County. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net assets*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the County and identifies the extent to which each function of the County draws from general revenues or is self-financing through fees, grants, or other sources.

In the Statement of Net Assets and the Statement of Activities, we divide Franklin County into three types of activities:

- ***Governmental activities*** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as: property, sales, insurance premium and intangible finance most of these services.

- ***Business-type activities*** – The County charges fees to customers to assist in covering the cost for providing certain services. The County's solid waste tipping fees are reported in this category.

- ***Discretely Presented Component Units*** – A component unit is a legally separate organization for which the elected officials of the County are financially accountable. The Health Department, Recreation Department, and the Industrial Building Authority, although legally separate, function for all practical purposes as departments of Franklin County, and therefore have been included as an integral part of the primary government.

The County's government-wide financial statements are presented on pages 13-15.

Fund Financial Statements (Reporting the County's Major Funds).
The focus of fund financial statements is directed to specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 61. The County's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different prescribed accounting methodologies.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on the short-term view of the County's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

Franklin County maintains eleven individual governmental funds. Information is presently separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Emergency 911 Special Revenue, Debt Service Fund, and 2004 SPLOST Capital Projects Funds, which are considered major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 62-65 of this report.

Franklin County adopts an annual appropriated budget for its General Fund, all Special Revenue Funds, and Debt Service Fund. The budgetary comparison statements have been provided for the General Fund and Emergency 911 Special Revenue Fund to demonstrate compliance with these budgets.

The County's basic governmental fund financial statements are presented on pages 16-22 of this report.

- ***Proprietary Funds*** – When the County charges customers for the services it provides – whether to outside customers or to other departments of the County – these services are generally reported in proprietary funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements.

  Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. Franklin County uses enterprise funds to account for its Water and Sewer and Solid Waste functions. Both of these funds are considered major funds.

  The County's proprietary fund financial statements are presented on pages 23-25.

- ***Fiduciary Funds –*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Franklin County's own programs and services. The accounting used for fiduciary funds is much like that used for proprietary funds.

  Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements.

  The County's fiduciary funds' Statement of Assets and Liabilities is presented on page 26.

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-61 of this report.

Other Supplementary Information.

Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 17 and 19) which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.

- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but are reported as deferred revenue on the fund statements.

- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.

- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the County's Financial Position and Operations

The County's overall financial position and operations for the fiscal year ended June 30, 2007, is summarized as follows based on the information included in the government-wide financial statements (see pages 13-15):

Franklin County
Net Assets (Financial Position)
June 30, 2007 and 2006

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2006	2005
Current and other assets	$ 20,044,398	$ 24,292,555	$ 260,164	$ 64,959	$ 20,304,562	$ 24,357,514
Capital assets	40,617,147	9,588,852	18,041,192	16,802,625	58,658,339	26,391,477
Total assets	60,661,545	33,881,407	18,301,356	16,867,584	78,962,901	50,748,991
Long-term liabilities	13,607,207	16,005,911	4,327,740	4,493,186	17,934,947	20,499,097
Other liabilities	4,578,881	3,406,296	192,317	166,331	4,771,198	3,572,627
Total liabilities	18,186,088	19,412,207	4,520,057	4,659,517	22,706,145	24,071,724
Net assets:						
Invested in capital assets, net of related debt	40,617,147	9,588,852	14,917,103	13,537,306	55,534,250	23,126,158
Restricted	7,006,408	11,987,019	8,866	8,866	7,015,274	11,995,885
Unrestricted	(5,148,098)	(7,106,671)	(1,144,670)	(1,338,105)	(6,292,768)	(8,444,776)
Total net assets	$ 42,475,457	$ 14,469,200	$ 13,781,299	$ 12,208,067	$ 56,256,756	$ 26,677,267

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets for Franklin County exceeded liabilities by $56,256,756 at the close of the fiscal year ended June 30, 2007.

$56,534,250 of Franklin County's net assets are reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

$7,015,274 of Franklin County's net assets are subject to external restrictions or enabling legislation on how they can be used.

Unrestricted net assets of the governmental activities report a negative balance of $5,148,098. This is due to long-term liabilities in excess of assets to pay for those liabilities. This negative balance will be liquidated through future revenue recognition. Unrestricted net assets of the business-type activities report a negative balance of $1,144,670. This is due to the post-closure care cost liability of the Solid Waste fund in excess of assets to pay for that liability. This negative balance will be liquidated through future revenue recognition.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Franklin County's net assets changed during the fiscal year ended June 30, 2007.

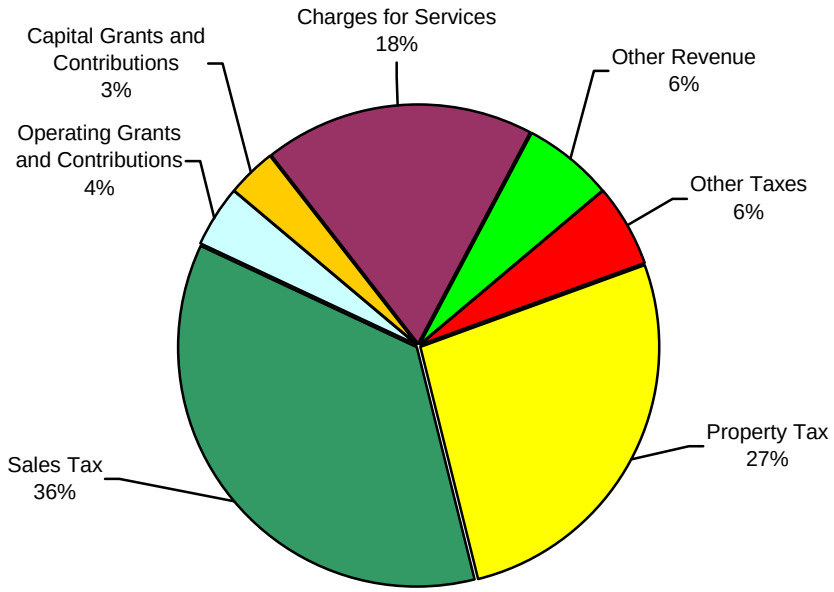
Franklin County
Changes in Net Assets
For the twelve months ended June 30, 2007 and the six months ended June 30, 2006

	Governmental Activities		Business-Type Activities		Total	
Revenues	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Program revenues:						
Charges for services	$ 3,039,903	$ 1,525,045	$ 883,492	$ 434,450	$ 3,923,395	$ 1,959,495
Operating grants and contributions	688,075	413,376	0	0	688,075	413,376
Capital grants and contributions	548,912	108,753	60,017	0	608,929	108,753
General revenues:						
Property taxes	4,444,426	416,977	0	0	4,444,426	416,977
Sales tax	5,990,575	3,220,117	0	0	5,990,575	3,220,117
Intangible tax	130,864	62,015	0	0	130,864	62,015
Franchise tax	66,210	47,985	0	0	66,210	47,985
Insurance premium tax	674,925	0	0	0	674,925	-
Real estate transfer tax	39,838	21,750	0	0	39,838	21,750
Other taxes	35,891	20,838	0	0	35,891	20,838
Investment income	1,020,464	515,903	33,026	37,681	1,053,490	553,584
Gain on sale of assets	0	14,710	82,143	0	82,143	14,710
Miscellaneous revenue	23,501	202,523	5,375	0	28,876	202,523
Total revenues	16,703,584	6,569,992	1,064,053	472,131	17,767,637	7,042,123
Expenses						
General government	3,069,189	1,188,919	0	0	3,069,189	1,188,919
Judicial	1,440,595	550,937	0	0	1,440,595	550,937
Public Safety	5,949,511	3,321,675	0	0	5,949,511	3,321,675
Public Works	3,031,025	2,674,319	0	0	3,031,025	2,674,319
Health and Welfare	363,914	166,480	0	0	363,914	166,480
Culture and Recreation	1,039,888	488,678	0	0	1,039,888	488,678
Housing and Development	2,882,243	121,195	0	0	2,882,243	121,195
Interest on long-term debt	621,146	330,626	0	0	621,146	330,626
Water and Sewer	0	0	1,042,232	458,613	1,042,232	458,613
Solid Waste	0	0	223,571	131,097	223,571	131,097
Total expenses	18,397,511	8,842,829	1,265,803	589,710	19,663,314	9,432,539
Increase (decrease) in net assets before transfers	(1,693,927)	(2,272,837)	(201,750)	(117,579)	(1,895,677)	(2,390,416)
Transfers	(1,774,982)	(660,894)	1,774,982	660,894	0	0
Change in net assets	(3,468,909)	(2,933,731)	1,573,232	543,315	(1,895,677)	(2,390,416)
Net assets - January 1	14,469,200	18,666,841	12,208,067	11,675,899	26,677,267	30,342,740
Prior period adjustments	31,475,166	(1,263,910)	0	(11,147)	31,475,166	(1,275,057)
Net assets - ending	$ 42,475,457	$ 14,469,200	$ 13,781,299	$ 12,208,067	$ 56,256,756	$ 26,677,267

Governmental Activities –

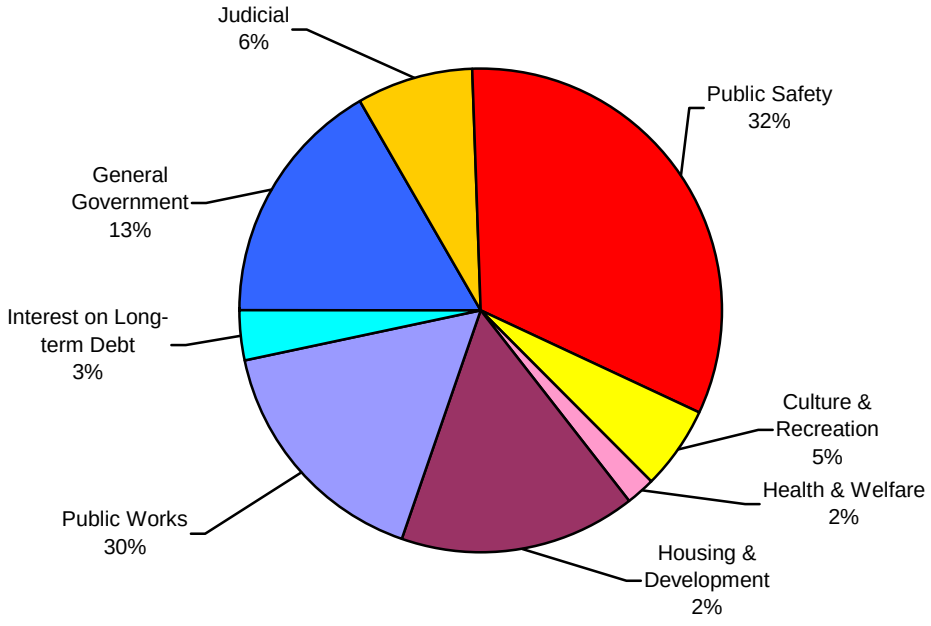
The following chart illustrates revenues of the governmental activities for the fiscal year ended June 30, 2007:

Revenues by Source – Governmental Activities
For the fiscal year ended June 30, 2007



The following chart illustrates the expenses of the governmental activities for the fiscal ended June 30, 2007:

Expenses – Governmental Activities
For the fiscal year ended June 30, 2006



Business-Type Activities –

Business-type activities increased Franklin County's assets by $1,573,232. The increase in net assets in the Water and Sewer Fund of $1,646,355 was due to a transfer from the 2004 SPLOST Capital Projects Fund; the decrease in net assets in the Solid Waste Fund of $73,123 is due to the nature of operations after the closure of the County's landfill.

Financial Analysis of the County's Funds
As noted earlier, Franklin 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. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the County completed this fiscal year, its governmental funds reported a combined ending fund balance of $17,819,542. Of this amount, $17,329,409 or 97% constitutes unreserved fund balance, which is available for appropriation for the general purposes of the funds. The General Fund comprises 43% of the unreserved fund balance. The remainder of fund balance is not available for spending because it has already been committed to:

1) payment of incurred expenses of the prior period of $97,105

2) payment of program expenses of $393,028

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was $7,507,381, while total fund balance reached $7,997,514. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to fund expenditures. Unreserved fund balance represents approximately 8.5 months of General Fund expenditures, while total fund balance represents approximately 9.2 months of that same amount.

The County ended the fiscal year by decreasing the fund balance of the General Fund by $75,418 or approximately 1%. Expenditures were approximately 9% over the budget and revenues collected were approximately 19% over budget projections.

General Fund Budget Highlights.

The primary change in the County's projected revenue was due to the receipt of property and sales taxes. The actual revenues exceeded budget by approximately 22%.

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year ended June 30, 2007. In addition, the Board of Commissioners approved several adjustments tapping the Fund Balance line item to prevent budget overruns.

Overall, the General Fund expenditures totaled approximately 9% over the budget projections; this was due to the following departments over budget:

- County Manager's Office for contract services and capital outlay
- General Administration for retirement contributions
- Clerk of Superior court for supplies and capital outlay
- Sheriff Department for personal services, contract services and inmate expense
- Recreation Department for personal services and contract services

It is anticipated that the General Fund may experience minimal increased revenues in the next fiscal year; however, the County will continue to monitor spending and other measures will help ensure that the fund balance remains positive.

Proprietary Funds. Franklin County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the County's two proprietary funds totaled as follows:

- Water and Sewer $ 120,529
- Solid Waste $ (1,247,199)

The increase (decrease) in net assets for each fund was $1,646,355 and $(73,123), respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

Capital Assets and Debt Administration

Capital Assets. Franklin County has invested $58,658,339 in capital assets (net of accumulated depreciation). Approximately 69% of this investment is related to governmental activities and includes infrastructure, land, buildings, and machinery and equipment.

Capital assets held by the County at June 30, 2007 are summarized as follows:

Franklin County
Capital Assets (net of accumulated depreciation)
June 30, 2007 and 2006

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	$ 4,854,587	$ 1,199,646	$ 399,323	$ 399,323	$ 5,253,910	$ 1,598,969
Land improvements	0	0	29,382	29,382	29,382	29,382
Water lines and towers	0	0	17,235,110	15,841,548	17,235,110	12,304,523
Infrastructure	40,708,314	340,812	0	0	40,708,314	340,812
Buildings	6,696,950	6,623,050	1,875,731	1,875,731	8,572,681	8,498,781
Machinery and equipment	2,158,509	1,566,430	428,651	465,917	2,587,160	2,032,347
Vehicles	4,107,708	3,457,715	268,909	268,909	4,376,617	3,726,624
Construction in progress	23,788	798,479	248,635	0	272,423	798,479
Total	58,549,856	13,986,132	20,485,741	18,880,810	79,035,597	29,329,917
Accumulated depreciation	(17,932,709)	(4,397,280)	(2,444,549)	(2,078,185)	(20,377,258)	(6,475,465)
Net Capital Assets	$ 40,617,147	$ 9,588,852	$ 18,041,192	$ 16,802,625	$ 58,658,339	$ 22,854,452

The County has implemented the retroactive infrastructure provisions of GASB 34 in fiscal year 2007.

