FRANKLIN COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2010

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FRANKLIN COUNTY, GEORGIA
FINANCIAL REPORT
For the fiscal year ended June 30, 2010

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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, 2010, 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 represents 3.4 percent, 3.9 percent, and 43.8 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 the 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, 2010, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison of the General 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 17, 2010, on our consideration of Franklin County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County, Georgia's financial statements as a whole. 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rushton & Company

Rushton & Company, LLC
Certified Public Accountants

Gainesville, Georgia
December 17, 2010

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Samuel D. Elrod
Commission Chairman
Billy Morse
County Manager
Laverne Hilley
County Clerk
Dale R. "Bubba" Samuels, LLC
County Attorney

FRANKLIN COUNTY
BOARD OF COMMISSIONERS

Angela M. Whidby
District 1 Commissioner
Charles L. Cawthon
District 2 Commissioner
Jeff S. Jacques
District 3 Commissioner
Levy E. Moore
District 4 Commissioner

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, 2010. 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, 2010, by $57,124,718 (reported as *net assets*).

- As of June 30, 2010, Franklin County's governmental funds reported combined ending fund balances of $12,167,383. Approximately 32% of this total amount, or $3,989,125, is available for spending at the Board of Commissioners' discretion (unreserved, undesignated fund balance of the General Fund).

More detailed information regarding these activities and funds begins on page 7.

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, Debt Service Fund, and 2004 SPLOST Capital Projects Funds, which are considered major funds. Data from the other eight 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 61-64 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 statement has been provided for the General Fund to demonstrate compliance with these budgets.

The County's basic governmental fund financial statements are presented on pages 16-21 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 22-24.

- ***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 25.

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 28-60 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 the governmental 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.

- Bond and note proceeds result in liabilities on the government-wide statements, but are recorded as other financing sources 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.

- Transfers of capital assets between governmental activities and business-type activities are not recorded 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, 2010, 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, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Current and other assets	$ 13,997,362	$ 15,734,089	$ 2,896,464	$ 2,958,970	$ 16,893,826	$ 18,693,059
Capital assets	37,438,426	37,965,717	18,650,863	18,775,359	56,089,289	56,741,076
Total assets	51,435,788	53,699,806	21,547,327	21,734,329	72,983,115	75,434,135
Long-term liabilities	4,161,095	7,809,799	10,438,782	6,669,616	14,599,877	14,479,415
Other liabilities	4,996,986	4,584,903	5,419,615	482,839	10,416,601	5,067,742
Total liabilities	9,158,081	12,394,702	15,858,397	7,152,455	25,016,478	19,547,157
Net assets:						
Invested in capital assets, net of related debt	37,438,426	37,965,717	15,291,021	15,061,190	52,729,447	53,026,907
Restricted	5,066,384	6,210,897	50,610	7,780	5,116,994	6,218,677
Unrestricted	(227,103)	(2,871,510)	(494,620)	(487,096)	(721,723)	(3,358,606)
Total net assets	$ 42,277,707	$ 41,305,104	$ 14,847,011	$ 14,581,874	$ 57,124,718	$ 55,886,978

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 $57,124,718 at the close of the fiscal year ended June 30, 2010.

$52,729,447 of Franklin County's net assets is 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.

$5,116,994 of Franklin County's net assets is 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 $227,103. 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 $494,620. 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, 2010

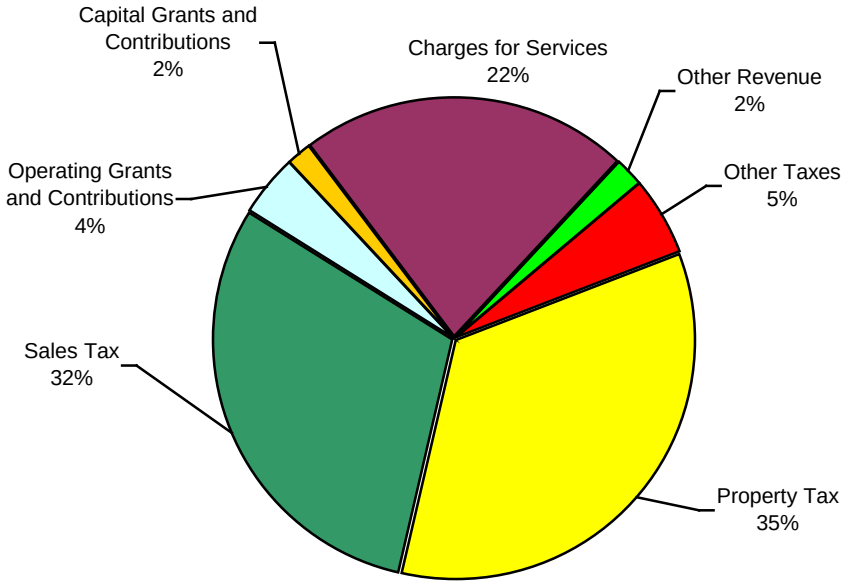
Franklin County
Changes in Net Assets
For the fiscal years ended June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
Revenues	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Program revenues:						
Charges for services	$ 3,676,161	$ 3,469,283	$ 1,009,184	$ 901,335	$ 4,685,345	$ 4,370,618
Operating grants and contributions	679,689	717,899	0	0	679,689	717,899
Capital grants and contributions	276,336	0	0	0	276,336	0
General revenues:						
Property taxes	5,733,184	4,684,655	0	0	5,733,184	4,684,655
Sales tax	5,013,864	4,972,740	0	0	5,013,864	4,972,740
Intangible tax	59,320	77,324	0	0	59,320	77,324
Franchise tax	59,238	58,418	0	0	59,238	58,418
Insurance premium tax	716,566	726,990	0	0	716,566	726,990
Real estate transfer tax	10,190	11,852	0	0	10,190	11,852
Other taxes	18,003	18,877	0	0	18,003	18,877
Investment income	241,231	268,851	44,629	96,201	285,860	365,052
Gain on sale of assets	7,165	0	0	0	7,165	0
Other revenue	71,173	66,349	354	351	71,527	66,700
Total revenues	16,562,120	15,073,238	1,054,167	997,887	17,616,287	16,071,125
Expenses						
General government	2,650,244	2,563,247	0	0	2,650,244	2,563,247
Judicial	1,807,574	1,757,860	0	0	1,807,574	1,757,860
Public Safety	6,918,229	6,699,624	0	0	6,918,229	6,699,624
Public Works	2,594,939	2,108,520	0	0	2,594,939	2,108,520
Health and Welfare	353,595	374,420	0	0	353,595	374,420
Culture and Recreation	364,091	481,093	0	0	364,091	481,093
Housing and Development	151,261	177,414	0	0	151,261	177,414
Interest on long-term debt	380,261	482,598	0	0	380,261	482,598
Water and Sewer	0	0	1,027,502	1,308,628	1,027,502	1,308,628
Solid Waste	0	0	130,851	140,090	130,851	140,090
Total expenses	15,220,194	14,644,776	1,158,353	1,448,718	16,378,547	16,093,494
Increase (decrease) in net assets before transfers	1,341,926	428,462	(104,186)	(450,831)	1,237,740	(22,369)
Transfers	(369,323)	(558,385)	369,323	558,385	0	0
Change in net assets	972,603	(129,923)	265,137	107,554	1,237,740	(22,369)
Net assets - January 1	41,305,104	41,621,456	14,581,874	14,474,320	55,886,978	56,095,776
Prior period adjustments	0	(186,429)	0	0	0	(186,429)
Net assets - ending	$ 42,277,707	$ 41,305,104	$ 14,847,011	$ 14,581,874	$ 57,124,718	$ 55,886,978

Governmental Activities –

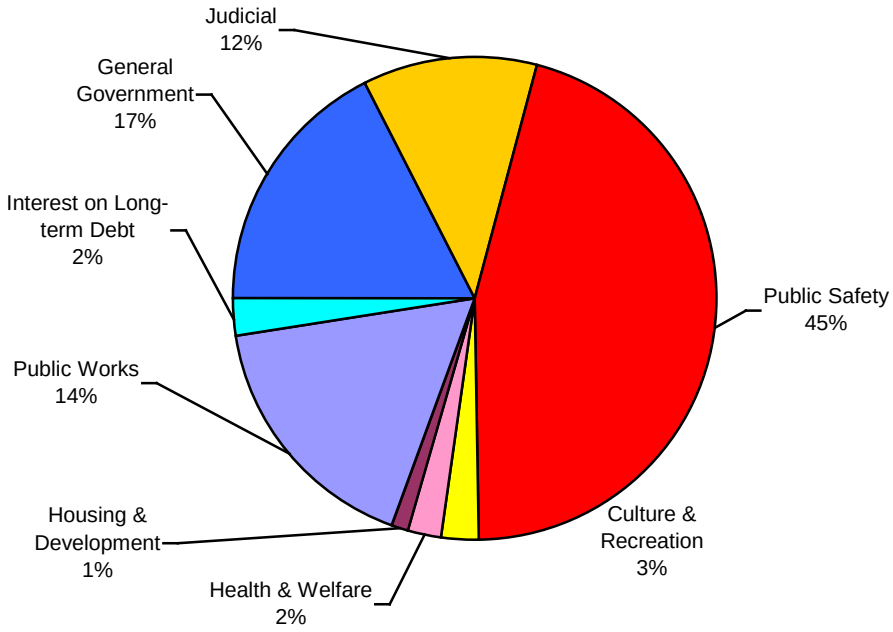
The following chart illustrates revenues of the governmental activities for the fiscal year ended June 30, 2010:

Revenues by Source – Governmental Activities
For the fiscal year ended June 30, 2010



The following chart illustrates the expenses of the governmental activities for the fiscal ended June 30, 2010:

Expenses – Governmental Activities
For the fiscal year ended June 30, 2010



Business-Type Activities –

Business-type activities increased Franklin County's assets by $265,137. This is an increase of 147% from the prior year. The change in net assets in the Water and Sewer Fund was up from fiscal year 2009 due primarily to the decrease in operating expenses; is decrease in due primarily to repair and maintenance costs recognized in fiscal year 2009 and a reduction in the cost of purchase water from fiscal year 2009. The change in net assets in the Solid Waste Fund was up from fiscal year 2009 due to an increase in revenue from fees received from a local construction and demolition 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 $12,167,383. Of this amount, $11,414,944, or 94%, constitutes unreserved fund balance, which is available for appropriation for the general purposes of the funds. The General Fund comprises 41% 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 future periods of $71,354

2) payment of program expenses of $681,085

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 $3,989,125, while total fund balance was $4,741,564. 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 4.3 months of General Fund expenditures, while total fund balance represents approximately 5.1 months of that same amount.

The County ended the fiscal year by decreasing the fund balance of the General Fund by $242,660 or approximately 5%. Expenditures were approximately 5% over the final budget and revenues collected were approximately 3% over final budget projections.

General Fund Budget Highlights.

The actual revenues exceeded budget by approximately 3%.

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year ended June 30, 2010. 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 5% over the budget projections; only General Administration and Public Works Departments were significantly over budget.

It is anticipated that the General Fund may experience minimal decreased 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 $ 533,424
- Solid Waste $ (1,028,044)

The change in net assets for each fund was $211,864 and $53,273, 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 $56,416,511 in capital assets (net of accumulated depreciation). Approximately 67% 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, 2010 are summarized as follows:

Franklin County
Capital Assets (net of accumulated depreciation)
June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Land	$ 4,854,587	$ 4,854,587	$ 399,323	$ 399,323	$ 5,253,910	$ 5,253,910
Land improvements	0	0	29,382	29,382	29,382	29,382
Water lines and towers	0	0	19,375,809	19,044,598	19,375,809	19,044,598
Infrastructure	41,577,682	40,708,314	0	0	41,577,682	40,708,314
Buildings	6,798,398	6,684,895	1,875,731	1,875,731	8,674,129	8,560,626
Machinery and equipment	2,344,764	2,295,830	441,875	435,675	2,786,639	2,731,505
Vehicles	4,803,051	4,559,140	268,909	268,909	5,071,960	4,828,049
Construction in progress	0	181,246	151,998	143,319	151,998	324,565
Total	60,378,482	59,284,012	22,543,027	22,196,937	82,921,509	81,480,949
Accumulated depreciation	(22,940,056)	(21,318,295)	(3,892,164)	(3,421,578)	(26,832,220)	(24,739,873)
Net Capital Assets	$ 37,438,426	$ 37,965,717	$ 18,650,863	$ 18,775,359	$ 56,089,289	$ 56,741,076

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

- Improvements and expansion of the County's infrastructure
- Equipment for the Sheriff's Department
- Vehicles for the Sheriff's and EMS Departments
- Construction of concession building at Recreation Department
- Stadium Seats at Recreation Department
- Paving of Dillard Bray and Jordan Streets

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

Additional information on Franklin County's capital assets can be found in Note 9 on pages 45-47 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, 2010, the outstanding balance of these bonds was $7,500,000; the unamortized amount of the premium was $161,095.

