FRANKLIN COUNTY

CARNESVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FRANKLIN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

December 6, 2015

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Franklin County, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Franklin County Health Department, a component unit of Franklin County, Georgia. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Franklin County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Franklin County, Georgia as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information. Accounting principles generally accepted in the United States of America also requires that the Budget Comparison Schedule and the Schedule of Funding Progress on pages 56-65 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and supplemental budgetary comparison schedules, and state reporting section with the special purpose local option sales report are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the supplemental budgetary comparison 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 record used to prepare the basic financial statements. Such information have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual financial statements and schedules, and the state reporting section with special purpose local option sales tax report are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2015 on our consideration of the Franklin County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin County's internal control over financial reporting.

Duncan & Kitchens, LLC
Certified Public Accountants
Clarkesville, Georgia

BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2015

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Current assets				
Cash and cash equivalents	$ 1,650,895	$ 293,356	$ 1,944,251	$ 1,011,174
Certificates of deposit	11,619		11,619	
Investments			-	
Restricted assets			-	
Cash	1,088,375		1,088,375	
Certificates of deposit		1,381,518	1,381,518	
Receivables (net)			-	
Accounts	141,177	167,394	308,571	82,545
Intergovernmental	657,770		657,770	
Taxes	409,065		409,065	2,272
Notes		30,340	30,340	
Internal Balances	390,642	(390,642)		
Inventory		336,466	336,466	
Prepaid expenses	80,586		80,586	
Total current assets	4,430,129	1,818,432	6,248,561	1,095,991
Noncurrent assets				
Notes receivable		32,987	32,987	
Capital assets			-	
Non-depreciable	4,968,337	399,323	5,367,660	2,117,749
Depreciable (net)	31,619,992	19,366,964	50,986,956	
Total noncurrent assets	36,588,329	19,799,274	56,387,603	2,117,749
TOTAL ASSETS	$ 41,018,458	$ 21,617,706	$ 62,636,164	$ 3,213,740
DEFERRED OUTFLOW OF RESOURCES				
Pension investment return differences	65,469	-	65,469	
LIABILITIES				
Current Liabilities				
Payables				
Accounts	$ 236,422	$	$ 236,422	$ 23,188
Intergovernmental	155,423		155,423	
Interest		22,725	22,725	
Accrued salaries and expenses	1,086,500	6,914	1,093,414	
Due to other agencies	8,983		8,983	
Notes payable		224,182	224,182	
Lease Payable	5,587		5,587	
Bonds payable	150,000	280,000	430,000	
Compensated Absences		9,695	9,695	24,662
Other liabilities	84,734		84,734	
Total current liabilities	1,727,649	543,516	2,271,165	47,850

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2015

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Noncurrent liabilities				
Compensated absences	$ 501,379	$ -	$ 501,379	$ 12,705
Net Pension Liability	1,520,749	-	1,520,749	336,730
Leases Payable	211,648		211,648	
Notes payable		2,832,349	2,832,349	
Bonds payable	8,065,000	2,245,000	10,310,000	
Post-closure care costs		1,125,522	1,125,522	
Total noncurrent liabilities	10,298,776	6,202,871	16,501,647	349,435
TOTAL LIABILITIES	12,026,425	6,746,387	18,772,812	397,285
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources (net)				47,451
NET POSITION				
Net Investment in Capital Assets	$ 36,588,329	$ 15,554,428	$ 52,142,757	$ 2,117,749
Restricted for:				
Judicial	173,270		173,270	
Public Safety	1,150,349		1,150,349	
Capital outlay	975,241	-	975,241	
Unrestricted	(9,829,687)	(683,109)	(10,512,796)	651,255
TOTAL NET POSITION	$ 29,057,502	$ 14,871,319	$ 43,928,821	$ 2,769,004

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Primary Government: Program Revenues: Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 2,972,948	$ 410,306	$ 838	$	$ (2,561,804)
Judicial	1,553,906	1,650,889	151,153		248,136
Public Safety	8,576,770	2,302,208	106,725		(6,167,837)
Public Works	3,561,040	3,520	4,821	449,150	(3,103,549)
Health and Welfare	344,817		120,690		(224,127)
Culture and Recreation	640,908	168,475			(472,433)
Airport	12,975				
Housing and Development	82,116				(82,116)
Intergovernmental	818,270				(818,270)
Interest on long-term debt	474,431				(474,431)
Total governmental activities	19,038,181	4,535,398	384,227	449,150	(13,669,406)
Business-type activities					
Water and Sewer	1,172,771	1,174,891	-	91,311	93,431
Solid Waste	58,404	34,410	-	30,069	6,075
Total business-type activities	1,231,175	1,209,301	-	121,380	99,506
Total primary government	$ 20,269,356	$ 5,744,699	$ 384,227	$ 570,530	$ (13,569,900)
Component Units					
Franklin County Industrial Building Authority					
Housing and Development	1,404,182			400,000	(1,004,182)
Franklin County Health Department					
Health and Welfare	589,402	258,343	237,155		(93,904)
Total component units	$ 1,993,584	$ 258,343	$ 237,155	$ 400,000	$ (1,098,086)