Major capital asset expenditures during the current fiscal year for governmental activities included the following:

- Improvements and expansion of the County's infrastructure
- Purchase of E9-11 Department equipment.
- Vehicles for the Sheriff's, EMS, and county fire departments
- Renovations in the Board of Commissioners', Tax Commissioner's, and Public Works offices

The major capital asset expenses during the current fiscal year for business-type activities included the following:

- Continued upgrading and expansion of Water system projects
- Purchase of equipment for Water-Sewer Department

Additional information on Franklin County's capital assets can be found in Note 8 on pages45-47 of this report.

Long-term debt. During 2005, the County issued the Franklin County General Obligation Sales Tax Bonds, Series 2005. These bonds were issued in the original amount of $17,000,000; a premium of $966,575 was received on the issuance of the bonds. At June 30, 2007, the outstanding balance of these bonds was $15,250,000; the unamortized amount of the premium was $607,207.

On June 30, 2007, Franklin County had total notes payable outstanding in the amount of $3,164,827. The County's total debt decreased by approximately 9% during the course of the fiscal year ended June 30, 2007. The key factor related to the decrease was simply the normal payment requirements on the debt obligations.

Additional information on the County's long-term debt can be found in Note 11 on pages 48-50 of this report.

Economic Condition and Outlook

Compared to other counties in the State of Georgia, Franklin County has faired relatively well under the weakened economy that we have experienced over the past three years. Several factors were considered during preparation of the budget for fiscal year 2008 including the following:

- Stability of interest rates for Certificate of Deposits and bank balances
- Increase in employee pension benefits and salaries
- Additional staffing at jail to meet state and federal standards
- Expansion of water lines and addition of water customers
- Increase in cost of fuel and insurance
- Addition of 4th ambulance station in Carnesville
- Renovation of Civic Center and Tax Assessor's office

Contacting the County's Financial Services Department

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Franklin County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Franklin County Board of Commissioners
P. O. Box 159
Carnesville, Ga. 30521

BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2007

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash	$ 2,025,763	$ 1,027,892	$ 3,053,655	$ 372,325
Equity in pooled cash	3,882,692	0	3,882,692	0
Certificates of deposit	2,257,989	0	2,257,989	0
Investments	7,936,156	0	7,936,156	0
Restricted assets				
Cash	393,028	0	393,028	0
Receivables (net)				
Accounts	347,877	88,053	435,930	26,602
Intergovernmental	1,315,543	0	1,315,543	0
Taxes	269,800	0	269,800	0
Interest	88,185	0	88,185	0
Inventory	0	287,689	287,689	0
Prepaid expenses	97,105	0	97,105	0
Pension assets	36,894	0	36,894	0
Internal balances	1,184,208	(1,184,208)	0	0
Total current assets	19,835,240	219,426	20,054,666	398,927
Noncurrent assets				
Capital assets				
Non-depreciable	4,878,375	647,958	5,526,333	2,003,226
Depreciable (net)	35,738,772	17,393,234	53,132,006	2,472,283
Intangible assets (net)	219,308	40,738	260,046	0
Total noncurrent assets	40,836,455	18,081,930	58,918,385	4,475,509
Total assets	60,671,695	18,301,356	78,973,051	4,874,436
LIABILITIES				
Current liabilities				
Payables				
Accounts	289,925	30,438	320,363	721
Intergovernmental	93,598	0	93,598	0
Interest	257,292	0	257,292	0
Accrued salaries and expenses	1,270,458	9,972	1,280,430	0
Compensated absences	235,427	7,425	242,852	34,072
Due to other agencies	23,859	0	23,859	0
Notes payable	0	144,482	144,482	0
Bonds payable	2,250,000	0	2,250,000	0
Other liabilities	158,321	0	158,321	0
Total current liabilities	4,578,880	192,317	4,771,197	34,793
Noncurrent liabilities				
Compensated absences	0	0	0	12,150
Notes payable	0	3,020,345	3,020,345	0
Bonds payable	13,607,207	0	13,607,207	0
Post-closure care costs	0	1,307,395	1,307,395	0
Total noncurrent liabilities	13,607,207	4,327,740	17,934,947	12,150
Total liabilities	18,186,087	4,520,057	22,706,144	46,943

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2007

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
NET ASSETS				
Invested in capital assets, net of related debt	$ 40,617,147	$ 14,917,103	$ 55,534,250	$ 4,475,509
Restricted for:				
Judicial	50,509	0	50,509	0
Public Safety	558,243	0	558,243	0
Health and Welfare	0	0	0	144,380
Culture and Recreation	0	0	0	21,493
Housing and Development	0	0	0	186,111
Capital outlay	6,403,298	8,866	6,412,164	0
Unrestricted	(5,143,589)	(1,144,670)	(6,288,259)	0
Total net assets	$ 42,485,608	$ 13,781,299	$ 56,266,907	$ 4,827,493

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2007

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 3,069,189	$ 303,251	$ 9,479	$ 0	$ (2,756,459)
Judicial	1,440,595	768,955	192,562	0	(479,078)
Public Safety	5,949,511	1,958,008	330,837	3,352	(3,657,314)
Public Works	3,031,025	6,816	0	545,560	(2,478,649)
Health and Welfare	363,914	2,873	135,177	0	(225,864)
Culture and Recreation	1,039,888	0	0	0	(1,039,888)
Housing and Development	2,882,243	0	20,020	0	(2,862,223)
Interest on long-term debt	621,146	0	0	0	(621,146)
Total governmental activities	18,397,511	3,039,903	688,075	548,912	(14,120,621)
Business-type activities					
Water and Sewer	1,042,232	828,540	0	60,017	(153,675)
Solid Waste	223,571	54,952	0	0	(168,619)
Total business-type activities	1,265,803	883,492	0	60,017	(322,294)
Total primary government	19,663,314	3,923,395	688,075	608,929	(14,442,915)
Component Units					
Franklin County Recreation Department					
Culture and Recreation	392,969	125,568	1,293	712,162	446,054
Franklin County Industrial Building Authority					
Housing and Development	350,527	0	0	2,238,105	1,887,578
Franklin County Health Department					
Health and Welfare	533,180	276,977	141,350	0	(114,853)
Total component units	1,276,676	402,545	142,643	2,950,267	2,218,779

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net assets				
Net (expense) revenue	$ (14,120,621)	$ (322,294)	$ (14,442,915)	$ 2,218,779
General revenues				
Taxes				
Property	4,444,426	0	4,444,426	0
Sales	5,990,575	0	5,990,575	0
Insurance premium	674,925	0	674,925	0
Intangible	130,864	0	130,864	0
Franchise	66,210	0	66,210	0
Real estate transfer	39,838	0	39,838	0
Occupational	15,876	0	15,876	0
Other	20,015	0	20,015	0
Interest and investment earnings	1,030,616	33,026	1,063,642	174
Gain on sale of assets	0	82,143	82,143	0
Payments from Franklin County	0	0	0	393,312
Miscellaneous	23,500	5,375	28,875	148,782
Transfers	(1,774,982)	1,774,982	0	0
Total general revenues and transfers	10,661,863	1,895,526	12,557,389	542,268
Change in net assets	(3,458,758)	1,573,232	(1,885,526)	2,761,047
Net assets - beginning (original)	14,469,200	12,208,067	26,677,267	2,066,446
Prior period adjustments	31,475,166	0	31,475,166	0
Net assets - beginning (restated)	45,944,366	12,208,067	58,152,433	2,066,446
Net assets - ending	$ 42,485,608	$ 13,781,299	$ 56,266,907	$ 4,827,493

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

FRANKLIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	General	Emergency 911	Debt Service	2004 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS						
Cash	$ 281,898	$ 580,485	$ 0	$ 0	$ 1,163,380	$ 2,025,763
Equity in pooled cash	3,882,692	0	0	0	0	3,882,692
Certificates of deposit	1,917,071	0	0	0	340,918	2,257,989
Investments	0	0	2,558,750	5,377,406	0	7,936,156
Receivables (net)						
Accounts	327,578	11,153	0	0	9,146	347,877
Intergovernmental	605,498	0	641,638	0	68,407	1,315,543
Taxes	269,800	0	0	0	0	269,800
Interest	70,145	0	0	0	18,040	88,185
Prepaid expenses	97,105	0	0	0	0	97,105
Due from other funds	1,804,212	0	0	0	539,736	2,343,948
Restricted Assets						
Cash	393,028	0	0	0	0	393,028
Total assets	$ 9,649,027	$ 591,638	$ 3,200,388	$ 5,377,406	$ 2,139,627	$ 20,958,086
LIABILITIES AND FUND BALANCES						
Liabilities						
Payables						
Accounts	$ 125,609	$ 3,626	$ 0	$ 160,691	$ 0	$ 289,926
Intergovernmental	0	0	0	93,598	0	93,598
Excess taxes	158,321	0	0	0	0	158,321
Accrued salaries and expenses	1,230,583	20,522	0	0	19,353	1,270,458
Deferred revenue	132,491	0	0	0	0	132,491
Due to other agencies	0	0	0	0	23,859	23,859
Due to other funds	0	541,177	2,100	537,636	78,827	1,159,740
Total liabilities	1,647,004	565,325	2,100	791,925	122,039	3,128,393
Fund balances						
Reserved for prepaids	97,105	0	0	0	0	97,105
Reserved for program expenditures	393,028	0	0	0	0	393,028
Unreserved, undesignated	7,511,890	26,313	3,198,288	4,585,481	0	15,321,972
Special Revenue Funds	0	0	0	0	199,771	199,771
Capital Projects Funds	0	0	0	0	1,817,817	1,817,817
Total fund balances	8,002,023	26,313	3,198,288	4,585,481	2,017,588	17,829,693
Total liabilities and fund balances	$ 9,649,027	$ 591,638	$ 3,200,388	$ 5,377,406	$ 2,139,627	$ 20,958,086

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

FRANKLIN COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
June 30, 2007

Total fund balance - total governmental funds	$	17,829,693
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of $58,549,856, net of accumulated depreciation of ($17,932,709), intangible assets of $219,308, and pension assets of $36,894 are not financial resources and, therefore, are not reported in the funds.		40,873,349
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds. These are deferred property taxes.		132,492
Long-term liabilities of are not due and payable in the current period and are not reported in the funds. These are bonds payable of ($15,857,207), interest payable of ($257,292), and compensated absences of ($235,427).		(16,349,926)
Net assets of governmental activities	$	42,485,608

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2007

	General	Emergency 911	Debt Service	2004 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES						
Taxes	$ 7,893,324	$ 0	$ 3,671,341	$ 0	$ 0	$ 11,564,665
Licenses and permits	8,485	0	0	0	0	8,485
Fines, fees and forfeitures	1,292,190	0	0	0	436,885	1,729,075
Charges for services	1,012,432	233,474	0	0	56,437	1,302,343
Intergovernmental	180,301	0	0	0	919,802	1,100,103
Interest	319,866	11,885	73,802	412,313	64,047	881,913
Other	23,312	0	0	3,352	994	27,658
Total revenues	10,729,910	245,359	3,745,143	415,665	1,478,165	16,614,242
EXPENDITURES						
Current						
General Government	3,088,118	0	0	0	0	3,088,118
Judicial	797,752	0	0	0	646,008	1,443,760
Public Safety	4,589,303	570,758	0	0	462,925	5,622,986
Public Works	1,109,222	0	0	0	0	1,109,222
Health and Welfare	356,931	0	0	0	0	356,931
Culture and Recreation	244,885	0	0	0	0	244,885
Housing and Development	219,178	0	0	0	0	219,178
Capital outlay	0	0	0	4,928,312	127,661	5,055,973
Debt service	0	0	2,391,475	0	0	2,391,475
Total expenditures	10,405,389	570,758	2,391,475	4,928,312	1,236,594	19,532,528
Excess (deficiency) of revenues over (under) expenditures	324,521	(325,399)	1,353,668	(4,512,647)	241,571	(2,918,286)
Other financing sources (uses)						
Transfers in	0	325,398	0	898,150	70,032	1,293,580
Transfers out	(395,430)	0	(898,150)	(1,774,982)	0	(3,068,562)
Total other financing sources (uses)	(395,430)	325,398	(898,150)	(876,832)	70,032	(1,774,982)
Net change in fund balance	(70,909)	(1)	455,518	(5,389,479)	311,603	(4,693,268)
Fund balances, January 1 (original)	8,059,885	26,314	2,742,770	9,974,960	1,719,032	22,522,961
Prior period adjustment	13,047	0	0	0	(13,047)	0
Fund balances, January 1 (restated)	8,072,932	26,314	2,742,770	9,974,960	1,705,985	22,522,961
Fund balances, June 30	$ 8,002,023	$ 26,313	$ 3,198,288	$ 4,585,481	$ 2,017,588	$ 17,829,693

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

FRANKLIN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2007

Net change in fund balances - total governmental funds	$	(4,693,268)
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 of $2,185,864 exceeded depreciation of ($1,562,392) in the current period.		623,472
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments of $1,750,000 exceeded proceeds of $0.		1,750,000
Contributions of capital assets from individuals of $133,533 increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		133,533
Donations of capital assets to the component units of ($1,203,875) decrease net assets in the statement of activities, but do not appear in the governmental funds because they are not financial uses.		(1,203,875)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include the difference in recognition of unavailable deferred revenue of ($182,740) and amortization of premiums on general obligation bonds of $148,704.		(34,036)
Employer contributions to retirement plans in excess of annual pension costs are reported as expenditures ni the governmental funds, but result in assets in the governmental activities.		36,894
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net change in compensated absences of ($36,007), amortization of intangible assets of ($53,700), and net change in interest payable of $18,229.		(71,478)
Change in net assets of governmental activities	$	(3,458,758)

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

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2007

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 6,820,057	$ 6,820,057	$ 7,893,324	$ 1,073,267
Licenses and permits	18,400	18,400	8,485	(9,915)
Fines, fees and forfeitures	859,600	859,600	1,292,190	432,590
Charges for services	879,900	879,900	1,012,432	132,532
Intergovernmental	250,630	250,630	180,301	(70,329)
Interest	60,000	60,000	319,866	259,866
Other	115,000	115,000	23,312	(91,688)
Total revenues	9,003,587	9,003,587	10,729,910	1,726,323
EXPENDITURES				
Current				
General Government				
Commission Board	70,051	70,051	64,965	5,086
County Manager's Office	262,359	262,359	274,944	(12,585)
General Building and Plant	97,800	97,800	82,079	15,721
General Administration	887,034	952,659	1,832,648	(879,989)
Tax Commissioner	273,430	290,055	289,008	1,047
Tax Assessor	368,080	432,330	405,408	26,922
Registrar	69,816	69,816	62,794	7,022
Elections	82,100	82,100	55,818	26,282
County Engineer	26,200	26,200	20,454	5,746
Judicial				
Probate Court	205,197	205,197	207,974	(2,777)
Magistrate Court	149,311	149,311	150,108	(797)
Superior Court	217,149	217,149	196,516	20,633
Superior Court Judge	14,000	14,000	12,224	1,776
Clerk of Superior Court	191,029	218,029	230,930	(12,901)
Public Safety				
Fire Departments	281,050	281,050	274,677	6,373
Coroner Services	25,975	25,975	20,562	5,413
Emergency Medical Service	1,216,346	1,238,561	1,236,274	2,287
Emergency Management	6,203	6,203	812	5,391
Youth Investigation and Control	3,500	3,500	300	3,200
County Marshal	49,841	49,841	45,009	4,832
Sheriff's Department	2,815,867	2,815,867	2,986,669	(170,802)
Animal Shelter	25,000	25,000	25,000	0
Public Works				
Highways and Streets	1,081,942	1,119,657	1,109,222	10,435
Health and Welfare				
Senior Center	223,031	223,031	203,635	19,396
Foster Care Services	61,028	61,028	46,640	14,388
Health Department	103,331	103,331	106,656	(3,325)
Culture and Recreation				
Recreation Department	203,082	203,082	214,885	(11,803)
Library Board	30,000	30,000	30,000	0
Housing and Development				
County Agent	71,168	71,168	66,988	4,180
Forestry Service	3,584	3,584	2,918	666
Planning and Zoning	67,148	67,148	62,272	4,876
Industrial Building Authority	79,335	79,335	76,995	2,340
Airport Authority	11,500	11,500	10,005	1,495
Total expenditures	9,272,487	9,505,917	10,405,389	(899,472)