During fiscal year 2008, the County issued the Franklin County Water and Sewerage Authority Revenue Bonds, Series 2008. These bonds were issued in the original amount of $4,190,000. At June 30, 2010, the outstanding balance of these bonds was $3,780,000.

At June 30, 2010 Franklin County had total notes payable outstanding in the amount of $1,648,911. The County's total debt decrease by approximately 21% during the course of the fiscal year ended June 30, 2010. The key factor related to the decrease was 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 48-51 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 2011 including the following:

- Decrease in interest rates for Certificates of Deposit and bank balances
- Increase in employee pension payments required by GEBCORP
- Purchase of E911 equipment
- Further expansion of water lines and addition of water customers
- Decrease in tax revenues due to decrease in net digest
- Increased demands by citizens for roads to be adopted for maintenance
- Decrease in Solid Waste facility usage
- Decrease in Local Option Sales Tax funds by 10%

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, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 1,816,385	$ 792,567	$ 2,608,952	$ 357,945
Certificates of deposit	1,765,640	0	1,765,640	152,960
Investments	6,672,755	0	6,672,755	0
Restricted assets				
Cash	681,085	0	681,085	0
Certificates of deposit	0	2,115,699	2,115,699	0
Interest receivable	0	3,980	3,980	0
Receivables (net)				
Accounts	255,459	90,426	345,885	74,636
Intergovernmental	111,092	0	111,092	0
Taxes	635,675	0	635,675	4,715
Interest	15,185	0	15,185	874
Notes	0	9,149	9,149	0
Inventory	0	901,213	901,213	0
Prepaid expenses	71,354	0	71,354	0
Internal balances	1,165,642	(1,165,642)	0	0
Other assets	0	0	0	27,049
Total current assets	13,190,272	2,747,392	15,937,664	618,179
Noncurrent assets				
Notes receivable	0	59,216	59,216	0
Capital assets				
Non-depreciable	4,854,587	551,321	5,405,908	3,621,071
Depreciable (net)	32,583,839	18,099,542	50,683,381	2,874,312
Pension assets	748,882	0	748,882	0
Debt issue costs	58,208	89,856	148,064	0
Total noncurrent assets	38,245,516	18,799,935	57,045,451	6,495,383
Total assets	51,435,788	21,547,327	72,983,115	7,113,562
LIABILITIES				
Current liabilities				
Payables				
Accounts	8,085	396	8,481	3,374
Interest	147,917	45,348	193,265	5,786
Accrued salaries and expenses	731,552	3,604	735,156	1,514
Compensated absences	424,398	8,955	433,353	32,538
Due to other agencies	14,263	0	14,263	0
Notes payable	0	129,326	129,326	1,650,951
Bonds payable	3,500,000	235,000	3,735,000	0
Other liabilities	170,771	0	170,771	0
Total current liabilities	4,996,986	422,629	5,419,615	1,694,163
Noncurrent liabilities				
Compensated absences	0	0	0	11,159
Notes payable	0	1,519,585	1,519,585	0
Bonds payable	4,161,095	3,545,000	7,706,095	0
Post-closure care costs	0	1,213,102	1,213,102	0
Total noncurrent liabilities	4,161,095	6,277,687	10,438,782	11,159
Total liabilities	9,158,081	6,700,316	15,858,397	1,705,322

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
NET ASSETS				
Invested in capital assets, net of related debt	$ 37,438,426	$ 15,291,021	$ 52,729,447	$ 4,844,432
Restricted for:				
Judicial	87,151	0	87,151	0
Public Safety	864,481	0	864,481	0
Health and Welfare	0	0	0	209,093
Culture and Recreation	0	0	0	33,630
Housing and Development	0	0	0	321,085
Capital outlay	4,114,752	50,610	4,165,362	0
Unrestricted	(227,103)	(494,620)	(721,723)	0
Total net assets	$ 42,277,707	$ 14,847,011	$ 57,124,718	$ 5,408,240

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2010

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	$ 2,650,244	$ 358,758	$ 8,975	$ 0	$ (2,282,511)
Judicial	1,807,574	848,337	271,812	0	(687,425)
Public Safety	6,918,229	2,462,988	241,490	0	(4,213,751)
Public Works	2,594,939	3,908	0	276,336	(2,314,695)
Health and Welfare	353,595	2,170	137,550	0	(213,875)
Culture and Recreation	364,091	0	0	0	(364,091)
Housing and Development	151,261	0	19,862	0	(131,399)
Interest on long-term debt	380,261	0	0	0	(380,261)
Total governmental activities	15,220,194	3,676,161	679,689	276,336	(10,588,008)
Business-type activities					
Water and Sewer	1,027,502	894,505	0	0	(132,997)
Solid Waste	130,851	114,679	0	0	(16,172)
Total business-type activities	1,158,353	1,009,184	0	0	(149,169)
Total primary government	16,378,547	4,685,345	679,689	276,336	(10,737,177)
Component Units					
Franklin County Recreation Department					
Culture and Recreation	448,878	120,896	0	14,750	(313,232)
Franklin County Industrial Building Authority					
Housing and Development	215,966	0	865	1,250	(213,851)
Franklin County Health Department					
Health and Welfare	490,182	262,342	187,253	0	(40,587)
Total component units	1,155,026	383,238	188,118	16,000	(567,670)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net assets				
Net (expense) revenue	$ (10,588,008)	$ (149,169)	$ (10,737,177)	$ (567,670)
General revenues				
Taxes				
Property	5,733,184	0	5,733,184	168,912
Sales	5,013,864	0	5,013,864	0
Insurance premium	716,566	0	716,566	0
Intangible	59,320	0	59,320	0
Franchise	59,238	0	59,238	0
Real estate transfer	10,190	0	10,190	0
Occupational	14,564	0	14,564	0
Other	3,439	0	3,439	0
Interest and investment earnings	241,231	44,629	285,860	2,685
Payments from Franklin County	0	0	0	499,297
Gain on sale of assets	7,165	0	7,165	
Other	71,173	354	71,527	39
Transfers	(369,323)	369,323	0	0
Total general revenues and transfers	11,560,611	414,306	11,974,917	670,933
Change in net assets	972,603	265,137	1,237,740	103,263
Net assets - beginning	41,305,104	14,581,874	55,886,978	5,304,977
Net assets - ending	$ 42,277,707	$ 14,847,011	$ 57,124,718	$ 5,408,240

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

FRANKLIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	General	Debt Service	2004 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 804,559	$ 0	$ 0	$ 1,011,826	$ 1,816,385
Certificates of deposit	1,754,543	0	0	11,097	1,765,640
Investments	0	2,655,276	4,017,479	0	6,672,755
Receivables (net)					
Accounts	225,775	0	0	29,684	255,459
Intergovernmental	57,282	0	0	53,810	111,092
Taxes	336,738	298,937	0	0	635,675
Interest	15,185	0	0	0	15,185
Prepaid expenses	71,354	0	0	0	71,354
Due from other funds	1,781,949	0	0	1,173,690	2,955,639
Restricted Assets					
Cash	681,085	0	0	0	681,085
Total assets	$ 5,728,470	$ 2,954,213	$ 4,017,479	$ 2,280,107	$ 14,980,269
LIABILITIES AND FUND BALANCES					
Liabilities					
Payables					
Accounts	$ 3,866	$ 0	$ 0	$ 4,219	$ 8,085
Excess taxes	170,771	0	0	0	170,771
Accrued salaries and expenses	714,051	0	0	17,501	731,552
Deferred revenue	98,218	0	0	0	98,218
Due to other agencies	0	0	0	14,263	14,263
Due to other funds	0	0	1,173,690	616,307	1,789,997
Total liabilities	986,906	0	1,173,690	652,290	2,812,886
Fund balances					
Reserved for prepaids	71,354	0	0	0	71,354
Reserved for public safety	681,085	0	0	0	681,085
Unreserved, undesignated	3,989,125	2,954,213	2,843,789	0	9,787,127
Special Revenue Funds	0	0	0	356,855	356,855
Capital Projects Funds	0	0	0	1,270,962	1,270,962
Total fund balances	4,741,564	2,954,213	2,843,789	1,627,817	12,167,383
Total liabilities and fund balances	$ 5,728,470	$ 2,954,213	$ 4,017,479	$ 2,280,107	$ 14,980,269

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, 2010

Total fund balance - total governmental funds	$	12,167,383
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of $60,378,482, net of accumulated depreciation of ($22,940,056), debt issue costs of $58,208, and pension assets of $748,882 are not financial resources and, therefore, are not reported in the funds.		38,245,516
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds. These are deferred property taxes.		98,218
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 ($7,661,095), interest payable of ($147,917), and compensated absences of ($424,398).		(8,233,410)
Net assets of governmental activities	$	42,277,707

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, 2010

	General	Debt Service	2004 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 8,573,941	$ 3,083,492	$ 0	$ 0	$ 11,657,433
Licenses and permits	6,580	0	0	0	6,580
Fines, fees and forfeitures	1,190,445	0	0	719,450	1,909,895
Charges for services	1,343,428	0	0	416,257	1,759,685
Intergovernmental	447,212	0	0	506,715	953,927
Interest	90,320	98	296	3,909	94,623
Other	71,176	0	0	0	71,176
Total revenues	11,723,102	3,083,590	296	1,646,331	16,453,319
EXPENDITURES					
Current					
General Government	2,560,308	0	0	0	2,560,308
Judicial	906,288	0	0	896,510	1,802,798
Public Safety	5,387,343	0	0	1,259,861	6,647,204
Public Works	1,633,568	0	0	0	1,633,568
Health and Welfare	325,842	0	0	0	325,842
Culture and Recreation	257,615	0	0	0	257,615
Housing and Development	63,156	0		0	63,156
Capital outlay	0	0	442,853	113,503	556,356
Debt service	0	3,417,100	0	0	3,417,100
Intergovernmental	0	0	339,641	85,595	425,236
Total expenditures	11,134,120	3,417,100	782,494	2,355,469	17,689,183
Excess (deficiency) of revenues over (under) expenditures	588,982	(333,510)	(782,198)	(709,138)	(1,235,864)
Other financing sources (uses)					
Transfers in	0	192,487	0	469,484	661,971
Transfers out	(838,807)	0	(192,487)	0	(1,031,294)
Sales of capital assets	7,165	0	0	0	7,165
Total other financing sources (uses)	(831,642)	192,487	(192,487)	469,484	(362,158)
Net change in fund balance	(242,660)	(141,023)	(974,685)	(239,654)	(1,598,022)
Fund balances, July 1	4,984,224	3,095,236	3,818,474	1,867,471	13,765,405
Fund balances, June 30	$ 4,741,564	$ 2,954,213	$ 2,843,789	$ 1,627,817	$ 12,167,383

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, 2010

Net change in fund balances - total governmental funds	$ (1,598,022)
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 depreciation of ($1,705,571) exceeded capital outlays of $1,178,281 in the current period.	(527,290)
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 $3,000,000 exceeded proceeds of $0.	3,000,000
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 ($47,068) and amortization of premiums on general obligation bonds of $148,703.	101,635
Employer contributions to retirement plans in excess of annual pension costs are reported as expenditures in the governmental funds, but result in assets in the governmental activities.	39,073
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 ($39,093), amortization of debt issue costs of ($53,700), and net change in interest payable of $50,000.	(42,793)
Change in net assets of governmental activities	$ 972,603