	Primary Government: Governmental Activities	Business-Type Activities	Total	Component Units
Change in net assets				
Net (expense) revenue	$ (13,669,406)	$ 99,506	$ (13,569,900)	$ (1,098,086)
General revenues				
Taxes				
Property	5,335,969		5,335,969	144,177
Sales	5,487,017		5,487,017	
Insurance premium	769,627		769,627	
Intangible	10,806		10,806	
Franchise	15,004		15,004	
Real estate transfer	14,741		14,741	
Occupational	99,251		99,251	
Other	26,878		26,878	
Interest and investment earnings	16,030	4,513	20,543	-
Payments from Franklin County			-	101,431
Loss on Sale of Capital Assets	(1,021,869)		(1,021,869)	
Transfers	-	-	-	
Total general revenues and transfers	10,753,454	4,513	10,757,967	245,608
Change in Net Position	(2,915,952)	104,019	(2,811,933)	(852,478)
Net Position - Beginning of Year-as previously reported	42,747,350	14,767,300	57,514,650	3,996,661
Prior Period Adjustment	(10,773,896)		(10,773,896)	(375,179)
Net Position - Beginning of Year - as restated	31,973,454	14,767,300	46,740,754	3,621,482
Net Position - End of Year	$ 29,057,502	$ 14,871,319	$ 43,928,821	$ 2,769,004

ıe accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL	SPLOST IV	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
ASSETS				
Cash and cash equivalents	$ 802,492	$ 465,721	$ 382,682	$ 1,650,895
Certificates of deposit	-		11,619	11,619
Receivables (net)				
Accounts	94,136		47,041	141,177
Intergovernmental	9,023	566,658	82,089	657,770
Taxes	409,065			409,065
Interest				-
Prepaid expenses	80,586			80,586
Due from other funds	1,103,144		5,563	1,108,707
Restricted Assets				
Cash	1,088,375			1,088,375
TOTAL ASSETS	$ 3,586,821	$ 1,032,379	$ 528,994	$ 5,148,194
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Payables				
Accounts	$ 236,422	$	$	$ 236,422
Intergovernmental		155,423		155,423
Excess taxes	84,734			84,734
Accrued salaries and expenses	1,032,688		53,812	1,086,500
Due to other agencies			8,983	8,983
Due to other funds	5,563		712,502	718,065
TOTAL LIABILITIES	1,359,407	155,423	775,297	2,290,127
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-			-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,359,407	155,423	775,297	2,290,127
FUND BALANCES				
Nonspendable prepaid	80,586			80,586
Restricted for:				
Judicial	-		173,270	173,270
Public Safety	990,933		159,416	1,150,349
Health	97,442			97,442
Capital projects	-	876,956	98,285	975,241
Unassigned	1,058,453		(677,274)	381,179
TOTAL FUND BALANCES	2,227,414	876,956	(246,303)	2,858,067
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 3,586,821	$ 1,032,379	$ 528,994	$ 5,148,194

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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, 2015

Adjustments to the Statement of Net Position	
Fund Balance	2,858,067
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of $69,235,619, net of accumulated depreciation of ($32,647,290), are not financial resources and, therefore, are not reported in the funds	36,588,329
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are pension investment differences.	65,469
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are capital leases payable ($217,235) bonds payable ($8,215,000), compensated absences of ($501,379) and net pension liability of ($1,520,749)	(10,454,363)
Total Net Position of Governmental Activities (Exhibit A-1)	29,057,502