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

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2007

	Budget			Variance with
	Original	Final	Actual	Final Budget
Excess (deficiency) of revenues over expenditures	$ (268,900)	$ (502,330)	$ 324,521	$ 826,851
Other financing sources (uses)				
Transfers in	243,950	243,950	0	(243,950)
Transfers out	(75,050)	(75,050)	(395,430)	(320,380)
Sale of general fixed assets	100,000	100,000	0	(100,000)
Contingency	0	(527,718)	0	527,718
Total other financing sources (uses)	268,900	(258,818)	(395,430)	(136,612)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(761,148)	(70,909)	690,239
Fund balances, January 1 (original)	0	761,148	8,059,885	7,298,737
Prior period adjustment	0	0	13,047	13,047
Fund balances, January 1 (restated)	0	761,148	8,072,932	7,311,784
Fund balances, June 30	$ 0	$ 0	$ 8,002,023	$ 8,002,023

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

FRANKLIN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2007

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 89,000	$ 198,000	$ 233,474	$ 35,474
Interest	550	0	11,885	11,885
Total revenues	89,550	198,000	245,359	47,359
EXPENDITURES				
Current				
Public Safety				
Personal services	148,980	429,054	429,891	(837)
Contractual services	77,475	152,365	124,059	28,306
Supplies and materials	5,000	13,660	12,727	933
Capital outlay	7,500	15,000	4,081	10,919
Total expenditures	238,955	610,079	570,758	39,321
Excess (deficiency) of revenues over expenditures	(149,405)	(412,079)	(325,399)	86,680
Other financing sources (uses)				
Transfers in	149,405	412,079	325,398	(86,681)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(1)	(1)
Fund balances, January 1	0	0	26,314	26,314
Fund balances, June 30	$ 0	$ 0	$ 26,313	$ 26,313

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2007

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
ASSETS			
Current assets			
Cash	$ 830,462	$ 197,430	$ 1,027,892
Restricted assets			
Due from other funds	0	8,866	8,866
Accounts receivable (net)	88,053	0	88,053
Inventory	287,689	0	287,689
Total current assets	1,206,204	206,296	1,412,500
Noncurrent assets			
Capital assets			
Non-depreciable	268,982	378,976	647,958
Depreciable (net)	15,748,460	1,644,774	17,393,234
Intangible assets (net)	40,738	0	40,738
Total noncurrent assets	16,058,180	2,023,750	18,081,930
Total assets	17,264,384	2,230,046	19,494,430
LIABILITIES			
Current liabilities			
Accounts payable	30,438	0	30,438
Accrued salaries	7,734	2,238	9,972
Compensated absences	5,035	2,390	7,425
Notes payable	144,482	0	144,482
Due to other funds	1,060,468	132,606	1,193,074
Total current liabilities	1,248,157	137,234	1,385,391
Noncurrent liabilities			
Notes payable	3,020,345	0	3,020,345
Post-closure care costs	0	1,307,395	1,307,395
Total noncurrent liabilities	3,020,345	1,307,395	4,327,740
Total liabilities	4,268,502	1,444,629	5,713,131
NET ASSETS			
Invested in capital assets, net of related debt	12,893,353	2,023,750	14,917,103
Restricted for restricted assets	0	8,866	8,866
Unrestricted	102,529	(1,247,199)	(1,144,670)
Total net assets	$ 12,995,882	$ 785,417	$ 13,781,299

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2007

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
OPERATING REVENUES			
Charges for sales and services	$ 828,540	$ 54,952	$ 883,492
Miscellaneous revenue	375	5,000	5,375
Total operating revenues	828,915	59,952	888,867
OPERATING EXPENSES			
Costs of sales and services	511,199	33,482	544,681
Personal services	102,014	60,297	162,311
Depreciation	365,216	118,293	483,509
Other	10,102	5,739	15,841
Total operating expenses	988,531	217,811	1,206,342
Operating income (loss)	(159,616)	(157,859)	(317,475)
Non-operating revenues (expenses)			
Interest revenue	24,673	8,353	33,026
Payments to others	0	(5,760)	(5,760)
Interest expense	(51,114)	0	(51,114)
Gain (loss) on disposal of capital assets	0	82,143	82,143
Amortization	(2,587)	0	(2,587)
Total non-operating revenues (expenses)	(29,028)	84,736	55,708
Income (loss) before capital contributions and transfers	(188,644)	(73,123)	(261,767)
Capital contributions			
Intergovernmental revenue	60,017	0	60,017
Income (loss) before transfers	(128,627)	(73,123)	(201,750)
Transfers in (out)			
Transfers in	1,774,982	0	1,774,982
Change in net assets	1,646,355	(73,123)	1,573,232
Net assets, July 1	11,349,527	858,540	12,208,067
Net assets, June 30	$ 12,995,882	$ 785,417	$ 13,781,299

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2007

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
Cash flows from operating activities:			
Receipts from customers	$ 830,823	$ 54,952	$ 885,775
Payments to suppliers	(735,540)	(32,727)	(768,267)
Payments to employees	(100,158)	(60,332)	(160,490)
Other payments	(9,727)	(739)	(10,466)
Net cash provided (used) by operating activities	(14,602)	(38,846)	(53,448)
Cash flows from non-capital financing activities:			
Receipts from other funds	24	2,656	2,680
Payments to other funds	(777,580)	(231,203)	(1,008,783)
Payments for post-closure costs of landfill	0	(21,800)	(21,800)
Payments to other agencies	0	(5,760)	(5,760)
Net cash provided (used) by non-capital financing activities	(777,556)	(256,107)	(1,033,663)
Cash flows from capital and related financing activities:			
Receipts from other funds	1,774,982	0	1,774,982
Receipts from other governments	60,017	0	60,017
Receipts from sale of capital assets	0	84,998	84,998
Interest paid	(51,114)	0	(51,114)
Acquisition of capital assets	(1,724,931)	0	(1,724,931)
Principal payment - notes payable	(143,816)	0	(143,816)
Net cash provided (used) by capital and related financing activities	(84,862)	84,998	136
Cash flows from investing activities:			
Interest received	24,673	13,761	38,434
Sale of investments	0	262,131	262,131
Net cash provided (used) by investing activities	24,673	275,892	300,565
Net increase (decrease) in cash and cash equivalents	(852,347)	65,937	(786,410)
Cash and cash equivalents, July 1	1,682,809	131,493	1,814,302
Cash and cash equivalents, June 30	$ 830,462	$ 197,430	$ 1,027,892
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (159,616)	$ (157,859)	$ (317,475)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	365,216	118,293	483,509
Closure/post closure care costs	0	837	837
(Increase) decrease in accounts receivable	2,283	0	2,283
(Increase) decrease in inventory	(247,921)	0	(247,921)
Increase (decrease) in accounts payable	23,580	(82)	23,498
Increase (decrease) in accrued liabilities	1,856	(35)	1,821
Total adjustments	145,014	119,013	264,027
Net cash provided (used) by operating activities	$ (14,602)	$ (38,846)	$ (53,448)

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

FRANKLIN COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	Agency Funds
ASSETS	
Cash	$ 2,453,528
Accounts receivable	384,084
Total assets	2,837,612
LIABILITIES	
Due to other agencies	$ 2,837,612

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

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2007

	Franklin County Recreation Department	Franklin County Industrial Building Authority	Franklin County Health Department	Totals
ASSETS				
Current assets				
Cash	$ 31,915	$ 186,111	$ 154,299	$ 372,325
Receivables (net)				
Accounts	0	0	26,602	26,602
Total current assets	31,915	186,111	180,901	398,927
Noncurrent assets				
Capital assets				
Non-depreciable	99,000	1,904,226	0	2,003,226
Depreciable (net)	2,444,733	27,550	0	2,472,283
Total noncurrent assets	2,543,733	1,931,776	0	4,475,509
Total assets	2,575,648	2,117,887	180,901	4,874,436
LIABILITIES				
Current liabilities				
Accounts payable	0	0	721	721
Compensated absences	10,422	0	23,650	34,072
Total current liabilities	10,422	0	24,371	34,793
Noncurrent liabilities				
Compensated absences	0	0	12,150	12,150
Total liabilities	10,422	0	36,521	46,943
NET ASSETS				
Invested in capital assets	2,543,733	1,931,776	0	4,475,509
Restricted for:				
Health and Welfare	0	0	144,380	144,380
Culture and Recreation	21,493	0	0	21,493
Housing and Development	0	186,111	0	186,111
Total net assets	$ 2,565,226	$ 2,117,887	$ 144,380	$ 4,827,493

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

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended June 30, 2007

	Franklin County Recreation Department	Franklin County Industrial Building Authority	Franklin County Health Department	Totals
Expenses				
Health and Welfare	$ 0	$ 0	$ 533,180	$ 533,180
Culture and Recreation	392,969	0	0	392,969
Housing and Development	0	350,527	0	350,527
Total expenses	392,969	350,527	533,180	1,276,676
Program revenues				
Charges for services	125,568	0	276,977	402,545
Operating grants and contributions	1,293	0	141,350	142,643
Capital grants and contributions	712,162	2,238,105	0	2,950,267
Total program revenues	839,023	2,238,105	418,327	3,495,455
Net (expense) revenue	446,054	1,887,578	(114,853)	2,218,779
General revenues				
Interest	174	0	0	174
Payments from Franklin County	214,886	76,995	101,431	393,312
Miscellaneous	0	148,782	0	148,782
Total general revenues	215,060	225,777	101,431	542,268
Change in net assets	661,114	2,113,355	(13,422)	2,761,047
Net assets, July 1	1,904,112	4,532	157,802	2,066,446
Net assets, June 30	$ 2,565,226	$ 2,117,887	$ 144,380	$ 4,827,493

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

1. Description of Government Unit

Franklin County, Georgia (the County) is located in the Northeastern area of Georgia about 80 miles northeast of Atlanta and about 60 miles southwest of Greenville, South Carolina, along Interstate 85.

The County provides a full range of governmental services, including public safety, health and welfare services, recreational programs and economic development as well as water and sewer service and solid waste services.

The government is governed by an elected Chairman and four Commissioners.

2. Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of Franklin County, Georgia, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the County are discussed below.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Franklin County (the primary government) and material component units. The component units discussed below are included in the County's reporting entity because of the significance of its operational and financial relationship with the County.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, the financial statements of component units have been included either as blended or discretely presented component units.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the Government's operations.

Solid Waste Management Authority – On October 23, 1995, Franklin County created the Solid Waste Management Authority of Franklin County, Georgia, under the provisions of the Official Code of Georgia Annotated Section 12-8-50. The Authority consists of five directors who are appointed by the Franklin County Board of Commissioners. The Authority is blended with the Solid Waste Enterprise Fund. Separate financial statements are not issued for the Authority.

Water and Sewer Authority – On April 1, 1980, Franklin County created the Water and Sewer Authority of Franklin County, Georgia, under the provisions of 1980 Georgia Law page 4388. The Authority consists of nine directors, five are each Mayor of the five municipalities in the County and the remaining four are appointed by the Franklin County Board of Commissioners. The Authority is blended with the Water Enterprise Fund. Separate financial statements are not issued for the Authority.

Public Building Authority - On April 29, 1997, Franklin County created the Public Building Authority of Franklin County, Georgia, under the provisions of 1997 Georgia Law act 229 (H.B. 904). The Authority consists of five directors, which are appointed by the Franklin County Board of Commissioners. The Authority is blended with the General Fund. Separate financial statements are not issued for the Authority.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

Franklin County Recreation Department – The Franklin County Recreation Board was established as a legally separate entity in August 1993 and operates pursuant to the Official Code of Georgia Annotated Section 36-64-1. The Board consists of seven members approved by the Board of Commissioners. The Recreation Board provides leisure services to the citizens of Franklin County and the citizens of Municipalities within the County. The Board undertakes special projects and assignments for County management. In many respects it functions similar to a County department through regular participation in department director meetings, budget approval, accounting, payroll, etc. Individual financial statements are presented as part of the County's Annual Report in the section labeled "Component Unit". (See Exhibit I). The Franklin County Recreation Department has a June 30 year-end (See Note 23). Individual financial statements may be obtained by contacting the Franklin County Recreation Department, PO Box 311, Carnesville, Georgia 30521.

Franklin County Industrial Building Authority – The Franklin County Industrial Building Authority was established as a legally separate entity and operates pursuant to the Official Code of Georgia Annotated Section 36-62-4. The Board consists of seven members. Two members are appoints by the Board of Commissioners. The remaining five members are the mayors of the five cities located in Franklin County. The Industrial Building Authority facilitates economic development in the County. Individual financial statements are presented as part of the County's Annual Report in the section labeled "Component Unit". (See Exhibit I). The Franklin County Industrial Building Authority has a June 30 year-end (See Note 23). Individual financial statements may be obtained by contacting the Franklin County Industrial Building Authority, PO Box 151, Carnesville, Georgia 30521.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Franklin County Health Department – The Franklin County Health Department was established as a legally separate entity and operates pursuant to the Georgia Health Code 88-2, Georgia Laws 1964. The District Health Director is the Executive Officer of the Franklin County Health Department and is responsible for the overall coordination of the local health activities. The Franklin County Health Department is funded by the State and County under the Grant-in-Aid provisions, and operated under the supervision of the local Board of Health. The Franklin County Health Department has a June 30 year-end. A copy of the Franklin County Health Department financial statements can be obtained from the Franklin County Health Department, P.O. Box 546, Carnesville, Georgia 30521. This component unit has not been included as part of the notes to the financial statements.

C. Government-wide and Fund Financial Statements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34. This statement establishes new financial reporting requirements for state and local governments throughout the United States. Its implementation creates new information and restructures much of the information that governments have presented in the past. The GASB's intent is to make annual reports more comprehensive and easier to understand.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary 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 the legally separate component units for which the primary government is financially accountable.

2. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements, continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The County's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type activities for the County. Fiduciary activities of the County are not included in these statements.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

These 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. Accordingly, all the County's assets and liabilities, including capital assets, as well as current year infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities that 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.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Governmental Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. The County considers property taxes as available in the period for which they were levied if they are collected within 60 days subsequent to year-end. A 60-day availability period is also used for revenue recognition for all other governmental fund revenue.

The County reports the following major governmental funds:

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

Emergency 911 Special Revenue Fund – This fund is used to account for the County's share of telephone fees for the operation of their 911 emergency system.