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, 2010

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 8,771,986	$ 8,771,986	$ 8,573,941	$ (198,045)
Licenses and permits	10,300	10,300	6,580	(3,720)
Fines, fees and forfeitures	877,000	967,000	1,190,445	223,445
Charges for services	1,372,215	1,306,215	1,343,428	37,213
Intergovernmental	303,351	303,351	447,212	143,861
Interest	25,000	25,000	90,320	65,320
Other	29,000	5,000	71,176	66,176
Total revenues	11,388,852	11,388,852	11,723,102	334,250
EXPENDITURES				
Current				
General Government				
Commission Board	76,030	76,030	86,519	(10,489)
County Manager's Office	292,056	292,056	319,570	(27,514)
General Building and Plant	121,289	121,289	117,929	3,360
General Administration	1,316,400	1,066,400	1,193,671	(127,271)
Tax Commissioner	315,198	315,198	297,703	17,495
Tax Assessor	342,044	342,044	325,932	16,112
Registrar	101,920	133,920	115,412	18,508
County Engineer	102,666	102,666	103,572	(906)
Judicial				
Probate Court	225,412	225,412	227,978	(2,566)
Magistrate Court	175,226	175,226	165,860	9,366
Superior Court	221,403	221,403	247,885	(26,482)
Superior Court Judge	15,200	15,200	14,355	845
Clerk of Superior Court	244,970	244,970	214,766	30,204
District Attorney	39,261	39,261	35,444	3,817
Public Safety				
Fire Departments	277,078	277,078	295,925	(18,847)
Coroner Services	27,175	27,175	29,103	(1,928)
Emergency Medical Service	1,713,843	1,713,843	1,716,490	(2,647)
Emergency Management	15,453	15,453	13,045	2,408
County Marshal	46,949	46,949	48,568	(1,619)
Sheriff's Department	3,178,425	3,164,425	3,249,212	(84,787)
Animal Shelter	35,000	35,000	35,000	0
Public Works				
Highways and Streets	1,123,160	1,123,160	1,633,568	(510,408)
Health and Welfare				
Senior Center	275,252	275,252	190,440	84,812
Foster Care Services	61,010	61,010	30,385	30,625
Health Department	103,431	103,431	105,017	(1,586)
Culture and Recreation				
Recreation Department	211,820	211,820	227,615	(15,795)
Library Board	30,000	30,000	30,000	0
Housing and Development				
County Agent	73,877	73,877	53,106	20,771
Forestry Service	3,109	3,109	3,109	0
Planning and Zoning	20,550	20,550	4,061	16,489
Airport Authority	3,500	3,500	2,880	620
Total expenditures	10,788,707	10,556,707	11,134,120	(577,413)

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, 2010

	Budget			Variance with
	Original	Final	Actual	Final Budget
Excess (deficiency) of revenues over expenditures	$ 600,145	$ 832,145	$ 588,982	$ (243,163)
Other financing sources (uses)				
Transfers out	(813,156)	(827,156)	(838,807)	(11,651)
Sale of capital assets	0	0	7,165	7,165
Contingency	0	(218,000)	0	218,000
Total other financing sources (uses)	(813,156)	(1,045,156)	(831,642)	213,514
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(213,011)	(213,011)	(242,660)	(29,649)
Fund balances, July 1	213,011	213,011	4,984,224	4,771,213
Fund balances, June 30	$ 0	$ 0	$ 4,741,564	$ 4,741,564

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2010

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 551,210	$ 241,357	$ 792,567
Restricted assets			
Certicates of deposit	2,115,699	0	2,115,699
Interest	3,980	0	3,980
Receivables			
Accounts (net)	90,426	0	90,426
Notes	0	9,149	9,149
Inventory	901,213	0	901,213
Due from other funds	122	0	122
Total current assets	3,662,650	250,506	3,913,156
Noncurrent assets			
Notes receivable	0	59,216	59,216
Capital assets			
Non-depreciable	172,345	378,976	551,321
Depreciable (net)	16,682,034	1,417,508	18,099,542
Debt issue costs (net)	89,856	0	89,856
Total noncurrent assets	16,944,235	1,855,700	18,799,935
Total assets	20,606,885	2,106,206	22,713,091
LIABILITIES			
Current liabilities			
Payables			
Accounts	0	396	396
Interest	45,348	0	45,348
Accrued salaries	2,971	633	3,604
Compensated absences	8,293	662	8,955
Notes payable	129,326	0	129,326
Bonds payable	235,000	0	235,000
Due to other funds	1,042,791	122,973	1,165,764
Total current liabilities	1,463,729	124,664	1,588,393
Noncurrent liabilities			
Notes payable	1,519,585	0	1,519,585
Bonds payable	3,545,000	0	3,545,000
Post-closure care costs	0	1,213,102	1,213,102
Total noncurrent liabilities	5,064,585	1,213,102	6,277,687
Total liabilities	6,528,314	1,337,766	7,866,080
NET ASSETS			
Invested in capital assets, net of related debt	13,494,537	1,796,484	15,291,021
Restricted for capital outlay	50,610	0	50,610
Unrestricted	533,424	(1,028,044)	(494,620)
Total net assets	$ 14,078,571	$ 768,440	$ 14,847,011

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, 2010

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
OPERATING REVENUES			
Charges for sales and services	$ 894,505	$ 114,679	$ 1,009,184
Miscellaneous revenue	354	0	354
Total operating revenues	894,859	114,679	1,009,538
OPERATING EXPENSES			
Costs of sales and services	389,812	23,112	412,924
Personal services	49,791	40,854	90,645
Depreciation	410,417	60,169	470,586
Other	18,220	956	19,176
Total operating expenses	868,240	125,091	993,331
Operating income (loss)	26,619	(10,412)	16,207
Non-operating revenues (expenses)			
Interest revenue	43,303	1,326	44,629
Payments to others	0	(5,760)	(5,760)
Interest expense	(152,214)	0	(152,214)
Amortization	(7,048)	0	(7,048)
Total non-operating revenues (expenses)	(115,959)	(4,434)	(120,393)
Income (loss) before transfers	(89,340)	(14,846)	(104,186)
Transfers in (out)			
Transfers in	301,204	68,119	369,323
Change in net assets	211,864	53,273	265,137
Net assets, July 1	13,866,707	715,167	14,581,874
Net assets, June 30	$ 14,078,571	$ 768,440	$ 14,847,011

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, 2010

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
Cash flows from operating activities:			
Receipts from customers	$ 902,729	$ 46,314	$ 949,043
Payments to suppliers	(283,653)	(23,843)	(307,496)
Payments to employees	(52,935)	(44,798)	(97,733)
Other receipts	354	0	354
Other payments	(18,220)	(956)	(19,176)
Net cash provided (used) by operating activities	548,275	(23,283)	524,992
Cash flows from non-capital financing activities:			
Receipts from other funds	301,204	102,957	404,161
Payments to other funds	(17,747)	0	(17,747)
Payments for post-closure costs of landfill	0	(27,602)	(27,602)
Payments to other agencies	0	(5,760)	(5,760)
Net cash provided (used) by non-capital financing activities	283,457	69,595	353,052
Cash flows from capital and related financing activities:			
Receipts from other funds	0	0	0
Interest paid	(154,913)	0	(154,913)
Acquisition of capital assets	(346,090)	0	(346,090)
Principal payment - bonds payable	(225,000)	0	(225,000)
Principal payment - notes payable	(129,327)	0	(129,327)
Net cash provided (used) by capital and related financing activities	(855,330)	0	(855,330)
Cash flows from investing activities:			
Interest received	47,103	1,326	48,429
Proceeds from sale of investments	2,069,069	0	2,069,069
Purchase of investments	(2,115,699)	0	(2,115,699)
Net cash provided (used) by investing activities	473	1,326	1,799
Net increase (decrease) in cash and cash equivalents	(23,125)	47,638	24,513
Cash and cash equivalents, July 1	574,335	193,719	768,054
Cash and cash equivalents, June 30	$ 551,210	$ 241,357	$ 792,567
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 26,619	$ (10,412)	$ 16,207
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	410,417	60,169	470,586
(Increase) decrease in accounts receivable	8,224	0	8,224
(Increase) decrease in inventory	165,851	0	165,851
(Increase) decrease in notes receivable	0	(68,365)	(68,365)
Increase (decrease) in accounts payable	(59,692)	(731)	(60,423)
Increase (decrease) in accrued liabilities	(3,144)	(3,944)	(7,088)
Total adjustments	521,656	(12,871)	508,785
Net cash provided (used) by operating activities	$ 548,275	$ (23,283)	$ 524,992

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

FRANKLIN COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 696,235
Accounts receivable, net	570,685
Total assets	1,266,920
LIABILITIES	
Due to other agencies	$ 1,266,920

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

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2010

	Franklin County Recreation Department	Franklin County Industrial Building Authority	Franklin County Health Department	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 47,135	$ 118,053	$ 192,757	$ 357,945
Certificates of deposit	0	152,960	0	152,960
Receivables (net)				
Accounts	0	26,767	47,869	74,636
Taxes	0	4,715	0	4,715
Interest	0	874	0	874
Other assets	0	27,049	0	27,049
Total current assets	47,135	330,418	240,626	618,179
Noncurrent assets				
Capital assets				
Non-depreciable	113,750	3,507,321	0	3,621,071
Depreciable (net)	2,470,325	403,987	0	2,874,312
Total noncurrent assets	2,584,075	3,911,308	0	6,495,383
Total assets	2,631,210	4,241,726	240,626	7,113,562
LIABILITIES				
Current liabilities				
Payables				
Accounts	0	0	3,374	3,374
Interest	0	5,786	0	5,786
Accrued salaries and expenses	0	1,514	0	1,514
Compensated absences	13,505	2,033	17,000	32,538
Notes payable	0	1,650,951	0	1,650,951
Total current liabilities	13,505	1,660,284	20,374	1,694,163
Noncurrent liabilities				
Compensated absences	0	0	11,159	11,159
Total liabilities	13,505	1,660,284	31,533	1,705,322
NET ASSETS				
Invested in capital assets, net of related debt	2,584,075	2,260,357	0	4,844,432
Restricted for:				
Health and Welfare	0	0	209,093	209,093
Culture and Recreation	33,630	0	0	33,630
Housing and Development	0	321,085	0	321,085
Total net assets	$ 2,617,705	$ 2,581,442	$ 209,093	$ 5,408,240

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, 2010

	Franklin County Recreation Department	Franklin County Industrial Building Authority	Franklin County Health Department	Totals
Expenses				
Health and Welfare	$ 0	$ 0	$ 490,182	$ 490,182
Culture and Recreation	448,878	0	0	448,878
Housing and Development	0	215,966	0	215,966
Total expenses	448,878	215,966	490,182	1,155,026
Program revenues				
Charges for services	120,896	0	262,342	383,238
Operating grants and contributions	0	865	187,253	188,118
Capital grants and contributions	14,750	1,250	0	16,000
Total program revenues	135,646	2,115	449,595	587,356
Net (expense) revenue	(313,232)	(213,851)	(40,587)	(567,670)
General revenues				
Property taxes	0	168,912	0	168,912
Interest	65	2,620	0	2,685
Payments from Franklin County	298,283	99,590	101,424	499,297
Miscellaneous	0	39	0	39
Total general revenues	298,348	271,161	101,424	670,933
Change in net assets	(14,884)	57,310	60,837	103,263
Net assets, July 1	2,632,589	2,524,132	148,256	5,304,977
Net assets, June 30	$ 2,617,705	$ 2,581,442	$ 209,093	$ 5,408,240

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 appointed 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 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.

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.

2. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements, continued

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.

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.

2. Summary of Significant Accounting Policies (continued)

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

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.

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.

2. Summary of Significant Accounting Policies (continued)

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

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.

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.

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).

2. Summary of Significant Accounting Policies (continued)

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

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.

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.

2. Summary of Significant Accounting Policies (continued)

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

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.

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. For fiscal year 2010, the County failed to adopt an annual budget for the Debt Service Fund, as required by state law.

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.

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting, continued

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.

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, 2010, are recorded as prepaid items.

2. Summary of Significant Accounting Policies (continued)

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.

GASB Statement No. 34 required the County to report and depreciate new infrastructure assets effective with the fiscal year ended June 30, 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. Prior to July 1, 2006, neither their historical costs, nor related depreciation, had been reported in the financial statements. The County implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended June 30, 2007. The County elected to report general infrastructure assets placed into service prior to July 1, 1980.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital 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.

O. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of the changes in the County's financial position and operations. Certain 2009 amounts have been reclassified to conform with the 2010 presentation.

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.

3. Deposit and Investment Risk (continued)

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.

As of June 30, 2010, the County's investments included a US Treasuries obligation fund with a fair value of $6,672,755; the average maturity of the fund at June 30, 2010, was less than 30 days.

4. Accounts Receivable

Net accounts receivable at June 30, 2010, consist of the following:

Primary Government:		
Major Funds		
General Fund	$ 328,316	
Less: Allowance for Uncollectibles	(102,541)	$ 225,775
Enterprise Funds		
Water and Sewer	111,381	
Less: Allowance for Uncollectibles	(20,955)	90,426
Nonmajor Funds		
Emergency 911 Special Revenue Fund		29,684
Total primary government		$ 345,885
Component Units		
Franklin County Industrial Building Authority	$ 26,767	
Franklin County Health Department	47,869	$ 74,636
Fiduciary Funds		
Agency Funds		
Magistrate Court	$ 74,447	
Less: Allowance for Uncollectibles	(7,443)	
Probate Court	436,750	
Less: Allowance for Uncollectables	(2,910)	
Clerk of Superior Court	77,787	
Less: Allowance for Uncollectibles	(7,946)	$ 570,685

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2010, consist of the following:

Major Funds		
General Fund		
Georgia Department of Transportation	$ 30,845	
Franklin County Board of Education	19,013	
Franklin County Industrial Building Authority	7,424	$ 57,282
Nonmajor Funds		
Special Revenue Funds		
MANS Unit		
Georgia Criminal Justice Coordinating Council	17,296	
Probation Services		
Northern Judicial Circuit	36,514	53,810
Total primary government		$ 111,092

6. Taxes Receivable

Property tax rates are set by the Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2010, based upon the assessments of July 24, 2009, were levied on July 24, 2009, billed on August 14, 2009, and due on November 15, 2009. Tax liens may be issued 90 days after the due date.