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 YEAR ENDED JUNE 30, 2015

	GENERAL	SPLOST IV	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
REVENUES				
Taxes	$ 8,424,590	$ 3,307,825	$	$ 11,732,415
Licenses and permits	5,750			5,750
Fines, fees and forfeitures	1,081,098		764,015	1,845,113
Charges for services	2,254,576		441,273	2,695,849
Intergovernmental	692,719		129,344	822,063
Interest	15,918		112	16,030
Other	26,878			26,878
TOTAL REVENUES	12,501,529	3,307,825	1,334,744	17,144,098
EXPENDITURES				
Current				-
General Government	2,710,062	188,977		2,899,039
Judicial	1,036,851		681,395	1,718,246
Public Safety	6,496,331	512,332	971,625	7,980,288
Public Works	1,592,035	996,198		2,588,233
Health and Welfare	320,806			320,806
Culture and Recreation	483,267	8,856		492,123
Housing and Development	82,116			82,116
Airport		12,975		12,975
Debt Service	619,431			619,431
Capital outlay	-	-	11,699	11,699
Intergovernmental	-	1,467,287		1,467,287
TOTAL EXPENDITURES	13,340,899	3,186,625	1,664,719	18,192,243
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(839,370)	121,200	(329,975)	(1,048,145)
OTHER FINANCING SOURCES(USES)				
Proceeds from Sale of Capital Assets	573,717			573,717
Proceeds from Capital Leases	217,235			217,235
TOTAL OTHER FINANCING SOURCES (USES)	790,952	-	-	790,952
NET CHANGE IN FUND BALANCE	(48,418)	121,200	(329,975)	(257,193)
FUND BALANCE - BEGINNING OF YEAR	2,275,832	755,756	83,672	3,115,260
FUND BALANCE - END OF YEAR	$ 2,227,414	$ 876,956	$ (246,303)	$ 2,858,067

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 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES-GOVERMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Adjustments to the Statement of Activities		
Net Change in Fund Balance		(257,193)
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.		
Capital outlays	$ 660,716	
Depreciation expense	(1,775,403)	(1,114,687)
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which debt proceeds ($217,235) exceed repayments of $145,000		(72,235)
In the statement of activities, gains and losses on the sales of assets are reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. The change in net position differs from the change in fund balances by the cost of the assets disposed ($1,697,565), net of accumulated depreciation of $101,979		(1,595,586)
Governmental funds report pension contributions as expenditures. However, in the statement of activities the cost of pension benefits earned, net of employer contributions is reported as pension expense. This is the difference		164,914
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.		(41,165)
Change in Net Position of Governmental Activities (Exhibit A-2)		(2,915,952)

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES		
	WATER AND SEWER	SOLID WASTE	TOTALS
ASSETS			
Current Assets			
Cash and cash equivalents	$ 256,102	$ 37,254	$ 293,356
Restricted assets			
Certicates of deposit	1,381,518		1,381,518
Receivables			
Accounts (net)	167,394		167,394
Notes		30,340	30,340
Inventory	336,466		336,466
Total Current Assets	2,141,480	67,594	2,209,074
Noncurrent Assets			
Notes receivable		32,987	32,987
Capital assets			
Non-depreciable	20,347	378,976	399,323
Depreciable (net)	19,362,393	4,571	19,366,964
Total Noncurrent Assets	19,382,740	416,534	19,799,274
TOTAL ASSETS	$ 21,524,220	$ 484,128	$ 22,008,348
LIABILITIES			
Current liabilities			
Interest payable	$ 22,725	$	$ 22,725
Accrued salaries	5,916	998	6,914
Compensated absences	9,361	334	9,695
Due to Other Funds	350,259	40,383	390,642
Current portion of Long term Note	224,182		224,182
Bonds payable	280,000		280,000
Total Current Liabilities	892,443	41,715	934,158
Noncurrent liabilities			
Notes payable	2,832,349		2,832,349
Bonds payable	2,245,000		2,245,000
Post-closure care costs		1,125,522	1,125,522
Total Noncurrent Liabilities	5,077,349	1,125,522	6,202,871
TOTAL LIABILITIES	5,969,792	1,167,237	7,137,029
NET POSITION			
Invested in capital assets, net of related debt	15,120,278	383,547	15,503,825
Restricted for capital outlay	62,449	-	62,449
Unrestricted	371,701	(1,066,656)	(694,955)
TOTAL NET POSITION	15,554,428	(683,109)	14,871,319
TOTAL LIABILITIES AND NET POSITION	$ 21,524,220	$ 484,128	$ 22,008,348