Debt Service Fund – This fund is used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

2004 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of capital facilities financed by special purpose local option sales taxes passed by the 2004 referendum.

The County reports the following major proprietary funds:

Water and Sewer Enterprise Fund – This fund is used to account for activities connected with the development, operation and maintenance of water and sewer services in Franklin County.

Solid Waste Enterprise Fund – This fund is used to account for activities connected with the disposal of residential and commercial solid waste at the County's solid waste transfer station.

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Capital Projects Funds - Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Fiduciary Fund Types

Agency Funds – Agency Funds are custodial in nature and do not present 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 are held either for the County or for others.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Component Units

The Franklin County Recreation Department, the Franklin County Industrial Building Authority, and the Franklin County Health Department are accounted for using a current financial resources measurement focus and use the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they both become measurable and available).

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option for following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting

The Board of Commissioners adopts an annual budget for all governmental fund types, prior to June 30, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the Board of Commissioners when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted at a public meeting.

Each year in August, each department submits a proposed budget to the Board of Commissioners for their review. Each department will have scheduled meetings with the Board of Commissioners to review the proposed budget and to ratify any adjustments to the budget. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Franklin County. These hearings are publicized in the local newspaper at least one week before the first hearing, and the budget document is made available for public inspection during this week.

The final proposed budget is presented at a Board of Commissioners meeting for final passage prior to June 30.

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, personnel benefits, or capital purchases must be approved by the Board of Commissioners.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department, sub-department, or project 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.

The County does not use the encumbrance system of accounting.

2. Summary of Significant Accounting Policies (continued)

F. Cash and Investments

Cash and equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents, and investments with an original maturity at three months or less. Investments are reported at fair market value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts.

G. Intergovernmental Receivables

Receivables from other governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

H. Inventories

Inventories in the Water and Sewer Enterprise Fund are valued at cost on the first-in, first-out method.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2007, are recorded as prepaid items.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

2. Summary of Significant Accounting Policies (continued)

J. Capital Assets, continued

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the fiscal year ended December 31, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are among the largest asset classes of the County. Neither their historical costs nor related depreciation has historically been reported in the financial statements. For the fiscal year ended June 30, 2007, the County has implemented the requirements for retroactive reporting of major general infrastructure assets.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years	Capitalization Threshold
Land	N/A	$ 1
Land Improvements	15	$ 5,000
Buildings	40	$ 5,000
Machinery and Equipment	5-10	$ 5,000
Furniture and Fixtures	5	$ 5,000
Vehicles	5-10	$ 5,000
Computer Hardware and Software	3-5	$ 5,000
Infrastructure	15-50	$20,000 - $100,000

The costs of normal maintenance and repairs that do not add value or materiality extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

2. Summary of Significant Accounting Policies (continued)

K. Compensation for Future Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and compensation benefits. These will be paid to the employees upon separation from County service. Accumulated unpaid vacation pay amounts are accrued when incurred by the County in the government-wide, proprietary, and fiduciary fund 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 benefit has matured and is expected to be liquidated with expendable available financial resources.

L. 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, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

M. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

2. Summary of Significant Accounting Policies (continued)

N. Reservations and Designations of Fund Balances

Reservations represent the portions of fund balances, which are not appropriable for expenditure or have been segregated for specific future uses by legal mandate. Designations represent the portions of fund balance for which the government has made tentative plans.

3. Deposit and Investment Risk

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the County's deposits may not be returned. The City has no formal policy, but follows State of Georgia requirements that all deposits be federally insured or fully collateralized.

Interest Rate Risk

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 of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The County has no investment policy that would further limit its investment choices. Investments are reported at fair value.

Concentration of Credit Risk

The County has no formal policy on the amount the County may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

3. Deposit and Investment Risk (continued)

As of June 30, 2007, the County's investments included a US Treasuries obligation fund with a fair value of $4,899,387; the average maturity of the fund at June 30, 2007, was less than 30 days.

As of June 30, 2007, the County's investments included repurchase agreements with a fair value of $3,036,768; these repurchase agreements mature on December 15, 2008. The underlying securities of these repurchase agreements are US Treasury securities, which were rated AAA by Standard & Poor's.

4. Accounts Receivable

Net accounts receivable at June 30, 2007 consist of the following:

Primary Government:		
Major Funds		
General Fund	$ 425,794	
Less: Allowance for Uncollectables	(98,216)	$ 327,578
Emergency 911 Special Revenue Fund		11,153
Enterprise Funds		
Water and Sewer	96,790	
Less: Allowance for Uncollectibles	(8,737)	88,053
Nonmajor Funds		
Probation Services Special Revenue Fund		9,146
Total primary government		$ 435,930
Fiduciary Funds		
Agency Funds		
Magistrate Court	$ 63,884	
Less: Allowance for Uncollectables	(2,175)	
Probate Court	258,653	
Less: Allowance for Uncollectables	(4,613)	
Clerk of Superior Court	76,641	
Less: Allowance for Uncollectables	(8,306)	$ 384,084

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2007 consist of the following:

Major Funds		
General Fund		
Georgia Department of Revenue	$ 414,665	
Franklin County Board of Education	183,982	
Northern Judicial Circuit	6,851	$ 605,498
Debt Service Fund		
Georgia Department of Revenue		641,638
Nonmajor Funds		
Special Revenue Funds		
MANS Unit		
Georgia Criminal Justice Coordinating Council	28,213	
Public Defender		
Madison County, Georgia	3,804	
Probation Services		
Elbert County, Georgia	31,852	
Oglethorpe County, Georgia	3,025	
Hart County, Georgia	1,513	68,407
Total primary government		$ 1,315,543

6. Interfund Receivables and Payables

A summary of interfund receivables and payables as of June 30, 2007 is as follows:

Receivable Fund	Payable Fund	Amount
General	Water and Sewer	$ 1,060,468
	Solid Waste	132,606
	Emergcency 911	541,177
	Nonmajor Governmental	69,961
Solid Waste	Nonmajor Governmental	8,866
Nonmajor Governmental	2004 SPLOST	537,636
	Debt Service	2,100
Total		$ 2,352,814

The balances reported as Due to/Due from represent loans between the borrower funds and the lender funds. These balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made.

7. Interfund Transfers

A summary of interfund transfers as of June 30, 2007 is as follows:

Transfer out/Transfer in other funds:

Transfer Out Fund	Transfer In Fund	Amount
General	Emergency 911	$ 325,398
	Nonmajor Governmental	70,032
2004 SPLOST	Water and Sewer	1,774,982
Debt Service	Nonmajor Governmental	898,150
Subtotal		$ 3,068,562

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

8. Capital Assets

Capital asset activity for the primary government for the fiscal ended June 30, 2007 was as follows:

	Balance 7/1/2006	Increases	Decreases	Balance 6/30/2007
Governmental Activities				
Nondepreciable assets				
Land	$ 6,043,190	$ 15,272	$ (1,203,875)	$ 4,854,587
Construction in progress	798,479	23,788	(798,479)	23,788
Total non-depreciable assets	6,841,669	39,060	(2,002,354)	4,878,375
Depreciable assets				
Infrastructure	38,945,471	1,762,843	0	40,708,314
Buildings	6,623,050	73,900	0	6,696,950
Machinery and equipment	1,566,430	592,079	0	2,158,509
Vehicles	3,457,715	649,993	0	4,107,708
Total depreciable assets	50,592,666	3,078,815	0	53,671,481
Accumulated Depreciation				
Infrastructure	(11,987,635)	(784,687)	0	(12,772,322)
Buildings	(1,596,888)	(164,714)	0	(1,761,602)
Machinery and equipment	(581,970)	(202,276)	0	(784,246)
Vehicles	(2,203,824)	(410,715)	0	(2,614,539)
Total accumulated depreciation	(16,370,317)	(1,562,392)	0	(17,932,709)
Total depreciable assets, net	34,222,349	1,516,423	0	35,738,772
Governmental Activities capital assets, net	$ 41,064,018	$ 1,555,483	$ (2,002,354)	$ 40,617,147
Business-type Activities				
Nondepreciable assets				
Land	$ 399,323	$ 0	$ 0	$ 399,323
Construction in progress	0	248,635	0	248,635
Total non-depreciable assets	399,323	248,635	0	647,958
Depreciable assets				
Land improvements	29,382	0	0	29,382
Distribution system	15,841,548	1,393,562	0	17,235,110
Buildings	1,875,731	0	0	1,875,731
Machinery and equipment	465,917	82,734	(120,000)	428,651
Vehicles	268,909	0	0	268,909
Total depreciable assets	18,481,487	1,476,296	(120,000)	19,837,783
Accumulated Depreciation				
Land improvements	(7,182)	(1,959)	0	(9,141)
Distribution system	(1,328,870)	(323,684)	0	(1,652,554)
Buildings	(284,156)	(48,406)	0	(332,562)
Machinery and equipment	(303,214)	(55,678)	117,145	(241,747)
Vehicles	(154,763)	(53,782)	0	(208,545)
Total accumulated depreciation	(2,078,185)	(483,509)	117,145	(2,444,549)
Total depreciable assets, net	16,403,302	992,787	(2,855)	17,393,234
Business-type Activities capital assets, net	$ 16,802,625	$ 1,241,422	$ (2,855)	$ 18,041,192

8. Capital Assets (continued)

Capital asset activity for the Recreation Department and Industrial Building Authority Component Units for the fiscal year ended June 30, 2007 was as follows:

	7/1/2006	Increases	Decreases	6/30/2007
Recreation Department Component Unit				
Nondepreciable assets				
Land	$ 99,000	$ 0	$ 0	$ 99,000
Construction in progress	1,166,191	0	(1,166,191)	0
Total non-depreciable assets	1,265,191	0	(1,166,191)	99,000
Depreciable assets				
Land improvements	655,260	0	0	655,260
Buildings	100,000	1,908,784	0	2,008,784
Machinery and equipment	47,386	0	0	47,386
Vehicles	6,000	0	0	6,000
Total depreciable assets	808,646	1,908,784	0	2,717,430
Accumulated Depreciation				
Land improvements	(177,680)	(43,684)	0	(221,364)
Buildings	(8,750)	(2,500)	0	(11,250)
Machinery and equipment	(29,341)	(4,742)	0	(34,083)
Vehicles	(6,000)	0		(6,000)
Total accumulated depreciation	(221,771)	(50,926)	0	(272,697)
Total depreciable assets, net	586,875	1,857,858	0	2,444,733
Recreation Department Component Unit capital assets, net	$ 1,852,066	$ 1,857,858	$ (1,166,191)	$ 2,543,733
Industrial Building Authority Component Unit				
Nondepreciable assets				
Land	$ 0	$ 2,209,605	$ (305,379)	$ 1,904,226
Depreciable assets				
Land improvements	0	28,500	0	28,500
Accumulated Depreciation				
Land improvements	0	(950)	0	(950)
Total depreciable assets, net	0	27,550	0	27,550
Industrial Building Authority Component Unit capital assets, net	$ 0	$ 2,237,155	$ (305,379)	$ 1,931,776

For the fiscal year ended June 30, 2007, the County has implemented the GASB Statement No. 34 requirements for retroactive reporting of major general infrastructure assets (see Note 15).

8. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 58,495
Judicial	1,496
Public Safety	503,024
Public Works	970,806
Health and Welfare	26,053
Housing and Development	2,518
Total depreciation expense for governmental activities	$ 1,562,392
Business-type activities	
Water and Sewer	365,216
Solid Waste	118,293
Total depreciation expense for business-type activities	$ 483,509
Recreation Department Component Unit	$ 50,926
Industrial Building Authority Component Unit	$ 950

9. Operating Lease Agreements

The County's lease agreements are relatively minor commitments and are in compliance with state law.

10. Other Liabilities

At June 30, 2007, the County had $158,321 in excess property taxes received from the sale of properties with delinquent taxes due. This excess amount received over taxes and fees is legally due to the owner of the sold property and is held as a liability until all efforts to contact the property owner have been exhausted.

11. Long-Term Debt

Long - Term Debt

The County enters into promissory notes with the Georgia Environmental Facilities Authority and the United States Department of Agriculture for the financing of water and sewer construction projects. The County pledges the full faith credit and taxing powers of the County in this financing arrangement.

General Obligation Bonds

General obligation bonds have been issued for governmental activities and are comprised of the following individual issue at June 30, 2007:

$17,000,000 2005 Franklin County General Obligation Sales Tax series bonds due in annual installments of $2,250,000 to $4,000,000 through August 1, 2011; interest at 3.00% to 5.00% ($15,250,000 outstanding), for various equipment purchase and capital projects of Franklin County and the five municipalities located in the County; revenues of the 2004 special purpose local option sales tax referendum have been obligated for debt service.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2008	$ 2,250,000	$ 583,750	$ 2,833,750
2009	2,500,000	512,500	3,012,500
2010	3,000,000	415,000	3,415,000
2011	3,500,000	277,500	3,777,500
2012	4,000,000	100,000	4,100,000
Totals	$ 15,250,000	$ 1,888,750	$ 17,138,750

$3,198,288 is available in the Debt Service Fund to service the general obligation bonds.

11. Long-Term Debt (continued)

Notes Payable

Business-type Activities

The County has entered into a lending agreement with the Georgia Environmental Facility Authority for expansion of the water and sewer system in the original amount of $2,166,217. At June 30, 2007, the balance of this note is $2,036,891. Quarterly installments of $32,332 principal are due through March 1, 2023; interest at 0%.

Additionally, the County has entered into a lending agreement with the United States Department of Agriculture for the expansion of the water and sewer system in the original amount of $1,204,000. At June 30, 2007, the balance of this note is $1,127,936. Monthly installments of $5,467 of principal and interest are due through August 28, 2040; interest at 4.50%.

Annual debt service requirements for notes payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2008	$ 144,482	$ 50,448	$ 194,930
2009	145,178	49,752	194,930
2010	145,906	49,024	194,930
2011	146,668	48,262	194,930
2012	147,465	47,465	194,930
2013-2017	750,616	224,034	974,650
2018-2022	776,800	197,850	974,650
2023-2027	259,947	165,074	425,021
2028-2032	203,975	124,045	328,020
2033-2037	255,335	72,685	328,020
2038-2041	188,475	13,725	202,200
Totals	$ 3,164,847	$ 1,042,364	$ 4,207,211

11. Long-Term Debt (continued)

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2007:

	Balance 6/30/2006	Additions	Deductions	Balance 6/30/2007	Due Within One Year
Governmental activities					
General obligation bonds	$ 17,000,000	$ 0	$ 1,750,000	$ 15,250,000	$ 2,250,000
Unamortized bond premium	755,911	0	148,704	607,207	0
Compensated absences	199,420	235,427	199,420	235,427	235,427
Total Governmental activities	$ 17,955,331	$ 235,427	$ 2,098,124	$ 16,092,634	$ 2,485,427
Business-type activities					
Notes payable	$ 3,308,643	$ 0	$ 143,816	$ 3,164,827	$ 144,482
Post-closure care costs	1,328,358	837	21,800	1,307,395	0
Compensated absences	6,379	7,425	6,379	7,425	7,425
Total business-type activities	$ 4,643,380	$ 8,262	$ 171,995	$ 4,479,647	$ 151,907
Recreation Department Component Unit					
Compensated absences	$ 5,632	$ 10,422	$ 5,632	$ 10,422	$ 10,422

Compensated absences are liquidated by those governmental funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund and Emergency 911 and MANS Unit Special Revenue Funds.