Taxes receivable as of June 30, 2010, consist of property taxes for seven years as follows:

Year of Levy	Franklin County	Franklin County Industrial Building Authority
2009	$ 158,430	$ 6,153
2008	27,174	539
2007	15,015	0
2006	11,907	0
2005	12,798	0
2004	11,953	0
2003	10,545	0
	247,822	6,692
Less allowance for uncollectible	(98,218)	(1,977)
Total	$ 149,604	$ 4,715

Other Taxes

$486,071 of sales taxes are also included in taxes receivable.

7. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of June 30, 2010, is as follows:

Receivable Fund	Payable Fund	Amount
General	Water and Sewer	$ 1,042,791
	Solid Waste	122,973
	Nonmajor Governmental	616,185
Water and Sewer	Nonmajor Governmental	122
Nonmajor Governmental	2004 SPLOST	1,173,690
Subtotal		$ 2,955,761

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.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

A summary of interfund transfers as of June 30, 2010, is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	Water and Sewer	$ 301,204
	Solid Waste	68,119
	Nonmajor Governmental	469,484
2004 SPLOST	Debt Service	192,487
		$ 1,031,294

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. Notes Receivable

During fiscal year 2010, the County entered into a host fee agreement with Earth Resources of Franklin County, LLC, which operates a construction and demolition landfill in the County. State law requires that private landfill operators collect and remit host fees to the local host government. Earth Resources had collect, but not remit, the fees required by state law since it began operations in 2008. In accordance with the host fee agreement, Earth Resources agreed to remit to the County all fees related to the continued operations of the landfill, as well as all fee owed to the County. The host fee agreement allows Earth Resources to remit amounts owed over 60 months, beginning in October 2010; Earth Resources further agreed to pay 5.25% interest on amounts owed, beginning in October 2010.

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	$ 9,149	$ 2,533	$ 11,682
2012	12,771	2,805	15,576
2013	13,458	2,118	15,576
2014	14,182	1,394	15,576
2015	14,945	631	15,576
2016	3,860	33	3,893
Totals	$ 68,365	$ 9,514	$ 77,879

9. Capital Assets

Capital asset activity for the primary government for the fiscal year ended June 30, 2010, was as follows:

	Balance 6/30/2009	Increases	Decreases	Balance 6/30/2010
Governmental Activities				
Nondepreciable assets				
Land	$ 4,854,587	$ 0	0	$ 4,854,587
Construction in progress	181,246	424,918	(606,164)	0
Total non-depreciable assets	5,035,833	424,918	(606,164)	4,854,587
Depreciable assets				
Infrastructure	40,708,314	869,368	0	41,577,682
Buildings	6,684,895	113,503	0	6,798,398
Machinery and equipment	2,295,830	48,934	0	2,344,764
Vehicles	4,559,140	327,721	(83,810)	4,803,051
Total depreciable assets	54,248,179	1,359,526	(83,810)	55,523,895
Accumulated Depreciation				
Infrastructure	(14,400,655)	(826,768)	0	(15,227,423)
Buildings	(2,072,377)	(169,238)	0	(2,241,615)
Machinery and equipment	(1,316,887)	(267,036)	0	(1,583,923)
Vehicles	(3,528,376)	(442,529)	83,810	(3,887,095)
Total accumulated depreciation	(21,318,295)	(1,705,571)	83,810	(22,940,056)
Total depreciable assets, net	32,929,884	(346,045)	0	32,583,839
Governmental Activities capital assets, net	$ 37,965,717	$ 78,873	$ (606,164)	$ 37,438,426
Business-type Activities				
Nondepreciable assets				
Land	$ 399,323	$ 0	$ 0	$ 399,323
Construction in progress	143,319	8,679	0	151,998
Total non-depreciable assets	542,642	8,679	0	551,321
Depreciable assets				
Land improvements	29,382	0	0	29,382
Distribution system	19,044,598	331,211	0	19,375,809
Buildings	1,875,731	0	0	1,875,731
Machinery and equipment	435,675	6,200	0	441,875
Vehicles	268,909	0	0	268,909
Total depreciable assets	21,654,295	337,411	0	21,991,706
Accumulated Depreciation				
Land improvements	(13,059)	(1,957)	0	(15,016)
Distribution system	(2,389,658)	(381,702)	0	(2,771,360)
Buildings	(429,374)	(48,406)	0	(477,780)
Machinery and equipment	(324,234)	(35,596)	0	(359,830)
Vehicles	(265,253)	(2,925)	0	(268,178)
Total accumulated depreciation	(3,421,578)	(470,586)	0	(3,892,164)
Total depreciable assets, net	18,232,717	(133,175)	0	18,099,542
Business-type Activities capital assets, net	$ 18,775,359	$ (124,496)	$ 0	$ 18,650,863

9. Capital Assets (continued)

Capital asset activity for the Recreation Department and Industrial Building Authority Component Units for the fiscal year ended June 30, 2010, was as follows:

	Balance 6/30/2009	Increases	Decreases	Balance 6/30/2010
Recreation Department Component Unit				
Nondepreciable assets				
Land	$ 99,000	$ 14,750	$ 0	$ 113,750
Construction in progress	38,272	0	(38,272)	0
Total non-depreciable assets	137,272	14,750	(38,272)	113,750
Depreciable assets				
Land improvements	882,853	55,387	0	938,240
Buildings	2,008,784	38,271	0	2,047,055
Machinery and equipment	65,824	0	0	65,824
Vehicles	6,000	15,283	0	21,283
Total depreciable assets	2,963,461	108,941	0	3,072,402
Accumulated Depreciation				
Land improvements	(323,546)	(60,689)	0	(384,235)
Buildings	(111,690)	(51,176)	0	(162,866)
Machinery and equipment	(42,621)	(4,062)	0	(46,683)
Vehicles	(6,000)	(2,293)		(8,293)
Total accumulated depreciation	(483,857)	(118,220)	0	(602,077)
Total depreciable assets, net	2,479,604	(9,279)	0	2,470,325
Recreation Department Component Unit capital assets, net	$ 2,616,876	$ 5,471	$ (38,272)	$ 2,584,075
Industrial Building Authority Component Unit				
Nondepreciable assets				
Land	$ 3,502,317	$ 5,004	$ 0	$ 3,507,321
Depreciable assets				
Buildings	362,194	0	0	362,194
Land improvements	50,125	0	0	50,125
Total depreciable assets	412,319	0	0	412,319
Accumulated Depreciation				
Land improvements	(4,990)	(3,342)	0	(8,332)
Total accumulated depreciation	(4,990)	(3,342)	0	(8,332)
Total depreciable assets, net	407,329	(3,342)	0	403,987
Industrial Building Authority Component Unit capital assets, net	$ 3,909,646	$ 1,662	$ 0	$ 3,911,308

9. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 88,165
Judicial	1,633
Public Safety	591,185
Public Works	993,499
Health and Welfare	27,312
Housing and Development	3,777
Total depreciation expense for governmental activities	$ 1,705,571
Business-type activities	
Water and Sewer	410,417
Solid Waste	60,169
Total depreciation expense for business-type activities	$ 470,586
Recreation Department Component Unit	$ 118,220
Industrial Building Authority Component Unit	$ 3,342

10. Other Liabilities

At June 30, 2010, the County had $170,771 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, 2010:

$17,000,000 2005 Franklin County General Obligation Sales Tax series bonds due in annual installments of $3,500,000 to $4,000,000 through August 1, 2011; interest at 5.00% ($7,500,000 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
2011	$ 3,500,000	$ 277,500	$ 3,777,500
2012	4,000,000	100,000	4,100,000
Totals	$ 7,500,000	$ 377,500	$ 7,877,500

$2,954,213 is available in the Debt Service Fund to service the general obligation bonds.

11. Long-Term Debt (continued)

Revenue Bonds

Revenue bonds have been issued for business-type activities and are comprised of the following individual issue at June 30, 2010:

$4,190,000 2008 Franklin County Water and Sewerage Authority series revenue bonds due in annual installments of $235,000 to $355,000 through March 1, 2023; interest at 3.599% ($3,780,000 outstanding), for expansion of the County's water and sewerage system and retirement of promissory notes with the United States Department of Agriculture.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	$ 235,000	$ 136,042	$ 371,042
2012	240,000	127,585	367,585
2013	250,000	118,947	368,947
2014	260,000	109,949	369,949
2015	270,000	100,592	370,592
2016-2020	1,495,000	350,543	1,845,543
2021-2023	1,030,000	75,039	1,105,039
Totals	$ 3,780,000	$ 1,018,697	$ 4,798,697

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, 2010, the balance of this note is $1,648,912. Quarterly installments of $32,332 principal are due through March 1, 2023; interest at 0%.

11. Long-Term Debt (continued)

Notes Payable, continued

Business-type Activities (continued)

Annual debt service requirements for notes payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	$ 129,326	$ 0	$ 129,326
2012	129,326	0	129,326
2013	129,326	0	129,326
2014	129,326	0	129,326
2015	129,326	0	129,326
2016-2020	646,630	0	646,630
2021-2023	355,651	0	355,651
Totals	$ 1,648,911	$ 0	$ 1,648,911

Industrial Building Authority Component Unit

The Authority has entered into a lending agreement with Pinnacle Bank for the purchase of real property in the original amount of $222,457. At June 30, 2010, the balance of this note is $222,179. Quarterly installments of interest are due through March 18, 2011; unpaid principal and interest due June 18, 2011. Interest is variable at the Wall Street Journal Prime Rate plus 0.5%; the interest rate at June 30, 2010, was 4.5%.

The Authority has entered into a lending agreement with Pinnacle Bank for the purchase of real property in the original amount of $444,746. At June 30, 2010, the balance of this note is $444,079. Quarterly installments of interest are due through March 9, 2011; unpaid principal and interest due June 9, 2011. Interest is variable at the Wall Street Journal Prime Rate plus 0.5%; the interest rate at June 30, 2010, was 4.5%.

The Authority has entered into a lending agreement with Pinnacle Bank for the purchase of real property in the original amount of $985,432. At June 30, 2010, the balance of this note is $984,693. Quarterly installments of interest are due through February 28, 2011; unpaid principal and interest due May 28, 2011. Interest is variable at the Wall Street Journal Prime Rate plus 0.5%; the interest rate at June 30, 2010, was 4.5%.

11. Long-Term Debt (continued)

Notes Payable, continued

Industrial Building Authority Component Unit (continued)

Annual debt service requirements for notes payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	$ 1,650,951	$ 74,369	$ 1,725,320

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2010:

	Balance 6/30/2009	Additions	Deductions	Balance 6/30/2010	Due Within One Year
Governmental activities					
General obligation bonds	$ 10,500,000	$ 0	$ 3,000,000	$ 7,500,000	$ 3,500,000
Unamortized bond premium	309,799	0	148,704	161,095	0
Compensated absences	385,305	424,398	385,305	424,398	424,398
Total Governmental activities	$ 11,195,104	$ 424,398	$ 3,534,009	$ 8,085,493	$ 3,924,398
Business-type activities					
Notes payable	$ 1,778,238	$ 0	$ 129,327	$ 1,648,911	$ 129,326
Bonds payable	4,005,000	0	225,000	3,780,000	235,000
Post-closure care costs	1,240,704	0	27,602	1,213,102	0
Compensated absences	10,611	8,955	10,611	8,955	8,955
Total business-type activities	$ 7,034,553	$ 8,955	$ 392,540	$ 6,650,968	$ 373,281
Recreation Department Component Unit					
Compensated absences	$ 11,754	$ 13,505	$ 11,754	$ 13,505	$ 13,505
Industrial Buildling Authority Component Unit					
Notes payable	$ 1,652,635	$ 0	$ 1,684	$ 1,650,951	$ 1,650,951
Compensated absences	1,372	2,033	1,372	2,033	2,033
Total Industrial Building Authority Component Unit	$ 1,654,007	$ 2,033	$ 3,056	$ 1,652,984	$ 1,652,984

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 solid 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 $1,213,102 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 $71,354 has been reserved for prepaid items since this amount is not legally available for appropriation.