FRANKLIN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES		
	WATER AND SEWER	SOLID WASTE	TOTALS
OPERATING REVENUES			
Charges for sales and services	$ 1,174,891	$ 34,410	$ 1,209,301
Miscellaneous revenue			-
TOTAL OPERATING REVENUES	1,174,891	34,410	1,209,301
OPERATING EXPENSES			
Costs of sales and services	568,489	20,572	589,061
Personal services	199,022	28,024	227,046
Depreciation	187,745	1,959	189,704
Amortization	74,704		74,704
Other	11,238	2,089	13,327
TOTAL OPERATING EXPENSES	1,041,198	52,644	1,093,842
OPERATING INCOME (LOSS)	133,693	(18,234)	115,459
NON-OPERATING REVENUES (EXPENSE)			
Interest revenue	4,506	7	4,513
Payments to other agencies		(5,760)	(5,760)
Interest expense	(131,573)		(131,573)
TOTAL NON-OPERATING REVENUES (EXPENSE)	(127,067)	(5,753)	(132,820)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	6,626	(23,987)	(17,361)
CAPITAL CONTRIBUTIONS			
Capital contributions	86,474	30,069	116,543
Intergovernmental	4,837		4,837
TOTAL CAPITAL CONTRIBUTIONS	91,311	30,069	121,380
NET INCOME (LOSS) BEFORE TRANSFERS	97,937	6,082	104,019
TRANSFERS			
Transfers in			-
Transfers out	-		-
TOTAL TRANSFERS	-	-	-
NET INCOME (LOSS)	97,937	6,082	104,019
TOTAL NET POSITION-BEGINNING OF YEAR	15,456,491	(689,191)	14,767,300
TOTAL NET POSITION-END OF YEAR	$ 15,554,428	$ (683,109)	$ 14,871,319

ıe 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, 2015

	BUSINESS-TYPE ACTIVITIES		
	WATER AND SEWER	SOLID WASTE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 1,146,111	$ 58,015	$ 1,204,126
Payment to Suppliers	(547,864)	(20,572)	(568,436)
Payments to employees	(199,022)	(28,024)	(227,046)
Other payments	350,259		350,259
NET CASH PROVIDED BY OPERATING ACTIVITIES	749,484	9,419	758,903
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Payments to other funds	-	-	-
Payments to other agencies		(5,760)	(5,760)
NET CASH PROVIDED(USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES	-	(5,760)	(5,760)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Receipts from other governments	4,837		4,837
Interest paid	(131,573)		(131,573)
Acquisition of capital assets	(241,574)		(241,574)
Contributed capital	86,474	30,069	116,543
Debt Proceeds	-		-
Prepaid Closing Costs	-		-
Principal payment - bonds payable	(270,000)		(270,000)
Principal payment - notes payable	(182,213)		(182,213)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(734,049)	30,069	(703,980)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	4,506	7	4,513
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,506	7	4,513
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,941	33,735	53,676
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,617,679	3,519	1,621,198
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,637,620	37,254	1,674,874
Reconciliation of operating Income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	133,693	(18,234)	115,459
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	187,745	1,958	189,703
Amortization	74,704		
(Increase) decrease in accounts receivable	(28,780)		(28,780)
(Increase) decrease in inventory	32,646		32,646
Increase (decrease) in accounts payable	(376)		(376)
Increase (decrease) in accrued liabilities	(407)	437	30
Increase (decrease) in Due to Oher Funds	350,259	40,383	390,642
Increase (decrease) in Post-Closure Care costs		(15,125)	
Total adjustments	615,791	27,653	643,444
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 749,484	$ 9,419	$ 758,903

ne accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2015

	AGENCY FUNDS
ASSETS	
Cash and cash equivalents	$ 505,989
TOTAL ASSETS	$ 505,989
LIABILITIES	
Due to other agencies	$ 505,989
TOTAL LIABILITIES	$ 505,989

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2015

	FRANKLIN COUNTY INDUSTRIAL BUILDING AUTHORITY	FRANKLIN COUNTY HEALTH DEPARTMENT	TOTALS
ASSETS			
Current Assets			
Cash and cash equivalents	$ 670,334	$ 340,840	$ 1,011,174
Certificates of deposit			-
Receivables (net)			
Accounts	24,835	57,710	82,545
Taxes	2,272		2,272
Due to other agencies			-
Total Current Assets	697,441	398,550	1,095,991
Noncurrent Assets			
Capital assets			
Non-depreciable	2,117,749		2,117,749
Depreciable (net)			-
Total Noncurrent Assets	2,117,749		2,117,749
TOTAL ASSETS	2,815,190	398,550	3,213,740
LIABILITIES			
Current Liabilities			
Accounts payable		23,188	23,188
Accrued salaries and expenses			-
Compensated absences due within one year	-	24,662	24,662
Total Current Liabilities	-	47,850	47,850
Noncurrent Liabilities			
Compensated absences due after one year		12,705	12,705
Net Pension Liability		336,730	336,730
Total Noncurrent Liabilities	-	349,435	349,435
TOTAL LIABILITIES	-	397,285	397,285
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources (net)		47,451	47,451
NET POSITION			
Net Investment in			
Capital Assets	2,117,749	-	2,117,749
Unrestricted	697,441	(46,186)	651,255
TOTAL NET POSITION	$ 2,815,190	$ (46,186)	$ 2,769,004