12. Landfill Post-Closure Care Costs

The County closed its sold waste landfill in 2002. State and federal laws and regulations require the County to perform certain maintenance and monitoring operations at the landfill site for 30 years after official closure. The estimated cost of all post closure care activities is $1,307,395 and is reflected as a long-term liability in the Solid Waste Enterprise Fund. Because of future changes in technology, laws, or regulations, these costs may change.

13. Reserved Equity Balances

General Fund

Reserved for prepaid items - An amount of $97,105 has been reserved for prepaid items since this amount is not legally available for appropriation.

Reserved for program expenditures – The total of $393,028 has been reserved to reflect amounts that are restricted by revenue source, but are accounted for in the General Fund.

Enterprise Funds

Restricted for restricted assets – An amount of $8,866 has been restricted in Solid Waste Fund for restricted assets since this amount is not legally available for appropriation.

14. Deficit Equity Balances

At June 30, 2007, the Governmental Activities have negative unrestricted net assets of $5,148,098. This is due general obligation bonds recorded in the governmental activities. The County plans to liquidate this negative unrestricted net assets through future revenue recognition.

At June 30, 2007, the Public Defender Special Revenue Fund has a deficit fund balance of $9,328. This is due to the payment for services in anticipation of future revenues. The County plans to liquidate this deficit fund balance through future revenue recognition.

At June 30, 2007, the Probation Services Special Revenue Fund has a deficit fund balance of $30,646. This is due to the payment for services in anticipation of future revenues. The County plans to liquidate this deficit fund balance through future revenue recognition.

15. Changes in Beginning Balances

Governmental Activities

The beginning balance of the capital assets has been adjusted to reflect infrastructure assets placed into service after June 30, 1980; this retroactive reporting is required by GASB Statement No. 34. This adjustment increased beginning net assets by $31,475,166.

15. Changes in Beginning Balances (continued)

General Fund

A prior period adjustment has been made to remove an amount previously reported as due to the MANS Unit Special Revenue Fund. This adjustment increased beginning fund balance by $13,047.

MANS Unit Special Revenue Fund

A prior period adjustment has been made to remove an amount previously reported as due from the General Fund. This adjustment decreased beginning fund balance by $13,047.

The net effect of these adjustment increased beginning net assets of the Governmental Activities by $31,475,166.

16. Pension Plan

Plan Description and Contribution Information

Description

Franklin County contributes to the Association of County Commissioners of Georgia ("ACCG") Defined Benefit Plan ("Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The County elected to participate in the Plan as of the result of Board of Commissioner vote and a contract between the County and the ACCG. The county has been participating in the Plan since January 1, 1994.

The Plan's assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan. See Note 2 – Summary of Significant Accounting Policies for reporting of investments. The ACCG 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, GA 30339.

16. Pension Plan (continued)

Plan Description and Contribution Information, continued

All full-time County 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 3 years of plan participation. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1% of average annual compensation plus $36 for each year of service payable as a life annuity. On April 2, 2007, the County amended the Plan; after that date, participants are entitled to an annual benefit in the amount of 2% of average annual compensation 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 Board of Commissioners.

Current Membership and current year payrolls are as follows:

Retirees and beneficiaries currently receiving benefits	22
Terminated vested participants entitled to but not yet receiving benefits	58
Active participants	87
Total number of participants	167

Funding Policy

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, based on an actuarially determined rate. The current rate is 8.2% of annual covered payroll. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

16. Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation

The net pension obligation was computed as part of an actuarial valuation performed as of January 1, 2006. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	8.0%
Projected salary increases due to:	
Inflation	3.0%
Merit	2.0%
Post-retirement benefit increases	none
Life expectancy before and after retirement (Group Annuity Mortality table)	1971

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate funds so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the projected unit credit actuarial funding method. The actuarial value of Franklin County's assets was determined using market value. The unfunded actuarially accrued liability is being amortized as a level dollar of projected payroll on a closed basis over a thirty-year period. The remaining amortization period at January 1, 2006 was 10 years.

The County's annual pension cost and net pension obligations for the current year ended June 30, 2007 were as follows:

Annual pension cost	$ 227,657
Contributions made	242,692
Increase (decrease) in net pension obligation	(15,035)
Net pension obligation - beginning of year	(21,859)
Net pension obligation - end of year	$ (36,894)

16. Pension Plan (continued)

Historical Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information for the pension plan is presented below.

Pension Cost Information

Plan Year Ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2001	$ 185,532	100%	$ 0
2002	189,776	100%	0
2003	186,333	100%	0
2004	227,701	100%	0
2005	218,288	110%	(21,859)
2006	227,657	107%	(36,894)

Schedule of Funding Progress

Actuarial Valuation Date December 31,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll** (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2001	$ 642,752	$ 1,689,745	$ 1,046,993	38.0%	$ 1,690,585	61.9%
2002	686,100	1,668,276	982,176	41.1%	1,841,541	53.3%
2003	897,878	1,865,834	967,956	48.1%	2,016,889	48.0%
2004	1,118,229	2,032,295	914,066	55.0%	2,243,960	40.7%
2005	1,276,929	2,204,290	927,361	57.9%	2,611,381	35.5%
2006	1,526,514	2,259,649	733,135	67.6%	2,761,559	26.5%

17. Deferred Compensation Plans

The County has established the ACCG 401(a) Defined Contribution Plan for the Senior Management; the County Manager, County Clerk, County Engineer, and County Planning Director are cover by this Plan. The Plan was created under Internal Revenue Code Section 401(a). The plan is administer by the Association of County Commissioners of Georgia ("ACCG"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. Under the terms of the Plan, the County contributes 20% of the eligible employee's salary each year. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

The Plan is a noncontributory participant plan. Funds are vest 100% at the time of contribution. Amounts held in the Plan are not available to the employees until termination, retirement, or death. During the year ended June 30, 2007, the County contributed $25,134 to the Plan, based on covered salaries of $145,346.

The County has no fiduciary relationship with the Plan, and Plan assets are not available to the County or its general creditors. The Plan assets are held in trust by the administrator for the exclusive benefit of the participants of the Plan.

On October 1, 2007, the County elected to terminate the ACCG 401(a) Defined Contribution Plan for the Senior Management; all assets of the Plan were distributed to the participants. The County also adjusted the compensation of the Plan participants to include amounts that would have been contributed to the Plan on their account but for the termination of the Plan.

17. Deferred Compensation Plans (continued)

The County also provides retirement benefits for its employees through two deferred compensation, defined contribution plans. The Plans were created under Internal Revenue Code Sections 457 and 401(a), and are administered by the Variable Annuity Life Insurance Company (VALIC) and the Government Employees Benefits Corporation (GEBCorp) of Georgia, independent third parties. Under the terms of the Plans, employees may defer a portion of their salary through voluntary contributions to the Plans. Employees may defer a maximum of 25% of their salary, up to the maximum allowed by federal law. Employees may choose to contribute to one or both of the Plans.

The County will contribute 1% for each year of service of the employee's contribution per year. There is a cap of 12% for this additional match and an overall cap of $1,000 for County contributions. County contributions are paid into the Plans at the end of each calendar year.

Funds are vested 100% at the time of contribution. Amounts held in the Plans are not available to the employees until termination, retirement, death, or unforeseeable emergency.

During the year ended June 30, 2007, the County contributed $95,630 to the Plans, base on covered salaries of $2,830,033. Total payroll was $5,857,932. Plan members made voluntary contributions of $45,062.

The County has no fiduciary relationship with the Plans, and Plan assets are not available to the County or its general creditors. The Plan assets are held in trust by the administrators for the exclusive benefit of the participants of the Plans.

18. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the year ended June 30, 2007 follows:

Lodging tax receipts	$	83	
Disbursements for tourism	$	83	100% of tax receipts

19. Joint Ventures

Franklin County participates jointly with Hart County, Georgia in the Franklin-Hart Airport. Both Franklin and Hart County have agreed to allocate funds as part of their respective budget toward the venture. The Airport is a separate entity that maintains and accumulates assets of its individual ownership. The Airport entity will apply for grants and seek other outside revenue needed to supplement the entity's budget. Franklin County contributed $93,598 to the Airport during the year ended June 30, 2007. A copy of the Airport financial statements can be obtained from Franklin-Hart Airport, 710 Hartwell Street, Royston, Georgia 30662.

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Development Center (GMRDC) and is required to pay annual dues thereto. During the year ended June 30, 2007, the County paid $14,869 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. A copy of the GMRDC financial statements can be obtained from GMRDC, 1310 West Ridge Road, Gainesville, Georgia 30501.

Franklin County has entered into an intergovernmental agreement with the Joint Development Authority of Hart, Franklin, and Stephens Counties, Georgia, in the creation of the Gateway Business Park, an industrial park development located jointly in Hart and Franklin Counties. No monies were spent on this project during the year ended June 30, 2007. Separate financial statements may be obtained from Joint Development Authority of Hart, Franklin, and Stephens Counties, Georgia, PO Box 793, Hartwell, Georgia 30643.

20. Risk Financing Activities

◊ Material estimates have been made by management about the historical cost of fixed assets and the life of the depreciated fixed assets. Management has used a conservative approach on these estimates.

◊ 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 County has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agent and attorneys to represent the County in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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 the 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.

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

◊ Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2007, the County has no losses that are probable or estimable and accordingly has not recognized any liability.

21. Commitments and Contingencies

Contingencies

◊ Franklin County participates in a number of Revenue Sharing Grants. Expenditures financed by Revenue Sharing Grants are subject to a compliance audit by the grantor or its representative. If expenditures are disallowed due to noncompliance with program regulations, the County may be required to reimburse the grantor government. The County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the County.

◊ 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.

22. Excess of Expenditures over Appropriations in Individual Governmental Funds for which Budgets are Adopted

During the fiscal year ended June 30, 2007, the County incurred expenditures in the following General Fund departments and Special Revenue Funds that were in materially in excess of the amounts appropriated:

Department	Budget	Actual	Variance
County Manager's Office	$ 262,359	$ 274,944	$ (12,585)
General Administration	952,659	1,832,648	(879,989)
Clerk of Superior Court	218,029	230,930	(12,901)
Sheriff's Department	2,815,867	2,986,669	(170,802)
Recreation Department	203,082	214,885	(11,803)
Drug Enforcement Fund	38,200	42,498	(4,298)
Inmate Welfare Fund	56,000	58,379	(2,379)
Public Defender Fund	266,000	276,531	(10,531)

Management concurs with these findings. The County Clerk will be reviewing the comparative financial statements to budget and recommend any necessary budget revisions to the Board of Commissioners.

COMBINING STATEMENTS

Nonmajor Governmental Funds

FRANKLIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2007

	Special Revenue		
	Drug Enforcement	**Inmate Welfare**	**Law Library**
ASSETS			
Cash	$ 22,196	$ 7,415	$ 49,644
Certificates of deposit	0	0	10,193
Receivables			
Accounts	0	0	0
Intergovernmental	0	0	0
Interest	0	0	0
Due from other funds	0	0	0
Total assets	$ 22,196	$ 7,415	$ 59,837
LIABILITIES AND FUND BALANCES			
Liabilities			
Accrued salaries	$ 0	$ 0	$ 0
Due to other agencies	0	0	0
Due to other funds	0	0	0
Total liabilities	0	0	0
Fund balances			
Unreserved	22,196	7,415	59,837
Total liabilities and fund balances	$ 22,196	$ 7,415	$ 59,837

Special Revenue					
MANS Unit	Public Defender	Probation Service	SPLOST Capital Projects	Total Nonmajor Governmental Funds
$ 145,943	$ 0	$ 0	$ 938,182	$ 1,163,380
0	0	0	330,725	340,918
0	0	9,146	0	9,146
28,213	3,804	36,390	0	68,407
0	0	0	18,040	18,040
0	0	0	539,736	539,736
$ 174,156	$ 3,804	$ 45,536	$ 1,826,683	$ 2,139,627
$ 0	$ 1,500	$ 17,853	$ 0	$ 19,353
23,859	0	0	0	23,859
0	11,632	58,329	8,866	78,827
23,859	13,132	76,182	8,866	122,039
150,297	(9,328)	(30,646)	1,817,817	2,017,588
$ 174,156	$ 3,804	$ 45,536	$ 1,826,683	$ 2,139,627

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2007

	Special Revenue		
	Drug Enforcement	**Inmate Welfare**	**Law Library**
REVENUES			
Fines, fees, and forfeitures	$ 50,881	$ 0	$ 17,492
Charges for services	0	56,437	0
Intergovernmental	0	0	0
Interest	70	0	462
Other	0	0	190
Total revenues	50,951	56,437	18,144
EXPENDITURES			
Current			
Judicial	0	0	4,569
Public Safety	42,498	58,379	0
Capital outlay	0	0	0
Total expenditures	42,498	58,379	4,569
Excess (deficiency) of revenues over (under) expenditures	8,453	(1,942)	13,575
Other financing sources (uses)			
Transfers in	0	0	0
Total other financing sources (uses)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	8,453	(1,942)	13,575
Fund balances, July 1 (original)	13,743	9,357	46,262
Prior period adjustments	0	0	0
Fund balances, July 1 (restated)	13,743	9,357	46,262
Fund balances, June 30	$ 22,196	$ 7,415	$ 59,837

Special Revenue			SPLOST Capital Projects	Total Nonmajor Governmental Funds
MANS Unit	Public Defender	Probation Service		
$ 34,250	$ 0	$ 334,262	$ 0	$ 436,885
0	0	0	0	56,437
315,212	192,562	0	412,028	919,802
1,347	0	0	62,168	64,047
0	0	0	804	994
350,809	192,562	334,262	475,000	1,478,165
0	276,531	364,908	0	646,008
362,048	0	0	0	462,925
0	0	0	127,661	127,661
362,048	276,531	364,908	127,661	1,236,594
(11,239)	(83,969)	(30,646)	347,339	241,571
13,982	56,050	0	0	70,032
13,982	56,050	0	0	70,032
2,743	(27,919)	(30,646)	347,339	311,603
160,601	18,591	0	1,470,478	1,719,032
(13,047)	0	0	0	(13,047)
147,554	18,591	0	1,470,478	1,705,985
$ 150,297	$ (9,328)	$ (30,646)	$ 1,817,817	$ 2,017,588

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GENERAL FUND

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

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
BALANCE SHEET
June 30, 2007

ASSETS	
Cash	$ 281,898
Equity in pooled cash	3,882,692
Certificates of deposit	1,917,071
Receivables (net)	
Accounts	327,578
Intergovernmental	605,498
Taxes	269,800
Interest	70,145
Prepaid items	97,105
Due from other funds	1,804,212
Restricted Assets	
Cash	393,028
Total assets	$ 9,649,027
LIABILITIES AND FUND BALANCES	
Liabilities	
Payables	
Accounts	$ 125,609
Excess taxes	158,321
Accrued salaries and expenses	1,230,583
Deferred revenue	132,491
Total liabilities	1,647,004
Fund balances	
Reserved for prepaid items	97,105
Reserved for program expenditures	393,028
Unreserved	7,511,890
Total fund balances	8,002,023
Total liabilities and fund balances	$ 9,649,027