Reserved for public safety – The total of $681,085 has been reserved to reflect amounts that are restricted by revenue source, but are accounted for in the General Fund.

Enterprise Funds

Restricted for capital outlay – An amount of $50,610 has been restricted in the Water and Sewer Fund for capital outlay since this amount is not legally available for appropriation. $46,630 is shown as certificates of deposit restricted in the construction fund on the statement of net assets.

14. Deficit Equity Balances

Governmental Activities

At June 30, 2010, the Governmental Activities have negative unrestricted net assets of $227,102. This is due to general obligation bonds recorded in the governmental activities. The County plans to liquidate the negative unrestricted net assets through future revenue recognition.

At June 30, 2010, the Public Defender Special Revenue Fund has a deficit fund balance of $8,455. 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.

14. Deficit Equity Balances (continued)

Governmental Activities, continued

At June 30, 2010, the Probation Services Special Revenue Fund has a deficit fund balance of $51,558. 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.

Business-type Activities

At June 30, 2010, the Solid Waste Enterprise Fund has negative unrestricted net assets of $1,096,409. This is due to the estimated cost of post closure care activities. The County plans to liquidate the negative unrestricted net assets through payment of post closure care costs.

15. Pension Plan

Plan Description and Contribution Information

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.

15. Pension Plan (continued)

Plan Description and Contribution Information, continued

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.

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 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	28
Terminated vested participants entitled to but not yet receiving benefits	68
Active participants	107
Total number of participants	203

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 13.6% 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.

15. 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, 2009. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	7.75%
Projected salary increases due to:	
Inflation	3.0%
Merit	4.0%-6.5%
Post-retirement benefit increases	none
Life expectancy before and after retirement (Group Annuity Mortality table)	1983

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, 2009, was 10 years.

The County's annual pension cost and net pension obligations for the current year ended June 30, 2010, were as follows:

Annual required contribution	$ 539,113
Interest on net pension obligation	(55,010)
Adjustment to ARC	58,860
Annual pension cost	542,963
Contributions made	582,036
Increase (decrease) in net pension obligation	(39,073)
Net pension obligation - beginning of year	(709,809)
Net pension obligation - end of year	$ (748,882)

15. 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 Required Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
2004	$ 200,436	114%	$ (27,265)
2005	218,408	110%	(49,004)
2006	227,873	107%	(63,823)
2007	390,281	256%	(673,542)
2008	462,421	108%	(709,809)
2009	542,963	107%	(748,882)

Schedule of Funding Progress

Plan Year Ended 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)
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%
2007	2,558,303	3,532,826	974,523	72.4%	2,918,887	33.4%
2008	2,900,000	4,187,012	1,287,012	69.3%	3,312,499	38.9%
2009	3,477,734	4,902,948	1,425,214	70.9%	3,951,478	36.1%

16. Deferred Compensation Plans

The County 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, 2010, the County contributed $7,177 to the Plans, based on covered salaries of $2,495,099. Total payroll was $6,694,317. Plan members made voluntary contributions of $107,403.

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.

17. 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, 2010 follows:

Lodging tax receipts	$	428	
Disbursements for tourism	$	428	100% of tax receipts

18. 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 $2,880 to the Airport during the year ended June 30, 2010. 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 Commission (GMRC) and is required to pay annual dues thereto. During the year ended June 30, 2010, the County paid $17,040 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC 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 GMRC financial statements can be obtained from GMRC, 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, 2010. Separate financial statements may be obtained from Joint Development Authority of Hart, Franklin, and Stephens Counties, Georgia, PO Box 793, Hartwell, Georgia 30643.

19. Risk Financing Activities

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

19. Risk Financing Activities (continued)

◊ 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.

20. Commitments and Contingencies

Contingencies

◊ 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.

20. Commitments and Contingencies

Contingencies, continued

◊ 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.

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

During the fiscal year ended June 30, 2010, the County incurred expenditures in the following General Fund departments and the Special Revenue Funds that were materially in excess of the amounts appropriated. For the fiscal year ended June 30, 2010, the County failed to adopt a budget for the Debt Service Fund.

Department	Budget	Actual	Variance
Commission Board	$ 76,030	$ 86,519	$ (10,489)
County Manager's Office	292,056	319,570	(27,514)
General Administration	1,066,400	1,193,671	(127,271)
Superior Court	221,403	247,885	(26,482)
Fire Departments	277,078	295,925	(18,847)
Coroner Services	27,175	29,103	(1,928)
County Marshal	46,949	48,568	(1,619)
Highways and Streets	1,123,160	1,633,568	(510,408)
Recreation Department	211,820	227,615	(15,795)
Emergency 911 Fund	716,125	752,757	(36,632)
Drug Enforcement Fund	45,000	135,366	(90,366)
MANS Unit Fund	311,228	326,994	(15,766)

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.

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COMBINING STATEMENTS

Nonmajor Governmental Funds

FRANKLIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	Special Revenue			
	Emergency 911	**Drug Enforcement**	**Inmate Welfare**	**Law Library**
ASSETS				
Cash and cash equivalents	$ 357,567	$ 46,085	$ 16,207	$ 86,326
Certificates of deposit	0	0	0	11,097
Receivables				
Accounts	29,684	0	0	0
Intergovernmental	0	0	0	0
Due from other funds	0	0	0	0
Total assets	$ 387,251	$ 46,085	$ 16,207	$ 97,423
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 4,219	$ 0	$ 0	$ 0
Accrued salaries	8,947	0	0	0
Due to other agencies	0	0	0	0
Due to other funds	346,932	0	0	0
Total liabilities	360,098	0	0	0
Fund balances				
Unreserved	27,153	46,085	16,207	97,423
Total liabilities and fund balances	$ 387,251	$ 46,085	$ 16,207	$ 97,423

Special Revenue					
MANS Unit	Public Defender	Probation Service	SPLOST Capital Projects	Total Nonmajor Governmental Funds
$ 226,967	$ 0	$ 0	$ 278,674	$ 1,011,826
0	0	0	0	11,097
0	0	0	0	29,684
17,296	0	36,514	0	53,810
0	0	0	1,173,690	1,173,690
$ 244,263	$ 0	$ 36,514	$ 1,452,364	$ 2,280,107
$ 0	$ 0	$ 0	$ 0	$ 4,219
0	577	7,977	0	17,501
14,263	0	0	0	14,263
0	7,878	80,095	181,402	616,307
14,263	8,455	88,072	181,402	652,290
230,000	(8,455)	(51,558)	1,270,962	1,627,817
$ 244,263	$ 0	$ 36,514	$ 1,452,364	$ 2,280,107

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2010

	Special Revenue			
	Emergency 911	**Drug Enforcement**	**Inmate Welfare**	**Law Library**
REVENUES				
Fines, fees, and forfeitures	$ 0	$ 90,006	$ 0	$ 18,892
Charges for services	362,097	0	54,160	0
Intergovernmental	0	0	0	0
Interest	183	43	0	1,394
Total revenues	362,280	90,049	54,160	20,286
EXPENDITURES				
Current				
Judicial	0	0	0	8,403
Public Safety	752,757	135,366	44,744	0
Capital outlay	0	0	0	0
Intergovernmental	0	0	0	0
Total expenditures	752,757	135,366	44,744	8,403
Excess (deficiency) of revenues over (under) expenditures	(390,477)	(45,317)	9,416	11,883
Other financing sources (uses)				
Transfers in	362,125	7,730	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(28,352)	(37,587)	9,416	11,883
Fund balances, July 1	55,505	83,672	6,791	85,540
Fund balances, June 30	$ 27,153	$ 46,085	$ 16,207	$ 97,423

Special Revenue			SPLOST Capital Projects	Total Nonmajor Governmental Funds
MANS Unit	Public Defender	Probation Service		
$ 39,764	$ 0	$ 570,788	$ 0	$ 719,450
0	0	0	0	416,257
234,904	271,811	0	0	506,715
489	0	0	1,800	3,909
275,157	271,811	570,788	1,800	1,646,331
0	351,194	536,913	0	896,510
326,994	0	0	0	1,259,861
0	0	0	113,503	113,503
0	0	0	85,595	85,595
326,994	351,194	536,913	199,098	2,355,469
(51,837)	(79,383)	33,875	(197,298)	(709,138)
17,741	81,888	0	0	469,484
(34,096)	2,505	33,875	(197,298)	(239,654)
264,096	(10,960)	(85,433)	1,468,260	1,867,471
$ 230,000	$ (8,455)	$ (51,558)	$ 1,270,962	$ 1,627,817

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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
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 804,559	$ 1,212,825
Certificates of deposit	1,754,543	1,706,099
Receivables (net)		
Accounts	225,775	353,342
Intergovernmental	57,282	274,092
Taxes	336,738	379,523
Interest	15,185	21,373
Prepaid items	71,354	67,826
Due from other funds	1,781,949	1,395,765
Restricted Assets		
Cash	681,085	598,437
Total assets	$ 5,728,470	$ 6,009,282
LIABILITIES AND FUND BALANCES		
Liabilities		
Payables		
Accounts	$ 3,866	$ 48,418
Excess taxes	170,771	151,856
Accrued salaries and expenses	714,051	675,923
Deferred revenue	98,218	145,286
Due to other funds	0	3,575
Total liabilities	986,906	1,025,058
Fund balances		
Reserved for prepaid items	71,354	67,826
Reserved for public safety	681,085	598,437
Unreserved, designated for budget	0	1,591,275
Unreserved, undesignated	3,989,125	2,726,686
Total fund balances	4,741,564	4,984,224
Total liabilities and fund balances	$ 5,728,470	$ 6,009,282

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
REVENUES		
Taxes	$ 8,573,941	$ 7,439,155
Licenses and permits	6,580	4,905
Fines, fees and forfeitures	1,190,445	1,215,850
Charges for services	1,343,428	1,173,984
Intergovernmental	447,212	185,719
Interest	90,320	77,360
Other	71,176	56,349
Total revenues	11,723,102	10,153,322
EXPENDITURES		
Current		
General Government	2,560,308	2,476,216
Judicial	906,288	890,570
Public Safety	5,387,343	5,092,537
Public Works	1,633,568	972,200
Health and Welfare	325,842	346,798
Culture and Recreation	257,615	249,501
Housing and Development	63,156	173,938
Total expenditures	11,134,120	10,201,760
Excess (deficiency) of revenues over (under) expenditures	588,982	(48,438)
Other financing sources (uses)		
Transfers in (out) -		
E911 Fund	(362,125)	(356,072)
MANS Unit Fund	(17,741)	(13,982)
Drug Enforcement Fund	(7,730)	0
Public Defender Fund	(81,888)	(64,116)
Water and Sewer Fund	(301,204)	(459,745)
Solid Waste Fund	(68,119)	0
Sales of capital assets	7,165	0
Total other financing sources (uses)	(831,642)	(893,915)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(242,660)	(942,353)
Fund balances, July 1	4,984,224	5,926,577
Fund balances, June 30	$ 4,741,564	$ 4,984,224

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Property tax	$ 5,116,996	$ 5,068,705	$ (48,291)	$ 3,988,702
Motor vehicle tax	400,000	436,970	36,970	426,981
Mobile home tax	50,000	62,949	12,949	57,343
Cost, penalties, and interest	75,300	208,829	133,529	140,545
Total general property tax	5,642,296	5,777,453	135,157	4,613,571
Intangibles tax	90,000	59,320	(30,680)	77,324
Real estate transfer tax	20,000	10,190	(9,810)	11,852
Local option sales tax	2,200,000	1,930,372	(269,628)	1,931,918
Insurance premium	726,990	716,566	(10,424)	726,990
Franchise tax	65,000	59,238	(5,762)	58,418
Occupational tax	20,000	14,564	(5,436)	15,698
Other taxes	7,200	5,810	(1,390)	3,192
Hotel/motel tax	500	428	(72)	192
Total taxes	8,771,986	8,573,941	(198,045)	7,439,155
Licenses and Permits				
Business and inspection licenses	5,000	4,234	(766)	2,870
Other permits	5,300	2,346	(2,954)	2,035
Total licenses and permits	10,300	6,580	(3,720)	4,905
Fines, fees and forfeitures	967,000	1,190,445	223,445	1,215,850
Charges for Services				
Emergency medical services	750,000	808,284	58,284	674,689
Tax collection commissions	429,215	327,960	(101,255)	300,758
Sheriff services	52,000	130,905	78,905	117,589
Prisoner board	40,000	44,583	4,583	48,468
Other	35,000	31,696	(3,304)	32,480
Total charges for services	1,306,215	1,343,428	37,213	1,173,984
Intergovernmental				
Grants and receipts	303,351	447,212	143,861	185,719
Interest	25,000	90,320	65,320	77,360
Other	5,000	71,176	66,176	56,349
Total revenues	$ 11,388,852	$ 11,723,102	$ 334,250	$ 10,153,322