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2007

REVENUES	
Taxes	$ 7,893,324
Licenses and permits	8,485
Fines, fees and forfeitures	1,292,190
Charges for services	1,012,432
Intergovernmental	180,301
Interest	319,866
Other	23,312
Total revenues	10,729,910
EXPENDITURES	
Current	
General Government	3,088,118
Judicial	797,752
Public Safety	4,589,303
Public Works	1,109,222
Health and Welfare	356,931
Culture and Recreation	244,885
Housing and Development	219,178
Total expenditures	10,405,389
Excess (deficiency) of revenues over (under) expenditures	324,521
Other financing sources (uses)	
Transfers in (out) -	
E911 Fund	(325,398)
MANS Unit Fund	(13,982)
Public Defender Fund	(56,050)
Total other financing sources (uses)	(395,430)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(70,909)
Fund balances, July 1, (original)	8,059,885
Prior period adjustment	13,047
Fund balances, July 1, (restated)	8,072,932
Fund balances, June 30	$ 8,002,023

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Taxes			
General property taxes			
Property tax	$ 3,123,685	$ 3,900,236	$ 776,551
Motor vehicle tax	550,000	460,127	(89,873)
Mobile home tax	35,000	77,157	42,157
Cost, penalties, and interest	225,150	188,307	(36,843)
Total general property tax	3,933,835	4,625,827	691,992
Intangibles tax	140,500	130,864	(9,636)
Real estate transfer tax	35,000	39,838	4,838
Local option sales tax	2,012,078	2,318,430	306,352
Insurance premium	603,094	674,925	71,831
Franchise tax	64,000	66,210	2,210
Occupational tax	20,000	15,876	(4,124)
Other taxes	11,400	21,271	9,871
Hotel/motel tax	150	83	(67)
Total taxes	6,820,057	7,893,324	1,073,267
Licenses and Permits			
Business and inspection licenses	10,000	4,884	(5,116)
Other permits	8,400	3,601	(4,799)
Total licenses and permits	18,400	8,485	(9,915)
Fines, fees and forfeitures	859,600	1,292,190	432,590
Charges for Services			
Emergency medical services	525,000	589,449	64,449
Tax collection commissions	260,000	292,496	32,496
Sheriff services	31,500	74,102	42,602
Prisoner board	45,000	44,426	(574)
Other	18,400	11,959	(6,441)
Total charges for services	879,900	1,012,432	132,532
Intergovernmental			
Grants and receipts	250,630	180,301	(70,329)
Interest	60,000	319,866	259,866
Other	115,000	23,312	(91,688)
Total revenues	$ 9,003,587	$ 10,729,910	$ 1,726,323

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
EXPENDITURES			
Current			
General Government			
Commission Board			
Personal services	$ 63,751	$ 63,076	$ 675
Supplies and materials	6,300	1,889	4,411
Total Commission Board	70,051	64,965	5,086
County Manager's Office			
Personal services	220,489	220,973	(484)
Contract services	30,310	34,518	(4,208)
Supplies and materials	11,560	11,290	270
Capital outlay	0	8,163	(8,163)
Total County Manager's Office	262,359	274,944	(12,585)
General Building and Plant			
Contract services	61,800	25,962	35,838
Supplies and materials	34,000	27,648	6,352
Capital outlay	2,000	28,469	(26,469)
Total General Building and Plant	97,800	82,079	15,721
General Administration			
Personal services	486,684	1,430,135	(943,451)
Contract services	382,830	331,028	51,802
Supplies and materials	2,145	1,909	236
Capital outlay	60,000	59,576	424
Payments to other agencies	21,000	10,000	11,000
Total General Administration	952,659	1,832,648	(879,989)
Tax Commissioner			
Personal services	234,752	233,291	1,461
Contract services	47,181	48,271	(1,090)
Supplies and materials	8,122	7,446	676
Total Tax Commissioner	290,055	289,008	1,047
Tax Assessor			
Personal services	282,519	255,361	27,158
Contract services	92,766	112,374	(19,608)
Supplies and materials	56,855	29,510	27,345
Capital outlay	190	8,163	(7,973)
Total Tax Assessor	432,330	405,408	26,922
Registrar			
Personal services	55,791	54,407	1,384
Contract services	8,545	4,623	3,922
Supplies and materials	5,480	3,764	1,716
Total Registar	69,816	62,794	7,022

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
General Government, continued			
Elections			
Personal services	$ 5,995	$ 2,010	$ 3,985
Contract services	61,845	51,401	10,444
Supplies and materials	14,260	2,407	11,853
Total Elections	82,100	55,818	26,282
County Engineer			
Personal services	12,500	13,193	(693)
Contract services	13,100	7,133	5,967
Supplies and materials	600	128	472
Total County Engineer	26,200	20,454	5,746
Total General Government	2,283,370	3,088,118	(804,748)
Judicial			
Probate Court			
Personal services	184,997	187,623	(2,626)
Contract services	12,145	8,617	3,528
Supplies and materials	8,055	11,734	(3,679)
Total Probate Court	205,197	207,974	(2,777)
Magistrate Court			
Personal services	127,201	126,761	440
Contract services	12,150	13,653	(1,503)
Supplies and materials	9,960	9,694	266
Total Magistrate Court	149,311	150,108	(797)
Superior Court			
Personal services	99,599	86,267	13,332
Contract services	106,350	105,022	1,328
Supplies and materials	11,200	5,227	5,973
Total Superior Court	217,149	196,516	20,633
Superior Court Judge			
Contract services	6,395	4,808	1,587
Supplies and materials	7,605	7,416	189
Total Superior Court Judge	14,000	12,224	1,776
Clerk of Superior Court			
Personal services	194,789	194,841	(52)
Contract services	15,690	14,454	1,236
Supplies and materials	7,550	13,472	(5,922)
Capital outlay	0	8,163	(8,163)
Total Clerk of Superior Court	218,029	230,930	(12,901)
Total Judicial	803,686	797,752	5,934

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
Public Safety			
Fire Departments			
Personal services	$ 7,000	$ 2,480	$ 4,520
Contract services	1,200	3,016	(1,816)
Supplies and materials	1,500	7,784	(6,284)
Payments to other agencies	271,350	261,397	9,953
Total Fire Departments	281,050	274,677	6,373
Coroner Services			
Personal services	15,075	12,270	2,805
Contract services	9,635	7,992	1,643
Supplies and materials	1,265	300	965
Total Coroner Services	25,975	20,562	5,413
Emergency Medical Service			
Personal services	984,537	988,801	(4,264)
Contract services	50,824	41,281	9,543
Supplies and materials	105,400	108,701	(3,301)
Capital outlay	97,800	97,491	309
Total Emergency Medical Services	1,238,561	1,236,274	2,287
Emergency Management			
Personal services	2,153	0	2,153
Contract services	3,750	812	2,938
Supplies and materials	300	0	300
Total Emergency Management	6,203	812	5,391
Youth Investigation and Control			
Contract services	3,500	300	3,200
County Marshal			
Personal services	37,231	37,372	(141)
Contract services	5,700	3,489	2,211
Supplies and materials	6,910	4,148	2,762
Total County Marshal	49,841	45,009	4,832
Sheriff Department			
Personal services	2,005,762	2,105,293	(99,531)
Contract services	173,905	207,450	(33,545)
Supplies and materials	514,900	564,963	(50,063)
Capital outlay	121,300	108,963	12,337
Total Sheriff Department	2,815,867	2,986,669	(170,802)

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
Public Safety, continued			
Animal Shelter			
Payments to other agencies	$ 25,000	$ 25,000	$ 0
Total Public Safety	4,445,997	4,589,303	(143,306)
Public Works			
Highways and Streets			
Personal services	615,492	637,272	(21,780)
Contract services	73,860	69,851	4,009
Supplies and materials	430,305	402,099	28,206
Total Public Works	1,119,657	1,109,222	10,435
Health and Welfare			
Senior Center			
Personal services	94,272	91,676	2,596
Contract services	22,137	8,985	13,152
Supplies and materials	106,622	84,088	22,534
Capital outlay	0	18,886	(18,886)
Total Senior Center	223,031	203,635	19,396
Foster Care Services			
Payments to other agencies	61,028	46,640	14,388
Health Department			
Contract services	500	3,549	(3,049)
Supplies and materials	1,400	1,676	(276)
Payments to other agencies	101,431	101,431	0
Total Health Department	103,331	106,656	(3,325)
Total Health and Welfare	387,390	356,931	30,459
Culture and Recreation			
Recreation Department			
Payments to other agencies	203,082	214,885	(11,803)
Library Board			
Payments to other agencies	30,000	30,000	0
Total Culture and Recreation	233,082	244,885	(11,803)
Housing and Development			
County Agent			
Personal services	51,907	30,198	21,709
Contract services	11,706	10,746	960
Supplies and materials	7,555	26,044	(18,489)
Total County Agent	71,168	66,988	4,180

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
Housing and Development, continued			
Forestry Service			
Payments to other agencies	$ 3,584	$ 2,918	$ 666
Planning and Zoning			
Personal services	48,728	50,322	(1,594)
Contract services	9,485	8,195	1,290
Supplies and materials	7,935	3,755	4,180
Capital outlay	1,000	0	1,000
Total Planning and Zoning	67,148	62,272	4,876
Industrial Building Authority			
Payments to other agencies	79,335	76,995	2,340
Airport Authority			
Contract services	3,500	3,370	130
Payments to other agencies	8,000	6,635	1,365
Total Airport Authority	11,500	10,005	1,495
Total Housing and Development	232,735	219,178	13,557
Total expenditures	$ 9,505,917	$ 10,405,389	$ (899,472)

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SPECIAL REVENUE FUNDS

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

Emergency 911 Fund – This fund is used to account for the County's share of telephone fees for the operation of their 911 emergency system.

Drug Enforcement Fund – This fund is used to account for monies confiscated during drug arrests by the Sheriff's Department. These monies are held for evidence and then disbursed by court order to the appropriate agencies. This fund also includes monies paid to the County that are restricted for law enforcement against drugs.

Inmate Welfare Fund – This fund is used to account for monies legally restricted for the benefit of detainees in the County jail.

Law Library Fund – This fund is used to account for the funds court office fines and fees legally restricted for operation of a County Law Library.

MANS Unit Fund – This fund is used to account for funds legally restricted for law enforcement activity.

Public Defender Fund – This fund is used to account for funds legally restricted for the operation of the Northern Judicial Circuit Public Defender's Office.

Probation Service Fund – This fund is used to account for funds legally restricted for the operation of Probation Services.

FRANKLIN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2007

ASSETS	
Cash	$ 580,485
Accounts receivable	11,153
Total assets	$ 591,638
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	$ 3,626
Accrued salaries	20,522
Due to other funds	541,177
Total liabilities	565,325
Fund balances	
Unreserved	26,313
Total liabilities and fund balances	$ 591,638

FRANKLIN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 198,000	$ 233,474	$ 35,474
Interest	0	11,885	11,885
Total revenues	198,000	245,359	47,359
EXPENDITURES			
Current			
Public Safety			
Personal services	429,054	429,891	(837)
Contractual services	152,365	124,059	28,306
Supplies and materials	13,660	12,727	933
Capital outlay	15,000	4,081	10,919
Total expenditures	610,079	570,758	39,321
Excess (deficiency) of revenues over (under) expenditures	(412,079)	(325,399)	86,680
Other financing sources (uses)			
Transfers in (out)			
General Fund	412,079	325,398	(86,681)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(1)	(1)
Fund balances, July 1	0	26,314	26,314
Fund balances, June 30	$ 0	$ 26,313	$ 26,313

FRANKLIN COUNTY, GEORGIA
DRUG ENFORCEMENT SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2007

ASSETS	
Cash	$ 22,196
LIABILITIES AND FUND BALANCES	
Fund balances	
Unreserved	$ 22,196

FRANKLIN COUNTY, GEORGIA
DRUG ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 38,200	$ 50,881	$ 12,681
Interest	0	70	70
Total revenues	38,200	50,951	12,751
EXPENDITURES			
Current			
Public Safety			
Supplies	38,200	18,136	20,064
Capital outlay	0	24,362	(24,362)
Total expenditures	38,200	42,498	(4,298)
Excess (deficiency) of revenues over (under) expenditures	0	8,453	8,453
Fund balances, July 1	0	13,743	13,743
Fund balances, June 30	$ 0	$ 22,196	$ 22,196

FRANKLIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2007

ASSETS	
Cash	$ 7,415
LIABILITIES AND FUND BALANCES	
Fund balances	
Unreserved	$ 7,415

FRANKLIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 56,000	$ 56,437	$ 437
Total revenues	56,000	56,437	437
EXPENDITURES			
Current			
Public Safety			
Supplies	56,000	58,379	(2,379)
Total expenditures	56,000	58,379	(2,379)
Excess (deficiency) of revenues over (under) expenditures	0	(1,942)	(1,942)
Fund balances, July 1	0	9,357	9,357
Fund balances, June 30	$ 0	$ 7,415	$ 7,415

FRANKLIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2007

ASSETS		
Cash	$	49,644
Certificates of deposit		10,193
Total assets	$	59,837
LIABILITIES AND FUND BALANCES		
Fund balances		
Unreserved	$	59,837

FRANKLIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 12,400	$ 17,492	$ 5,092
Interest	0	462	462
Other	0	190	190
Total revenues	12,400	18,144	5,744
EXPENDITURES			
Current			
Judicial			
Personal services	1,680	1,680	0
Supplies and materials	3,800	2,889	911
Total expenditures	5,480	4,569	911
Excess (deficiency) of revenues over (under) expenditures	6,920	13,575	6,655
Other financing sources (uses)			
Transfers in (out)			
Contingency	(6,920)	0	6,920
Total other financing sources (uses)	(6,920)	0	6,920
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	13,575	13,575
Fund balances, July 1	0	46,262	46,262
Fund balances, June 30	$ 0	$ 59,837	$ 59,837

FRANKLIN COUNTY, GEORGIA
MANS UNIT SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2007

ASSETS	
Cash	$ 145,943
Intergovernmental receivable	28,213
Total assets	$ 174,156
LIABILITIES AND FUND BALANCES	
Liabilities	
Due to other agencies	$ 23,859
Fund balances	
Unreserved	150,297
Total liabilities and fund balances	$ 174,156

FRANKLIN COUNTY, GEORGIA
MANS UNIT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 22,807	$ 34,250	$ 11,443
Intergovernmental	325,394	315,212	(10,182)
Interest	1,548	1,347	(201)
Total revenues	349,749	350,809	1,060
EXPENDITURES			
Current			
Public Safety			
Personal services	239,807	247,085	(7,278)
Contract services	42,680	39,637	3,043
Supplies and materials	81,244	55,281	25,963
Capital outlay	0	20,045	(20,045)
Total expenditures	363,731	362,048	1,683
Excess (deficiency) of revenues over (under) expenditures	(13,982)	(11,239)	2,743
Other financing sources (uses)			
Transfers in (out)			
General Fund	13,982	13,982	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	2,743	2,743
Fund balances, July 1 (original)	0	160,601	160,601
Prior period adjustment	0	(13,047)	(13,047)
Fund balances, July 1 (restated)	0	147,554	147,554
Fund balances, June 30	$ 0	$ 150,297	$ 150,297