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Commission Board				
Personal services	$ 71,430	$ 81,486	$ (10,056)	$ 83,757
Supplies and materials	4,600	5,033	(433)	8,091
Total Commission Board	76,030	86,519	(10,489)	91,848
County Manager's Office				
Personal services	257,006	294,535	(37,529)	248,278
Contract services	25,650	15,968	9,682	28,316
Supplies and materials	9,400	9,067	333	9,523
Total County Manager's Office	292,056	319,570	(27,514)	286,117
General Building and Plant				
Personal services	62,564	79,528	(16,964)	65,265
Contract services	32,650	16,498	16,152	21,113
Supplies and materials	26,075	21,903	4,172	21,005
Total General Building and Plant	121,289	117,929	3,360	107,383
General Administration				
Personal services	646,000	772,299	(126,299)	736,446
Contract services	412,800	415,868	(3,068)	344,511
Supplies and materials	1,600	5,504	(3,904)	1,741
Payments to other agencies	6,000	0	6,000	0
Total General Administration	1,066,400	1,193,671	(127,271)	1,082,698
Tax Commissioner				
Personal services	247,716	234,108	13,608	234,273
Contract services	53,317	51,987	1,330	46,051
Supplies and materials	12,165	11,608	557	9,730
Capital outlay	2,000	0	2,000	0
Total Tax Commissioner	315,198	297,703	17,495	290,054
Tax Assessor				
Personal services	288,784	285,413	3,371	277,801
Contract services	35,000	20,252	14,748	73,653
Supplies and materials	18,260	13,256	5,004	12,427
Capital outlay	0	7,011	(7,011)	0
Total Tax Assessor	342,044	325,932	16,112	363,881
Registrar				
Personal services	94,470	84,347	10,123	66,486
Contract services	24,470	19,345	5,125	13,329
Supplies and materials	14,980	11,720	3,260	6,340
Total Registar	133,920	115,412	18,508	86,155

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
General Government, continued				
Elections				
Personal services	$ 0	$ 0	$ 0	$ 1,792
Contract services	0	0	0	65,139
Supplies and materials	0	0	0	5,179
Total Elections	0	0	0	72,110
County Engineer				
Personal services	99,316	101,353	(2,037)	94,154
Contract services	2,950	2,019	931	1,732
Supplies and materials	400	200	200	84
Total County Engineer	102,666	103,572	(906)	95,970
Total General Government	2,449,603	2,560,308	(110,705)	2,476,216
Judicial				
Probate Court				
Personal services	210,012	213,095	(3,083)	201,795
Contract services	7,600	8,107	(507)	15,690
Supplies and materials	7,800	6,776	1,024	10,130
Total Probate Court	225,412	227,978	(2,566)	227,615
Magistrate Court				
Personal services	153,376	149,587	3,789	143,187
Contract services	13,750	10,408	3,342	9,762
Supplies and materials	8,100	5,865	2,235	6,033
Total Magistrate Court	175,226	165,860	9,366	158,982
Superior Court				
Personal services	119,353	105,165	14,188	105,109
Contract services	89,850	135,148	(45,298)	120,846
Supplies and materials	12,200	7,572	4,628	7,028
Total Superior Court	221,403	247,885	(26,482)	232,983
Superior Court Judge				
Contract services	8,300	5,792	2,508	7,074
Supplies and materials	6,900	8,563	(1,663)	8,162
Total Superior Court Judge	15,200	14,355	845	15,236
Clerk of Superior Court				
Personal services	213,275	197,527	15,748	217,324
Contract services	20,895	4,875	16,020	12,067
Supplies and materials	10,800	12,364	(1,564)	10,387
Total Clerk of Superior Court	244,970	214,766	30,204	239,778
District Attorney				
Contract services	39,261	35,444	3,817	15,976
Total Judicial	921,472	906,288	15,184	890,570

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
Public Safety				
Fire Departments				
Personal services	$ 5,500	$ 4,779	$ 721	$ 5,498
Contract services	1,200	3,119	(1,919)	1,584
Supplies and materials	1,500	5,275	(3,775)	5,444
Payments to other agencies	268,878	282,752	(13,874)	290,357
Total Fire Departments	277,078	295,925	(18,847)	302,883
Coroner Services				
Personal services	15,075	16,520	(1,445)	13,791
Contract services	10,900	10,299	601	9,872
Supplies and materials	1,200	2,284	(1,084)	1,011
Total Coroner Services	27,175	29,103	(1,928)	24,674
Emergency Medical Service				
Personal services	1,384,943	1,367,667	17,276	1,354,087
Contract services	73,614	120,351	(46,737)	50,375
Supplies and materials	135,803	119,326	16,477	112,051
Capital outlay	119,483	109,146	10,337	106,994
Total Emergency Medical Services	1,713,843	1,716,490	(2,647)	1,623,507
Emergency Management				
Personal services	11,303	11,129	174	10,611
Contract services	3,850	1,886	1,964	874
Supplies and materials	300	30	270	602
Total Emergency Management	15,453	13,045	2,408	12,087
County Marshal				
Personal services	39,964	40,970	(1,006)	39,574
Contract services	2,311	3,595	(1,284)	1,468
Supplies and materials	4,674	4,003	671	3,289
Total County Marshal	46,949	48,568	(1,619)	44,331
Sheriff Department				
Personal services	2,342,090	2,352,287	(10,197)	2,270,685
Contract services	140,951	243,852	(102,901)	235,154
Supplies and materials	564,921	550,614	14,307	474,604
Capital outlay	116,463	102,459	14,004	69,612
Total Sheriff Department	3,164,425	3,249,212	(84,787)	3,050,055
Animal Shelter				
Payments to other agencies	35,000	35,000	0	35,000
Total Public Safety	5,279,923	5,387,343	(107,420)	5,092,537

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
Public Works				
Highways and Streets				
Personal services	$ 527,718	$ 462,901	$ 64,817	$ 512,876
Contract services	72,950	138,717	(65,767)	62,522
Supplies and materials	522,492	768,745	(246,253)	396,802
Capital outlay	0	263,205	(263,205)	0
Total Public Works	1,123,160	1,633,568	(510,408)	972,200
Health and Welfare				
Senior Center				
Personal services	102,366	101,975	391	99,978
Contract services	16,435	14,004	2,431	6,445
Supplies and materials	156,451	74,461	81,990	93,386
Total Senior Center	275,252	190,440	84,812	199,809
Foster Care Services				
Payments to other agencies	61,010	30,385	30,625	36,634
Health Department				
Contract services	600	1,031	(431)	7,444
Supplies and materials	1,400	2,555	(1,155)	1,480
Payments to other agencies	101,431	101,431	0	101,431
Total Health Department	103,431	105,017	(1,586)	110,355
Total Health and Welfare	439,693	325,842	113,851	346,798
Culture and Recreation				
Recreation Department				
Payments to other agencies	211,820	227,615	(15,795)	222,001
Library Board				
Payments to other agencies	30,000	30,000	0	27,500
Total Culture and Recreation	241,820	257,615	(15,795)	249,501
Housing and Development				
County Agent				
Personal services	51,014	39,134	11,880	40,328
Contract services	15,488	13,293	2,195	20,599
Supplies and materials	1,375	679	696	3,062
Capital outlay	6,000	0	6,000	0
Total County Agent	73,877	53,106	20,771	63,989
Forestry Service				
Payments to other agencies	3,109	3,109	0	2,918

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
Housing and Development, continued				
Planning and Zoning				
Personal services	$ 0	$ 508	$ (508)	$ 30,470
Contract services	16,500	3,186	13,314	13,541
Supplies and materials	4,050	367	3,683	214
Total Planning and Zoning	20,550	4,061	16,489	44,225
Industrial Building Authority				
Payments to other agencies	0	0	0	51,926
Airport Authority				
Contract services	3,500	2,880	620	5,576
Payments to other agencies	0	0	0	5,304
Total Airport Authority	3,500	2,880	620	10,880
Total Housing and Development	101,036	63,156	37,880	173,938
Total expenditures	$ 10,556,707	$ 11,134,120	$ (577,413)	$ 10,201,760

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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
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 357,567	$ 197,081
Accounts receivable	29,684	27,482
Total assets	$ 387,251	$ 224,563
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 4,219	$ 201
Accrued salaries	8,947	22,705
Due to other funds	346,932	146,152
Total liabilities	360,098	169,058
Fund balances		
Unreserved	27,153	55,505
Total liabilities and fund balances	$ 387,251	$ 224,563

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, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 354,000	$ 362,097	$ 8,097	$ 370,122
Interest	0	183	183	1,446
Total revenues	354,000	362,280	8,280	371,568
EXPENDITURES				
Current				
Public Safety				
Personal services	528,000	551,284	(23,284)	532,704
Contractual services	171,375	141,429	29,946	160,135
Supplies and materials	12,750	38,082	(25,332)	17,966
Capital outlay	4,000	21,962	(17,962)	0
Total expenditures	716,125	752,757	(36,632)	710,805
Excess (deficiency) of revenues over (under) expenditures	(362,125)	(390,477)	(28,352)	(339,237)
Other financing sources (uses)				
Transfers in (out)				
General Fund	362,125	362,125	0	356,072
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(28,352)	(28,352)	16,835
Fund balances, July 1	0	55,505	55,505	38,670
Fund balances, June 30	$ 0	$ 27,153	$ 27,153	$ 55,505

FRANKLIN COUNTY, GEORGIA
DRUG ENFORCEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 46,085	$ 83,672
LIABILITIES AND FUND BALANCES		
Fund balances		
Unreserved	$ 46,085	$ 83,672

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, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees and forfeitures	$ 45,000	$ 90,006	$ 45,006	$ 147,659
Interest	0	43	43	51
Total revenues	45,000	90,049	45,049	147,710
EXPENDITURES				
Current				
Public Safety				
Supplies	45,000	28,152	16,848	19,080
Capital outlay	0	95,507	(95,507)	44,115
Payments to other agencies	0	11,707	(11,707)	5,409
Total expenditures	45,000	135,366	(90,366)	68,604
Excess (deficiency) of revenues over (under) expenditures	0	(45,317)	(45,317)	79,106
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	7,730	7,730	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(37,587)	(37,587)	79,106
Fund balances, July 1	0	83,672	83,672	4,566
Fund balances, June 30	$ 0	$ 46,085	$ 46,085	$ 83,672

FRANKLIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 16,207	$ 6,791
LIABILITIES AND FUND BALANCES		
Fund balances		
Unreserved	$ 16,207	$ 6,791

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, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 56,000	$ 54,160	$ (1,840)	$ 52,196
Total revenues	56,000	54,160	(1,840)	52,196
EXPENDITURES				
Current				
Public Safety				
Supplies	56,000	44,744	11,256	49,780
Total expenditures	56,000	44,744	11,256	49,780
Excess (deficiency) of revenues over (under) expenditures	0	9,416	9,416	2,416
Fund balances, July 1	0	6,791	6,791	4,375
Fund balances, June 30	$ 0	$ 16,207	$ 16,207	$ 6,791

FRANKLIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 86,326	$ 74,830
Certificates of deposit	11,097	10,710
Total assets	$ 97,423	$ 85,540
LIABILITIES AND FUND BALANCES		
Fund balances		
Unreserved	$ 97,423	$ 85,540

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, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees and forfeitures	$ 14,100	$ 18,892	$ 4,792	$ 17,573
Interest	0	1,394	1,394	1,409
Total revenues	14,100	20,286	6,186	18,982
EXPENDITURES				
Current				
Judicial				
Personal services	1,680	1,680	0	1,680
Supplies and materials	9,700	6,723	2,977	4,712
Total expenditures	11,380	8,403	2,977	6,392
Excess (deficiency) of revenues over (under) expenditures	2,720	11,883	9,163	12,590
Other financing sources (uses)				
Contingency	(2,720)	0	2,720	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	11,883	11,883	12,590
Fund balances, July 1	0	85,540	85,540	72,950
Fund balances, June 30	$ 0	$ 97,423	$ 97,423	$ 85,540

FRANKLIN COUNTY, GEORGIA
MANS UNIT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 226,967	$ 259,400
Intergovernmental receivable	17,296	61,128
Total assets	$ 244,263	$ 320,528
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other agencies	$ 14,263	$ 56,432
Fund balances		
Unreserved	230,000	264,096
Total liabilities and fund balances	$ 244,263	$ 320,528