FRANKLIN COUNTY, GEORGIA
PUBLIC DEFENDER SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2007

ASSETS	
Intergovernmental receivable	$ 3,804
LIABILITIES AND FUND BALANCES	
Liabilities	
Accrued salaries	$ 1,500
Due to other funds	11,632
Total liabilities	13,132
Fund balances	
Unreserved	(9,328)
Total liabilities and fund balances	$ 3,804

FRANKLIN COUNTY, GEORGIA
PUBLIC DEFENDER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 209,950	$ 192,562	$ (17,388)
Total revenues	209,950	192,562	(17,388)
EXPENDITURES			
Current			
Judicial			
Personal services	39,300	35,283	4,017
Contract services	212,300	230,570	(18,270)
Supplies and materials	11,400	10,678	722
Capital outlay	3,000	0	3,000
Total expenditures	266,000	276,531	(10,531)
Excess (deficiency) of revenues over (under) expenditures	(56,050)	(83,969)	(27,919)
Other financing sources (uses)			
Transfers in (out)			
General Fund	56,050	56,050	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(27,919)	(27,919)
Fund balances, July 1	0	18,591	18,591
Fund balances, June 30	$ 0	$ (9,328)	$ (9,328)

FRANKLIN COUNTY, GEORGIA
PROBATION SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2007

ASSETS	
Accounts receivable	$ 9,146
Intergovernmental receivable	36,390
Total assets	$ 45,536
LIABILITIES AND FUND BALANCES	
Liabilities	
Accrued salaries	$ 17,853
Due to other funds	58,329
Total liabilities	76,182
Fund balances	
Unreserved	(30,646)
Total liabilities and fund balances	$ 45,536

FRANKLIN COUNTY, GEORGIA
PROBATION SERVICE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 479,075	$ 334,262	$ (144,813)
Total revenues	479,075	334,262	(144,813)
EXPENDITURES			
Current			
Judicial			
Personal services	430,194	340,271	89,923
Contract services	12,035	9,829	2,206
Supplies and materials	15,775	14,808	967
Contingency	21,071	0	21,071
Total expenditures	479,075	364,908	114,167
Excess (deficiency) of revenues over (under) expenditures	0	(30,646)	(30,646)
Fund balances, July 1	0	0	0
Fund balances, June 30	$ 0	$ (30,646)	$ (30,646)

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DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

FRANKLIN COUNTY, GEORGIA
DEBT SERVICE FUND
BALANCE SHEET
June 30, 2007

ASSETS	
Investments	$ 2,558,750
Intergovernmental receivables	641,638
Total assets	$ 3,200,388
LIABILITIES AND FUND BALANCES	
Liabilities	
Due to other funds	$ 2,100
Fund balances	
Unreserved	3,198,288
Total liabilties and fund balances	$ 3,200,388

FRANKLIN COUNTY, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Taxes	$ 3,500,000	$ 3,671,341	$ 171,341
Interest	0	73,802	73,802
Total revenues	3,500,000	3,745,143	245,143
EXPENDITURES			
Debt Service			
Principal	1,750,000	1,750,000	0
Interest and fiscal charges	661,250	641,475	19,775
Total expenditures	2,411,250	2,391,475	19,775
Excess (deficiency) of revenues over (under) expenditures	1,088,750	1,353,668	264,918
Other financing sources (uses)			
Transfers in (out)			
2004 SPLOST Capital Projects Fund	0	(898,150)	(898,150)
Contingency	(1,088,750)	0	1,088,750
Total other financing sources (uses)	(1,088,750)	(898,150)	190,600
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	455,518	455,518
Fund balances, July 1	0	2,742,770	2,742,770
Fund balances, June 30	$ 0	$ 3,198,288	$ 3,198,288

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CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Special Purpose Local Option Sales Tax Fund – This fund is used to account for long-term projects financed by the passage of a special purpose local option sales tax.

2004 Special Purpose Local Option Sales Tax Fund – This fund is used to account for long-term projects financed by the passage of the 2004 special purpose local option sales tax.

FRANKLIN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2007

ASSETS

Cash	$	938,182
Certificates of deposit		330,725
Interest receivable		18,040
Due from other funds		539,736
Total assets	$	1,826,683

LIABILITIES AND FUND BALANCES

Liabilities		
Due to other funds	$	8,866
Fund balances		
Unreserved		1,817,817
Total liabilities and fund balances	$	1,826,683

FRANKLIN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal year ended June 30, 2007

REVENUES	
Intergovernmental	$ 412,028
Interest	62,168
Other	804
Total revenues	475,000
EXPENDITURES	
Capital outlay	
Public Safety	
Jail	3,075
Housing and Development	
Industrial Building Authority - intergovernmental allocation	124,586
Total expenditures	127,661
Excess (deficiency) of revenues over (under) expenditures	347,339
Fund balances, July 1	1,470,478
Fund balances, June 30	$ 1,817,817

FRANKLIN COUNTY, GEORGIA
2004 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2007

ASSETS	
Investments	$ 5,377,406
LIABILITIES AND FUND BALANCES	
Liabilities	
Payables	
Accounts	$ 160,691
Intergovernmental	93,598
Due to other funds	537,636
Total liabilities	791,925
Fund balances	
Unreserved	4,585,481
Total liabilities and fund balances	$ 5,377,406

FRANKLIN COUNTY, GEORGIA
2004 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal year ended June 30, 2007

REVENUES	
Interest	$ 412,313
Donations	3,352
Total revenues	415,665
EXPENDITURES	
Capital outlay	
General Government	
Contract services	4,500
Capital outlay	14,325
Total General Government	18,825
Public Safety	
Fire	746,149
Fire - intergovernmental allocation	37,500
Total Public Safety	783,649
Public Works	
Highways and Streets	1,579,919
Highways and Streets - intergovernmental allocation	193,208
Water - intergovernmental allocation	206,643
Total Public Works	1,979,770
Culture and Recreation	
Recreation	786,336
Recreation - intergovernmental allocation	7,800
Library - intergovernmental allocation	867
Total Culture and Recreation	795,003
Housing and Development	
Industrial Building Authority - intergovernmental allocation	1,038,957
Airport - Intergovernmental allocation	312,108
Total Housing and Development	1,351,065
Total expenditures	4,928,312
Excess (deficiency) of revenues over (under) expenditures	(4,512,647)
Other financing sources (uses)	
Transfers in (out)	
Debt Service Fund	898,150
Water and Sewer Fund	(1,774,982)
Total other financing sources (uses)	(876,832)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(5,389,479)
Fund balances, July 1	9,974,960
Fund balances, June 30	$ 4,585,481

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Water and Sewer Fund - Used to account for activities connected with the development, operation and maintenance of water and sewer services in Franklin County.

Solid Waste Fund - Used to account for activities connected with the disposal of residential and commercial solid waste at the County's solid waste transfer station.

FRANKLIN COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF NET ASSETS
June 30, 2007

ASSETS	
Current assets	
Cash	$ 830,462
Accounts receivable (net)	88,053
Inventory	287,689
Total current assets	1,206,204
Capital assets	
Land	20,347
Water lines and towers	17,235,110
Buildings	5,400
Machinery and equipment	257,700
Vehicles	40,420
Construction in progress	248,635
Accumulated depreciation	(1,790,170)
Total capital assets (net of accumulated depreciation)	16,017,442
Intangible assets	
Debt issuance costs (net of accumulated amortization)	40,738
Total assets	17,264,384
LIABILITIES	
Current liabilities	
Accounts payable	30,438
Accrued salaries	7,734
Compensated absences	5,035
Notes payable	144,482
Due to other funds	1,060,468
Total current liabilities	1,248,157
Long-term liabilities	
Notes payable	3,020,345
Total liabilities	4,268,502
NET ASSETS	
Invested in capital assets, net of related debt	12,893,353
Unrestricted	102,529
Total net assets	$ 12,995,882

FRANKLIN COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal year ended June 30, 2007

OPERATING REVENUES	
Charges for sales and services	
Water and sewer charges	$ 828,540
Miscellaneous revenue	375
Total operating revenues	828,915
OPERATING EXPENSES	
Costs of sales and services	511,199
Personal services	102,014
Depreciation	365,216
Miscellaneous expenses	10,102
Total operating expenses	988,531
Operating income (loss).	(159,616)
Non-operating revenues (expenses)	
Interest revenue	24,673
Interest expense	(51,114)
Amortization expense	(2,587)
Total non-operating revenues (expenses)	(29,028)
Net income before capital contributions and transfers	(188,644)
Capital contributions	
Intergovernmental revenue	60,017
Net income before transfers	(128,627)
Transfers in (out)	
2004 SPLOST Fund	1,774,982
Change in net assets	1,646,355
Net assets, July 1	11,349,527
Net assets, June 30	$ 12,995,882

FRANKLIN COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2007

Cash flows from operating activities:	
Receipts from customers	$ 830,823
Payments to suppliers	(735,540)
Payments to employees	(100,158)
Other payments	(9,727)
Net cash provided (used) by operating activities	(14,602)
Cash flows from non-capital financing activities:	
Receipts from other funds	24
Payments to other funds	(777,580)
Net cash provided (used) by non-capital financing activities	(777,556)
Cash flows from capital and related financing activities:	
Receipts from other funds	1,774,982
Receipts from other governments	60,017
Interest paid	(51,114)
Acquisition of capital assets	(1,724,931)
Principal payment - notes payable	(143,816)
Net cash provided (used) by capital and related financing activities	(84,862)
Cash flows from investing activities:	
Interest received	24,673
Net increase (decrease) in cash and cash equivalents	(852,347)
Cash and cash equivalents, July 1	1,682,809
Cash and cash equivalents, June 30	$ 830,462
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ (159,616)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation expense	365,216
(Increase) decrease in accounts receivable	2,283
(Increase) decrease in inventory	(247,921)
Increase (decrease) in accounts payable	23,580
Increase (decrease) in accrued payroll liabilities	1,856
Total adjustments	145,014
Net cash provided (used) by operating activities	$ (14,602)

FRANKLIN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
STATEMENT OF NET ASSETS
June 30, 2007

ASSETS	
Current assets	
Cash	$ 197,430
Restricted assets	
Due from other funds	8,866
Capital assets	
Land	378,976
Land improvements	29,382
Buildings	1,870,331
Machinery and equipment	170,951
Vehicles	228,489
Accumulated depreciation	(654,379)
Total capital assets (net of accumulated depreciation)	2,023,750
Total assets	2,230,046
LIABILITIES	
Liabilities	
Accrued salaries	2,238
Compensated absences	2,390
Due to other funds	132,606
Total current liabilities	137,234
Long-term liabilities	
Closure/post-closure care	1,307,395
Total liabilities	1,444,629
NET ASSETS	
Invested in capital assets	2,023,750
Restricted for restricted assets	8,866
Unrestricted	(1,247,199)
Total net assets	$ 785,417

FRANKLIN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal year ended June 30, 2007

OPERATING REVENUES		
Charges for sales and services		
Landfill fees	$	54,952
Miscellaneous revenue		5,000
Total operating revenues		59,952
OPERATING EXPENSES		
Costs of sales and services		33,482
Personal services		60,297
Depreciation		118,293
Miscellaneous expenses		5,739
Total operating expenses		217,811
Operating income (loss)		(157,859)
Non-operating revenues (expenses)		
Interest revenue		8,353
Payments to other agencies		(5,760)
Gain (loss) on disposal of capital assets		82,143
Total non-operating revenues (expenses)		84,736
Change in net assets		(73,123)
Net assets, July 1		858,540
Net assets, June 30	$	785,417

FRANKLIN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2007

Cash flows from operating activities:	
Receipts from customers	$ 54,952
Payments to suppliers	(32,727)
Payments to employees	(60,332)
Other payments	(739)
Net cash provided (used) by operating activities	(38,846)
Cash flows from non-capital financing activities:	
Receipts from other funds	2,656
Payments to other funds	(231,203)
Payments for closure costs of landfill	(21,800)
Payments to other agencies	(5,760)
Net cash provided (used) by non-capital financing activities	(256,107)
Cash flows from capital and related financing activities:	
Receipts from the sale of capital assets	84,998
Cash flows from investing activities:	
Interest received	13,761
Proceeds from maturity of investments	262,131
Net cash provided (used) by investing activities	275,892
Net increase (decrease) in cash and cash equivalents	65,937
Cash and cash equivalents, July 1	131,493
Cash and cash equivalents, June 30	$ 197,430
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ (157,859)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation expense	118,293
Closure/postclosure care costs	837
Increase (decrease) in accounts payable	(82)
Increase (decrease) in accrued payroll liabilities	(35)
Total adjustments	119,013
Net cash provided (used) by operating activities	$ (38,846)

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AGENCY FUNDS

These funds are used to account for assets held by the County as an agent to be expended in accordance with the conditions of its agency capacity.

Tax Commissioner - This fund accounts for assets and related liabilities for the collection of taxes and tag and title fees.

Magistrate Court, Probate Court, and Clerk of Superior Court - These funds account for assets and related liabilities for the collection of court related fees.

Sheriff Department - This fund accounts for deposits held for incarcerated inmates.

FRANKLIN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2007

	Tax Commissioner	Magistrate Court
ASSETS		
Cash	$ 13,377	$ 35,807
Accounts receivable (net)	0	61,709
Total assets	$ 13,377	$ 97,516
LIABILITIES		
Due to other agencies	$ 13,377	$ 97,516

Probate Court	Clerk of Superior Court	Sheriff Department	Total
$ 84,318	$ 2,319,186	$ 840	$ 2,453,528
254,040	68,335	0	384,084
$ 338,358	$ 2,387,521	$ 840	$ 2,837,612
$ 338,358	$ 2,387,521	$ 840	$ 2,837,612

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FRANKLIN COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2007

	Balance, July 1	Additions	Deletions	Balance, June 30
TAX COMMISSIONER				
ASSETS				
Cash	$ 36,038	$ 15,595,770	$ 15,618,431	$ 13,377
LIABILITIES				
Due to others	$ 36,038	$ 15,595,770	$ 15,618,431	$ 13,377
MAGISTRATE COURT				
ASSETS				
Cash	$ 35,339	$ 311,763	$ 311,295	$ 35,807
Accounts receivable	53,597	8,112	0	61,709
Total assets	$ 88,936	$ 319,875	$ 311,295	$ 97,516
LIABILITIES				
Due to others	$ 88,936	$ 319,875	$ 311,295	$ 97,516
PROBATE COURT				
ASSETS				
Cash	$ 162,538	$ 1,131,897	$ 1,210,117	$ 84,318
Accounts receivable	212,165	41,875	0	254,040
Total assets	$ 374,703	$ 1,173,772	$ 1,210,117	$ 338,358
LIABILITIES				
Due to others	$ 374,703	$ 1,173,772	$ 1,210,117	$ 338,358
CLERK OF SUPERIOR COURT				
ASSETS				
Cash	$ 2,308,813	$ 1,158,545	$ 1,148,172	$ 2,319,186
Accounts receivable	44,606	23,729	0	68,335
Total assets	$ 2,353,419	$ 1,182,274	$ 1,148,172	$ 2,387,521
LIABILITIES				
Due to others	$ 2,353,419	$ 1,182,274	$ 1,148,172	$ 2,387,521
SHERIFF DEPARTMENT				
ASSETS				
Cash	$ 6,408	$ 159,189	$ 164,757	$ 840
LIABILITIES				
Due to others	$ 6,408	$ 159,189	$ 164,757	$ 840
TOTALS ALL AGENCY FUNDS				
ASSETS				
Cash	$ 2,549,136	$ 18,357,164	$ 18,452,772	$ 2,453,528
Accounts receivable	310,368	73,716	0	384,084
Total assets	$ 2,859,504	$ 18,430,880	$ 18,452,772	$ 2,837,612
LIABILITIES				
Due to others	$ 2,859,504	$ 18,430,880	$ 18,452,772	$ 2,837,612

FRANKLIN COUNTY, GEORGIA
AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
For the fiscal year ended June 30, 2007

	Tax Commissioner	Magistrate Court
RECEIPTS		
Taxes, tags and titles	$ 15,594,117	$ 0
Licenses and permits	0	0
Fines, fees and court costs	0	311,630
Inmate receipts	0	0
Interest	1,653	133
General Fund	0	0
Total Receipts	15,595,770	311,763
DISBURSEMENTS		
Alternative Dispute Resolution Fund	0	4,960
Clerk of Superior Court	16,507	555
Criminal Justice Technologies	0	0
Drug Education Fund	0	0
Garnishments, settlements, other	3,766	190,103
Georgia Department of Revenue	1,243,822	0
Georgia Clerk's Authority	0	22,159
Georgia Indigent Defense Fund	0	132
Inmate discharges and store calls	0	0
Jail Fund	0	3,414
Jurors, Bailiff's and Witnesses	0	0
Law Library	0	983
Local Cities	830,552	0
Local Victims' Assistance Fund	0	1,618
Refunds	135,625	0
Retirement Funds:		
Peace Officer	0	1,900
Probate Judge	0	0
Magistrate Judge	0	2,778
Sheriff	0	1,644
Superior Court Clerks	0	0
Sheriff of Franklin County	0	22,245
Franklin County Board of Commissioners	4,866,444	58,804
Franklin County Board of Education	8,521,715	0
Total Disbursements	15,618,431	311,295
Excess (deficit) of receipts over (under) disbursements	(22,661)	468
Cash in Bank, July 1	36,038	35,339
Cash in Bank, June 30	$ 13,377	$ 35,807

Probate Court	Clerk of Superior Court	Sheriff Department	Total
$ 0	$ 0	$ 0	$ 15,594,117
50,462	0	0	50,462
1,076,328	1,072,694	0	2,460,652
0	0	159,189	159,189
5,107	20,851	0	27,744
0	65,000	0	65,000
1,131,897	1,158,545	159,189	18,357,164
740	3,630	0	9,330
0	0	0	17,062
19,150	0	0	19,150
3,772	3,188	0	6,960
98	259,475	0	453,442
0	5,362	0	1,249,184
205,601	65,502	0	293,262
0	0	0	132
0	0	164,757	164,757
0	13,184	0	16,598
0	52,140	0	52,140
13,376	3,526	0	17,885
0	24,716	0	855,268
35,654	2,707	0	39,979
9,163	0	0	144,788
40,741	8,146	0	50,787
11,522	0	0	11,522
0	0	0	2,778
8,623	9,857	0	20,124
0	7,514	0	7,514
0	14,840	0	37,085
861,677	403,755	0	6,190,680
0	270,630	0	8,792,345
1,210,117	1,148,172	164,757	18,452,772
(78,220)	10,373	(5,568)	(95,608)
162,538	2,308,813	6,408	2,549,136
$ 84,318	$ 2,319,186	$ 840	$ 2,453,528

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COMPONENT UNITS

Recreation Department – This component unit is used to account for the County's operation of the recreation programs.

Industrial Building Authority – This component unit is used to account for the County's operation of economic development through recruitment and retention of industry.

FRANKLIN COUNTY, GEORGIA
RECREATION DEPARTMENT (A COMPONENT UNIT)
BALANCE SHEET
June 30, 2007

ASSETS	
Cash	$ 31,915
LIABILITIES AND FUND BALANCES	
Fund balances	
Unreserved	$ 31,915

FRANKLIN COUNTY, GEORGIA
RECREATION DEPARTMENT (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Charges for sales and services	$ 129,500	$ 125,568	$ (3,932)
Intergovernmental	209,110	215,753	6,643
Interest	500	174	(326)
Contributions	10,800	427	(10,373)
Other	1,000	0	(1,000)
Total revenues	350,910	341,922	(8,988)
EXPENDITURES			
Current			
Culture and recreation			
Administrative services	273,150	232,639	40,511
Recreational services	77,760	104,615	(26,855)
Capital outlay	0	30,431	(30,431)
Total expenditures	350,910	367,685	(16,775)
Excess (deficiency) of revenues over (under) expenditures	0	(25,763)	(25,763)
Fund balances, July 1	0	57,678	57,678
Fund balances, June 30	$ 0	$ 31,915	$ 31,915

FRANKLIN COUNTY, GEORGIA
INDUSTRIAL BUILDING AUTHORITY (A COMPONENT UNIT)
BALANCE SHEET
June 30, 2007

ASSETS	
Cash	$ 186,111
LIABILITIES AND FUND BALANCES	
Fund balances	
Unreserved	$ 186,111

FRANKLIN COUNTY, GEORGIA
INDUSTRIAL BUILDING AUTHORITY (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 79,996	$ 76,995	$ (3,001)
Timber sales	0	148,783	148,783
Total revenues	79,996	225,778	145,782
EXPENDITURES			
Current			
Economic Development			
Personal services	66,070	63,069	3,001
Supplies and materials	13,926	18,065	(4,139)
Total expenditures	79,996	81,134	(1,138)
Excess (deficiency) of revenues over (under) expenditures	0	144,644	144,644
Other financing sources (uses)			
Proceeds from sale of assets	0	36,935	36,935
Excess (deficiency of revenues and other financing sources over (under) expenditures and other financing uses	0	181,579	181,579
Fund balances, July 1	0	4,532	4,532
Fund balances, June 30	$ 0	$ 186,111	$ 186,111

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OTHER REPORTING SECTION

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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

Honorable Chairman and Members
of the Board of Commissioners
Franklin County, Georgia

We have audited 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 Franklin County, Georgia, as of and for the fiscal year ended June 30, 2007, and have issued our report thereon dated December 20, 2007. We did not audit the financial statements of the Franklin County Health Department, a component unit of Franklin County, Georgia. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Franklin County Health Department, is based 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Franklin County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Franklin County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Franklin County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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

Comment 07-1

Condition: The Payroll bank account was not reconciled to the general ledger at year-end. This is a repeat comment from the prior period.

Criteria: Generally accepted accounting principles require that cash accounts be reconciled to the general ledger in a timely manner, usually monthly.

Effect: Failure to reconcile cash accounts may lead to management decisions based on incorrect information.

Comment 07-1, continued

Recommendation: County personnel should ensure that all bank statements are reconciled to the general ledger each month.

Management Response: Management concurs with this finding. The County Clerk will ensure that all cash accounts are reconciled to the general ledger each month. This action was implemented immediately upon receipt of the comment from our auditors.

Comment 07-2

Condition: Interfund balances were not reconciled in the general ledger at year-end.

Criteria: Generally accepted accounting principles require that interfund balances be reconciled in the general ledger in a timely manner.

Effect: Failure to reconcile interfund balances may lead to management decisions based on incorrect information.

Recommendation: County personnel should ensure that all interfund balances are reconciled in the general ledger each month.

Management Response: Management concurs with this finding. The County Clerk will ensure that all interfund balances are reconciled in the general ledger each month. This action was implemented immediately upon receipt of the comment from our auditors.

Comment 07-3

Condition: The Recreation Department does not receipt money collected offsite and has weak control over the deposit of these monies. This is a repeat comment from the prior period.

Criteria: Generally accepted accounting principles require that adequate internal controls over asset be designed and implemented by management.

Effect: Failure to design and implement adequate controls over assets places the Recreation Department at greater risk of misappropriation and may lead to financial statements that are materially misstated.

Recommendation: Before money collected offsite is turned over to the Recreation office, the contracted laborer responsible for collections should count the money collected and this count reconciled to employees' count of the money recorded on the deposit slips. This money should be put in a lock bag and dropped in a night deposit until the next morning or the Recreation Department should invest in a safe that should be kept in the concession area at the Recreation Park where the money can be kept until the next day. The Recreation Department's Executive Director should take the deposits to the bank since the other employees prepare the deposits. In addition, monies collected should be counted in a controlled environment out of view of the general public.

Management Response: Management concurs with this finding. The Recreation Department Executive Director will design and implement a system of controls over money collected offsite. This action was implemented immediately upon receipt of the comment from our auditors.

Comment 07-4

Condition: County personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the County relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for governments of similar size and structure to Franklin County. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the County Clerk is not trained to perform the daily accounting functions, but that the County has elected as a cost benefit to outsource this expertise to their auditors.

Criteria: Effective internal control requires that the City accept responsibility and understanding of the audited financial report.

Effect: Failure to understand the financial statements may lead to material misstatements.

Recommendation: County personnel should continue to receive training in the identification and application of generally accepted accounting principles and the preparation of the County's financial statements.

Management Response: Management concurs with this finding. The Board of Commissioners and management have determined that personnel should receive training to the extent that is economically feasible and to continue to rely on the technical assistance of the external auditor or other qualified professional when necessary. This action was taken immediately upon receipt of the comment from our auditors.

Comment 07-5

Condition: The County Clerk is responsible for multiple financial responsibilities and has the control to make adjustments without approval. However, all journal entries tested or reviewed appeared appropriate. This is a repeat comment from the prior period.

Criteria: Generally accepted accounting principles require adequate segregation of duties in control over adjustments to the general ledger.

Effect: Failure to maintain adequate separation of duties subjects the assets of the County to greater risk of misappropriation.

Recommendation: All journal entries should be reviewed by the County Manager or a member of the Board of Commissioners; this review should be evidenced by signature or initials. All journal entries should be properly supported with adequate documentation.

Management Response: Management concurs with this finding. All journal entries will be reviewed by the County Manager. This action was implemented immediately upon receipt of the comment from our auditors.

Comment 07-6

Condition: While performing audit procedures on cash in the Sheriff's Department, we noted that the bookkeeper signs checks, makes deposits, and reconciles the bank accounts. This is a repeat comment from the prior period.

Criteria: Generally accepted accounting principles require adequate segregation of duties in control over adjustments to the general ledger.

Effect: Failure to maintain adequate separation of duties subjects the assets of the County to greater risk of misappropriation.

Comment 07-6, continued

Recommendation: The Sheriff or Chief Deputy should to sign all checks and review the bank statements to verify the appropriateness of all transactions.

Management Response: Management concurs with this finding. The Sheriff will sign all checks and review the bank statements. This action was implemented immediately upon receipt of the comment from our auditors.

Comment 07-7

Condition: While performing audit procedures on disbursements in the Sheriff's Department, we noted 5 of the 25 disbursements tested had no supporting documentation.

Criteria: Generally accepted accounting principles require that all disbursements be properly supported by appropriate documentation.

Effect: Failure to maintain proper supporting documentation for disbursements subjects the assets of the County to greater risk of misappropriation.

Recommendation: All disbursement should be supported by properly authorized documentation.

Management Response: Management concurs with this finding. Sheriff's Department personnel will ensure documentation is maintained for all disbursements. This action was implemented immediately upon receipt of the comment from our auditors.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies listed above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin County, Georgia's basic 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 the following instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*:

Comment 07-8

Condition: The County experienced a material excess of expenditures over appropriations in the General Fund and the Drug Enforcement, Inmate Welfare, and Public Defender Special Revenue Funds. This is a repeat comment from the prior period.

Criteria: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, special revenue funds, and debt service funds.

Effect: Failure to maintain expenditures within the balanced budget for the General Fund will place the County in violation of state law.

Comment 07-8, continued

Recommendation: Budget to actual comparisons should be periodically reviewed by County management and budgets amended as needed to ensure that the County remains in compliance with state law.

Management Response: Management concurs with this finding. The County Manager will be reviewing the budget to actual comparisons and recommend any necessary budget revisions to the Board of Commissioners. This action was implemented immediately upon receipt of the comment from our auditors.

We noted certain other matters involving the internal control over financial reporting that we have reported to management of Franklin County, Georgia, in a separate letter dated December 20, 2007.

Franklin County, Georgia's responses to the findings identified in our audit are described above. We did not audit Franklin County's responses and, accordingly, we express no opinion on them.

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

Rushton & Company

Certified Public Accountants

Gainesville, Georgia
December 20, 2007

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2007

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Periods	Current Periods	Total
SPLOST II					
Franklin County					
Recreation facilities	$ 1,600,000	$ 1,505,138	$ 1,499,007	$ 0	$ 1,499,007
Fire equipment	1,140,800	1,073,160	1,082,900	0	1,082,900
Solid Waste improvements	1,120,000	1,053,593	967,878	0	967,878
Airport improvements	320,000	301,027	322,790	0	322,790
Construction and improvements of roads	3,824,000	3,597,268	3,658,928	0	3,658,928
Industrial development	1,120,000	1,053,593	612,264	124,586	736,850
Water expansion	4,400,000	4,139,115	5,850,086	0	5,850,086
Courthouse improvements	160,000	150,513	178,987	0	178,987
Jail improvements	160,000	150,513	4,200	3,075	7,275
City of Lavonia	590,400	555,394	555,395	0	555,395
City of Royston	665,200	625,759	625,760	0	625,760
City of Canon	299,866	282,087	281,787	0	281,787
City of Carnesville	299,867	282,087	282,087	0	282,087
City of Franklin Springs	299,867	282,087	282,086	0	282,086
Total SPLOST II	$ 16,000,000	$ 15,051,334	$ 16,204,155	$ 127,661	$ 16,331,816
SPLOST III					
Franklin County					
Recreation facilities	$ 1,620,000	$ 1,620,000	$ 315,720	$ 786,336	$ 1,102,056
Public Safety	1,400,000	1,400,000	1,092,237	746,149	1,838,386
Airport improvements	360,000	360,000	38,000	312,108	350,108
Construction and improvements of roads	4,020,000	4,020,000	2,775,274	1,579,919	4,355,193
Industrial development	1,080,000	1,080,000	0	1,038,957	1,038,957
Water expansion	4,020,000	4,020,000	2,056,722	1,774,982	3,831,704
Courthouse improvements	180,000	180,000	441,754	18,825	460,579
Jail improvements	180,000	180,000	0	0	0
City of Lavonia	1,402,143	1,402,143	1,007,455	58,036	1,065,491
City of Royston	1,402,144	1,402,144	448,908	189,051	637,959
City of Canon	778,571	778,571	300,000	50,000	350,000
City of Carnesville	778,571	778,571	260,000	0	260,000
City of Franklin Springs	778,571	778,571	775,547	148,931	924,478
Total SPLOST III	$ 18,000,000	$ 18,000,000	$ 9,511,617	$ 6,703,294	$ 16,214,911

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

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