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, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees and forfeitures	$ 0	$ 39,764	$ 39,764	$ 50,570
Intergovernmental	189,000	234,904	45,904	303,301
Interest	534	489	(45)	930
Total revenues	189,534	275,157	85,623	354,801
EXPENDITURES				
Current				
Public Safety				
Personal services	189,527	204,752	(15,225)	200,694
Contract services	32,367	32,704	(337)	33,137
Supplies and materials	89,334	47,810	41,524	77,723
Capital outlay	0	41,728	(41,728)	0
Payments to other agencies	64,900	0	64,900	0
Total expenditures	376,128	326,994	49,134	311,554
Excess (deficiency) of revenues over (under) expenditures	(186,594)	(51,837)	134,757	43,247
Other financing sources (uses)				
Transfers in (out)				
General Fund	17,741	17,741	0	13,982
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(168,853)	(34,096)	134,757	57,229
Fund balances, July 1	168,853	264,096	95,243	206,867
Fund balances, June 30	$ 0	$ 230,000	$ 230,000	$ 264,096

FRANKLIN COUNTY, GEORGIA
PUBLIC DEFENDER SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS	$ 0	$ 0
LIABILITIES AND FUND BALANCES		
Liabilities		
Accrued salaries	$ 577	$ 1,615
Due to other funds	7,878	9,345
Total liabilities	8,455	10,960
Fund balances		
Unreserved	(8,455)	(10,960)
Total liabilities and fund balances	$ 0	$ 0

FRANKLIN COUNTY, GEORGIA
PUBLIC DEFENDER SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 271,814	$ 271,811	$ (3)	$ 228,879
Other	0	0	0	10,000
Total revenues	271,814	271,811	(3)	238,879
EXPENDITURES				
Current				
Judicial				
Personal services	35,100	32,498	2,602	32,410
Contract services	304,702	303,712	990	262,116
Supplies and materials	13,900	14,984	(1,084)	11,517
Total expenditures	353,702	351,194	2,508	306,043
Excess (deficiency) of revenues over (under) expenditures	(81,888)	(79,383)	2,505	(67,164)
Other financing sources (uses)				
Transfers in (out)				
General Fund	81,888	81,888	0	64,116
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	2,505	2,505	(3,048)
Fund balances, July 1	0	(10,960)	(10,960)	(7,912)
Fund balances, June 30	$ 0	$ (8,455)	$ (8,455)	$ (10,960)

FRANKLIN COUNTY, GEORGIA
PROBATION SERVICES SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Intergovernmental receivable	$ 36,514	$ 28,344
LIABILITIES AND FUND BALANCES		
Liabilities		
Accrued salaries	$ 7,977	$ 22,060
Due to other funds	80,095	91,717
Total liabilities	88,072	113,777
Fund balances		
Unreserved	(51,558)	(85,433)
Total liabilities and fund balances	$ 36,514	$ 28,344

FRANKLIN COUNTY, GEORGIA
PROBATION SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees and forfeitures	$ 560,200	$ 570,788	$ 10,588	$ 436,424
Total revenues	560,200	570,788	10,588	436,424
EXPENDITURES				
Current				
Judicial				
Personal services	518,906	502,654	16,252	474,074
Contract services	22,000	19,055	2,945	16,787
Supplies and materials	12,000	15,204	(3,204)	11,123
Total expenditures	552,906	536,913	15,993	501,984
Excess (deficiency) of revenues over (under) expenditures	7,294	33,875	26,581	(65,560)
Other financing sources (uses)				
Transfers in (out)				
General Fund	(7,294)	0	7,294	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	33,875	33,875	(65,560)
Fund balances, July 1	0	(85,433)	(85,433)	(19,873)
Fund balances, June 30	$ 0	$ (51,558)	$ (51,558)	$ (85,433)

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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
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Investments	$ 2,655,276	$ 2,824,236
Taxes receivable	298,937	273,100
Total assets	$ 2,954,213	$ 3,097,336
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	$ 0	$ 2,100
Fund balances		
Unreserved	2,954,213	3,095,236
Total liabilties and fund balances	$ 2,954,213	$ 3,097,336

FRANKLIN COUNTY, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
REVENUES		
Taxes	$ 3,083,492	$ 3,040,822
Interest	98	8,353
Total revenues	3,083,590	3,049,175
EXPENDITURES		
Debt Service		
Principal	3,000,000	2,500,000
Interest and fiscal charges	417,100	514,600
Total expenditures	3,417,100	3,014,600
Excess (deficiency) of revenues over (under) expenditures	(333,510)	34,575
Other financing sources (uses)		
Transfers in (out)		
2004 SPLOST Fund	192,487	(380,454)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(141,023)	(345,879)
Fund balances, July 1	3,095,236	3,441,115
Fund balances, June 30	$ 2,954,213	$ 3,095,236

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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
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 278,674	$ 1,024,813
Certificates of deposit	0	68,769
Interest receivable	0	277
Due from other funds	1,173,690	374,401
Total assets	$ 1,452,364	$ 1,468,260
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	$ 181,402	$ 0
Fund balances		
Unreserved	1,270,962	1,468,260
Total liabilities and fund balances	$ 1,452,364	$ 1,468,260

FRANKLIN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
REVENUES		
Interest	$ 1,800	$ 6,480
Total revenues	1,800	6,480
EXPENDITURES		
Capital outlay		
Public Safety		
Jail	113,503	47,391
Public Works		
Highways and Streets	0	4,040
Intergovernmental	85,595	1,348
Total expenditures	199,098	52,779
Excess (deficiency) of revenues over (under) expenditures	(197,298)	(46,299)
Other financing sources (uses)		
Transfers in (out)		
Solid Waste Fund	0	(1,957)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(197,298)	(48,256)
Fund balances, July 1	1,468,260	1,516,516
Fund balances, June 30	$ 1,270,962	$ 1,468,260

FRANKLIN COUNTY, GEORGIA
2004 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Investments	$ 4,017,479	$ 4,209,671
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 0	$ 22,471
Due to other funds	1,173,690	368,726
Total liabilities	1,173,690	391,197
Fund balances		
Unreserved	2,843,789	3,818,474
Total liabilities and fund balances	$ 4,017,479	$ 4,209,671

FRANKLIN COUNTY, GEORGIA
2004 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
REVENUES		
Interest	$ 296	$ 24,119
Total revenues	296	24,119
EXPENDITURES		
Capital outlay		
Public Safety		
Fire	3,850	0
Public Works		
Highways and Streets	439,003	142,613
Intergovernmental	339,641	344,218
Total expenditures	782,494	486,831
Excess (deficiency) of revenues over (under) expenditures	(782,198)	(462,712)
Other financing sources (uses)		
Transfers in (out)		
Debt Service Fund	(192,487)	380,454
Water and Sewer Fund	0	(96,683)
Total other financing sources (uses)	(192,487)	283,771
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(974,685)	(178,941)
Fund balances, July 1	3,818,474	3,997,415
Fund balances, June 30	$ 2,843,789	$ 3,818,474

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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
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 551,210	$ 574,335
Accounts receivable (net)	90,426	98,650
Inventory	901,213	1,067,064
Due from other funds	122	54
Total current assets	1,542,971	1,740,103
Restricted assets		
Construction Fund		
Certificates of deposit	2,115,699	2,069,069
Interest receivable	3,980	7,780
Total restricted assets	2,119,679	2,076,849
Capital assets		
Land	20,347	20,347
Water lines and towers	19,375,810	19,044,599
Buildings	5,400	5,400
Machinery and equipment	270,923	264,723
Vehicles	40,420	40,420
Construction in progress	151,998	143,319
Accumulated depreciation	(3,010,519)	(2,600,102)
Total capital assets (net of accumulated depreciation)	16,854,379	16,918,706
Other assets		
Debt issuance costs (net of accumulated amortization)	89,856	96,904
Total assets	20,606,885	20,832,562
LIABILITIES		
Current liabilities		
Payables		
Accounts	0	59,692
Interest	45,348	48,047
Accrued salaries	2,971	7,254
Compensated absences	8,293	7,154
Notes payable	129,326	129,326
Bonds payable	235,000	225,000
Due to other funds	1,042,791	1,060,470
Total current liabilities	1,463,729	1,536,943
Long-term liabilities		
Notes payable	1,519,585	1,648,912
Bonds payable	3,545,000	3,780,000
Total long-term liabilities	5,064,585	5,428,912
Total liabilities	6,528,314	6,965,855

FRANKLIN COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

	2010	2009
NET ASSETS		
Invested in capital assets, net of related debt	$ 13,494,537	$ 13,204,537
Restricted for capital outlay	50,610	7,780
Unrestricted	533,424	654,390
Total net assets	$ 14,078,571	$ 13,866,707

FRANKLIN COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Charges for sales and services		
Water and sewer charges	$ 894,505	$ 853,014
Other	354	351
Total operating revenues	894,859	853,365
OPERATING EXPENSES		
Costs of sales and services	389,812	598,669
Personal services	49,791	80,822
Depreciation	410,417	407,799
Other	18,220	73,097
Total operating expenses	868,240	1,160,387
Operating income (loss)	26,619	(307,022)
Non-operating revenues (expenses)		
Interest revenue	43,303	94,290
Interest expense	(152,214)	(141,193)
Amortization expense	(7,048)	(7,048)
Total non-operating revenues (expenses)	(115,959)	(53,951)
Net income (loss) before transfers	(89,340)	(360,973)
Transfers in (out)		
General Fund	301,204	459,745
2004 SPLOST Fund	0	96,683
Total transfers	301,204	556,428
Change in net assets	211,864	195,455
Net assets, July 1	13,866,707	13,671,252
Net assets, June 30	$ 14,078,571	$ 13,866,707

FRANKLIN COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Receipts from customers	$ 902,729	$ 858,498
Payments to suppliers	(283,653)	(1,482,296)
Payments to employees	(52,935)	(80,571)
Other receipts	354	350
Other payments	(18,220)	(73,097)
Net cash provided (used) by operating activities	548,275	(777,116)
Cash flows from non-capital financing activities:		
Receipts from other funds	301,204	459,693
Payments to other funds	(17,747)	0
Net cash provided (used) by non-capital financing activities	283,457	459,693
Cash flows from capital and related financing activities:		
Receipts from other funds	0	96,683
Interest paid	(154,913)	(128,611)
Acquisition of capital assets	(346,090)	(257,485)
Principal payment - bonds payable	(225,000)	(185,000)
Principal payment - notes payable	(129,327)	(129,326)
Net cash provided (used) by capital and related financing activities	(855,330)	(603,739)
Cash flows from investing activities:		
Interest received	47,103	103,614
Proceeds from sale of investments	2,069,069	3,002,834
Purchases of investments	(2,115,699)	(2,069,069)
Net cash provided (used) by investing activities	473	1,037,379
Net increase (decrease) in cash and cash equivalents	(23,125)	116,217
Cash and cash equivalents, July 1	574,335	458,118
Cash and cash equivalents, June 30	$ 551,210	$ 574,335
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 26,619	$ (307,022)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	410,417	407,799
(Increase) decrease in accounts receivable	8,224	5,483
(Increase) decrease in inventory	165,851	(887,241)
Increase (decrease) in accounts payable	(59,692)	51,302
Increase (decrease) in intergovernmental payables	0	(47,688)
Increase (decrease) in accrued payroll liabilities	(3,144)	251
Total adjustments	521,656	(470,094)
Net cash provided (used) by operating activities	$ 548,275	$ (777,116)

FRANKLIN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 241,357	$ 193,719
Notes receivable - current	9,149	0
Total current assets	250,506	193,719
Capital assets		
Land	378,976	378,976
Land improvements	29,382	29,382
Buildings	1,870,331	1,870,331
Machinery and equipment	170,951	170,951
Vehicles	228,489	228,489
Accumulated depreciation	(881,645)	(821,476)
Total capital assets (net of accumulated depreciation)	1,796,484	1,856,653
Other assets		
Notes receivable - noncurrent	59,216	0
Total assets	2,106,206	2,050,372
LIABILITIES		
Liabilities		
Accounts payable	396	1,127
Accrued salaries	633	1,782
Compensated absences	662	3,457
Due to other funds	122,973	88,135
Total current liabilities	124,664	94,501
Long-term liabilities		
Closure/post-closure care	1,213,102	1,240,704
Total liabilities	1,337,766	1,335,205
NET ASSETS		
Invested in capital assets	1,796,484	1,856,653
Unrestricted	(1,028,044)	(1,141,486)
Total net assets	$ 768,440	$ 715,167

FRANKLIN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Charges for sales and services		
Landfill fees	$ 114,679	$ 48,321
Total operating revenues	114,679	48,321
OPERATING EXPENSES		
Costs of sales and services	23,112	31,367
Personal services	40,854	41,344
Depreciation	60,169	62,026
Miscellaneous expenses	956	1,513
Total operating expenses	125,091	136,250
Operating income (loss)	(10,412)	(87,929)
Non-operating revenues (expenses)		
Interest revenue	1,326	1,911
Payments to other agencies	(5,760)	(3,840)
Total non-operating revenues (expenses)	(4,434)	(1,929)
Net income (loss) before transfers	(14,846)	(89,858)
Transfers in (out)		
General Fund	68,119	0
SPLOST Fund	0	1,957
Total transfers	68,119	1,957
Change in net assets	53,273	(87,901)
Net assets, July 1	715,167	803,068
Net assets, June 30	$ 768,440	$ 715,167

FRANKLIN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Receipts from customers	$ 46,314	$ 48,321
Payments to suppliers	(23,843)	(31,050)
Payments to employees	(44,798)	(42,316)
Other payments	(956)	(1,513)
Net cash provided (used) by operating activities	(23,283)	(26,558)
Cash flows from non-capital financing activities:		
Receipts from other funds	102,957	4,105
Payments to other funds	0	90,092
Payments for post-closure costs of landfill	(27,602)	(15,478)
Payments to other agencies	(5,760)	(3,840)
Net cash provided (used) by non-capital financing activities	69,595	74,879
Cash flows from investing activities:		
Interest received	1,326	1,911
Net increase (decrease) in cash and cash equivalents	47,638	50,232
Cash and cash equivalents, July 1	193,719	143,487
Cash and cash equivalents, June 30	$ 241,357	$ 193,719
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (10,412)	$ (87,929)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	60,169	62,026
(Increase) decrease in notes receivable	(68,365)	0
Increase (decrease) in accounts payable	(731)	317
Increase (decrease) in accrued payroll liabilities	(3,944)	(972)
Total adjustments	(12,871)	61,371
Net cash provided (used) by operating activities	$ (23,283)	$ (26,558)

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, 2010
(with comparative totals for June 30, 2009)

	Tax Commissioner	Magistrate Court
ASSETS		
Cash and cash equivalents	$ 11,168	$ 39,060
Accounts receivable (net)	0	67,004
Total assets	$ 11,168	$ 106,064
LIABILITIES		
Due to other agencies	$ 11,168	$ 106,064

Probate Court	Clerk of Superior Court	Sheriff Department	Totals 2010	Totals 2009
$ 117,617	$ 525,268	$ 3,122	$ 696,235	$ 666,214
433,840	69,841	0	570,685	456,291
$ 551,457	$ 595,109	$ 3,122	$ 1,266,920	$ 1,122,505
$ 551,457	$ 595,109	$ 3,122	$ 1,266,920	$ 1,122,505

FRANKLIN COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2010

	Balance, July 1	Additions	Deletions	Balance, June 30
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 12,760	$ 18,282,508	$ 18,284,100	$ 11,168
LIABILITIES				
Due to others	$ 12,760	$ 18,282,508	$ 18,284,100	$ 11,168
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 43,895	$ 266,657	$ 271,492	$ 39,060
Accounts receivable	64,948	12,653	10,597	67,004
Total assets	$ 108,843	$ 279,310	$ 282,089	$ 106,064
LIABILITIES				
Due to others	$ 108,843	$ 279,310	$ 282,089	$ 106,064
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 100,601	$ 1,343,741	$ 1,326,725	$ 117,617
Accounts receivable	323,424	280,364	169,948	433,840
Total assets	$ 424,025	$ 1,624,105	$ 1,496,673	$ 551,457
LIABILITIES				
Due to others	$ 424,025	$ 1,624,105	$ 1,496,673	$ 551,457
CLERK OF SUPERIOR COURT				
ASSETS				
Cash and cash equivalents	$ 506,654	$ 1,005,862	$ 987,248	$ 525,268
Accounts receivable	67,919	50,846	48,924	69,841
Total assets	$ 574,573	$ 1,056,708	$ 1,036,172	$ 595,109
LIABILITIES				
Due to others	$ 574,573	$ 1,056,708	$ 1,036,172	$ 595,109
SHERIFF DEPARTMENT				
ASSETS				
Cash and cash equivalents	$ 2,304	$ 129,023	$ 128,205	$ 3,122
LIABILITIES				
Due to others	$ 2,304	$ 129,023	$ 128,205	$ 3,122
TOTALS ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 666,214	$ 21,027,791	$ 20,997,770	$ 696,235
Accounts receivable	456,291	343,863	229,469	570,685
Total assets	$ 1,122,505	$ 21,371,654	$ 21,227,239	$ 1,266,920
LIABILITIES				
Due to others	$ 1,122,505	$ 21,371,654	$ 21,227,239	$ 1,266,920

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)
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 47,135	$ 27,467
LIABILITIES AND FUND BALANCES		
Fund balances		
Unreserved	$ 47,135	$ 27,467

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, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for sales and services	$ 140,300	$ 120,896	$ (19,404)	$ 104,988
Intergovernmental	209,110	227,614	18,504	222,001
Interest	500	65	(435)	105
Contributions	1,000	0	(1,000)	0
Total revenues	350,910	348,575	(2,335)	327,094
EXPENDITURES				
Current				
Culture and recreation				
Administrative services	286,450	261,168	25,282	262,323
Recreational services	64,460	67,739	(3,279)	71,421
Total expenditures	350,910	328,907	22,003	333,744
Excess (deficiency) of revenues over (under) expenditures	0	19,668	19,668	(6,650)
Fund balances, July 1	0	27,467	27,467	34,117
Fund balances, June 30	$ 0	$ 47,135	$ 47,135	$ 27,467

FRANKLIN COUNTY, GEORGIA
INDUSTRIAL BUILDING AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 118,053	$ 85,583
Certificates of deposit	152,960	150,000
Receivables (net)		
Accounts	26,767	26,769
Taxes	4,715	3,490
Interest	874	1,214
Other assets	27,049	10,000
Total assets	$ 330,418	$ 277,056
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 0	$ 3,195
Accrued salaries and expenses	1,514	0
Deferred revenue	1,977	1,811
Total liabilities	3,491	5,006
Fund balances		
Unreserved	326,927	272,050
Total liabilities and fund balances	$ 330,418	$ 277,056

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, 2010
(with comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	$ 150,000	$ 168,746	$ 18,746	$ 156,899
Intergovernmental	100,072	100,840	768	51,926
Contributions	0	865	865	0
Interest	0	2,620	2,620	1,214
Other	0	39	39	9,099
Total revenues	250,072	273,110	23,038	219,138
EXPENDITURES				
Current				
Economic Development				
Personal services	95,651	101,101	(5,450)	80,383
Contract services	13,735	32,475	(18,740)	21,774
Supplies and materials	1,135	2,660	(1,525)	2,194
Capital outlay	96,431	5,004	91,427	1,679,702
Debt service	91,241	76,993	14,248	0
Total expenditures	298,193	218,233	79,960	1,784,053
Excess (deficiency) of revenues over (under) expenditures	(48,121)	54,877	102,998	(1,564,915)
Other financing sources (uses)				
Proceeds from notes payable	0	0	0	1,652,635
Contingencies	(5,000)	0	5,000	0
Total other financing sources (uses)	(5,000)	0	5,000	1,652,635
Excess (deficiency of revenues and other financing sources over (under) expenditures and other financing uses	(53,121)	54,877	107,998	87,720
Fund balances, July 1	53,121	272,050	218,929	184,330
Fund balances, June 30	$ 0	$ 326,927	$ 326,927	$ 272,050

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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, 2010, which collectively comprise Franklin County, Georgia's basic financial statements and have issued our report thereon dated December 17, 2010. 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 opinions 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies to be material weaknesses:

Comment 10-1

Condition: There is a lack of proper segregation of duties regarding cash in the Sheriff's Department. We noted that the Chief Deputy maintains accounting records, signs checks, makes deposits, and reconciles the drug account and the Bookkeeper maintains the account records, signs checks, makes deposits, and reconciles the operating and commissary accounts.

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.

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Comment 10-1, continued

Recommendation: To create proper separation and approval, the Sheriff or Chief Deputy should assume the responsibility of signing all checks and should review the bank statements to verify the appropriateness of all transactions and evidence the review by signature or initials. However, since the Chief Deputy maintains the drug account, he should not sign checks written out of this account. The Sheriff should review the drug account bank statements.

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

Comment 10-2

Condition: While performing audit procedures on cash in the Recreation Department, we noted that the bank statements were not reconciled during the year. Also, we did not see any evidence that the Treasurer is reviewing the bank statements on a monthly basis.

Criteria: Generally accepted accounting principles require that all cash accounts be reconciled to the accounting system in a timely manner, usually monthly, and adequate segregation of duties in control over adjustments to the general ledger.

Effect: Failure to reconcile all cash accounts in a timely manner may lead to management decisions based on incorrect information. Failure to maintain adequate separation of duties subjects the assets of the County to greater risk of misappropriation.

Recommendation: The bank statement should be reconciled on a monthly basis and should be reviewed by the Treasurer. The Treasurer should evidence her review by signature or initials.

Management Response: Management concurs with this finding. The Recreation Department Director will ensure that all bank accounts are reconciled monthly. The Treasurer will review all bank statements monthly, and evidence her review by signature or initials.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies to be significant deficiencies:

Comment 10-3

Condition: There is a lack of segregation of duties regarding cash in the Probate Court, we noted that the Clerk of Probate Court maintains the checkbooks and reconciles the bank accounts.

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: The Probate Judge should review the bank statements to verify the appropriateness of all transactions and evidence his review by signature or initials.

Management Response: Management concurs with this finding. The Probate Judge will review the bank statements on a monthly basis. This action was implemented immediately upon receipt of the comment from our auditors.

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Comment 10-4

Condition: There is a lack of segregation of duties regarding cash in the Clerk of Superior Court's office, we noted that bank reconciliations are not being reviewed by the Clerk of Court.

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: The Clerk of Superior Court should review all bank statements to verify the appropriateness of all transactions and evidence her review by signature or initials.

Management Response: Management concurs with this finding. The Clerk of Court will review the bank statements on a monthly basis. This action was implemented immediately upon receipt of the comment from our auditors.

Comment 10-5

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 County 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.

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*:

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Comment 10-6

Condition: The County experienced a material excess of expenditures over appropriations in the General Fund and the Drug Enforcement, MANS Unit, and Emergency 911 Special Revenue Funds. Also, an annual budget was not adopted for the Debt Service Fund, as required by state law.

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.

Recommendation: County management should ensure that annual operating budgets are adopted for the General Fund, all Special Revenue Funds, and the Debt Service Fund, as required by state law. 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 ensure that an annual budget be adopted for the General Fund, all Special Revenue Funds, and the Debt Service Fund, and will review 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 17, 2010.

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

Rushton & Company, LLC
Certified Public Accountants

Gainesville, Georgia
December 17, 2010

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FRANKLIN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2010

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	969,835	0	969,835
Airport improvements	320,000	301,027	335,290	0	335,290
Construction and improvements of roads	3,824,000	3,597,268	3,662,968	0	3,662,968
Industrial development	1,120,000	1,053,593	1,068,682	85,595	1,154,277
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	54,666	113,503	168,169
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	$ 16,729,536	$ 199,098	$ 16,928,634
SPLOST III					
Franklin County					
Recreation facilities	$ 1,620,000	$ 1,620,000	$ 1,404,272	$ 70,669	$ 1,474,941
Public Safety	1,400,000	1,400,000			
Emergency 911 equipment			381,467	0	381,467
Fire facilities and equipment			1,511,689	3,850	1,515,539
Airport improvements	360,000	360,000	350,108	0	350,108
Construction and improvements of roads	4,020,000	4,020,000	4,772,654	439,003	5,211,657
Industrial development	1,080,000	1,080,000	1,040,924	13,994	1,054,918
Water expansion	4,020,000	4,020,000	4,272,753	0	4,272,753
Courthouse improvements	180,000	180,000	460,579	0	460,579
Jail improvements	180,000	180,000	0	0	0
City of Lavonia	1,402,143	1,402,143	1,203,782	49,867	1,253,649
City of Royston	1,402,144	1,402,144	767,892	105,111	873,003
City of Canon	778,571	778,571	420,000	100,000	520,000
City of Carnesville	778,571	778,571	704,120	0	704,120
City of Franklin Springs	778,571	778,571	924,478	0	924,478
Total SPLOST III	$ 18,000,000	$ 18,000,000	$ 18,214,718	$ 782,494	$ 18,997,212

* 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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