ıe 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, 2015

	FRANKLIN COUNTY INDUSTRIAL BUILDING AUTHORITY	FRANKLIN COUNTY HEALTH DEPARTMENT	TOTALS
EXPENSES			
Health and Welfare	$ 913,202	$ 589,402	$ 1,502,604
Culture and Recreation			-
Housing and Development	490,980		490,980
TOTAL EXPENSES	1,404,182	589,402	1,993,584
PROGRAM REVENUES			
Charges for services		258,343	258,343
Operating grants and contributions		237,155	237,155
Capital grants and contributions	400,000		400,000
TOTAL PROGRAM REVENUES	400,000	495,498	895,498
Net (expense) revenue	(1,004,182)	(93,904)	(1,098,086)
GENERAL REVENUES			
Property taxes	144,177		144,177
Interest			-
Payments from Franklin County		101,431	101,431
Transfers			
TOTAL GENERAL REVENUES	144,177	101,431	245,608
CHANGE IN NET POSITION	(860,005)	7,527	(852,478)
NET POSITION - Beginning of Year - as previously reported	3,675,195	321,466	3,996,661
Prior Period Adjustment		(375,179)	(375,179)
NET POSITION - Beginning of Year - as restated	3,675,195	(53,713)	3,621,482
NET POSITION- End of Year	$ 2,815,190	$ (46,186)	$ 2,769,004

ıe accompanying notes are an integral part of these financial statements

NOTE 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.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies taxes or issues their debt.

The County's component units are presented either as "blended" or "discretely presented". If blended, it is reported as if it were a fund of the County throughout the year. It is included at both the government-wide and fund financial reporting levels.

Discretely presented component units are reported only at the government-wide financial reporting level. The component unit columns included on the government-wide financial statements identifies the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

NOTE 2 - (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 since all services benefit Franklin County. 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 since all services benefit Franklin County. 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 since all services benefit Franklin County. Separate financial statements are not issued for the Authority.

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 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". The Industrial Building Authority does issue separate financial statements.

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. Franklin County appoints members to the Franklin County Health Department Board. 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. A copy of the Franklin County Health Department financial statements can be obtained from the

NOTE 2 - (Continued)

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.

B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. The primary government and the discretely presented component units are presented separately with the financial statements with the focus on the primary government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Individual funds are not displayed. The statements distinguish between governmental activities, generally supported by taxes, intergovernmental revenues, and other non-exchange transactions and business-type activities, which are generally financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial position of the governmental and business type activities of the County and it's discretely presented component units at year end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities, for identifiable activity of the business-type activities of the County and for each major component unit. Direct expenses are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. 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. These revenues are subject to externally imposed restrictions to these program uses.

For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted.*

NOTE 2 - (Continued)

Taxes and other revenue sources not properly included with the program revenues are reported as general revenues of the County. The comparison between direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements – During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for Nonmajor funds. Fiduciary funds are presented by type.

Fund Accounting – The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds: - Governmental Funds are those through which most of the governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balance of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's 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.

Special Purpose Local Option Sales Tax IV 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 2010 referendum.

Proprietary Funds: – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The County has two 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.

NOTE 2 - (Continued)

Additionally, the County reports the following fund types:

Non-major Governmental Funds:

The *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.

Fiduciary Fund Types

The *Agency Funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are used to account for assets that the County holds for others in an agency capacity.

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

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included in the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary funds types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

At the fund reporting level, governmental funds use the modified accrual basis of accounting and the fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual method and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

NOTE 2 - (Continued)

Revenues- Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the calendar year which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current calendar year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year end.

Revenues – Non-exchange Transactions – Non-exchange transactions, in which the County receives value without directly giving equal value in return, includes sales tax, property taxes, grants and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the calendar year for which the taxes are levied. Revenue from grants and donations is recognized in the calendar year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specific the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected before June 30, 2014 for property taxes and within 60 days for other non-exchange transactions) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales tax, special assessments and federal and state grants.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

D. Assets, Liabilities and Equity

1 ***Cash and Investments*** - Cash and cash equivalents include amounts in demand and time deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. Cash and cash equivalents are reported on the balance sheets, statements of net position and in cash flow statements.

State statutes authorize the County to invest in the following types of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government Agency
- Obligations of any corporation of the United States Government
- Prime Bankers acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund 1)
- Obligations of the other political subdivisions of the State of Georgia

NOTE 2 - (Continued)

2 ***Receivables*** – Levied property taxes are recorded as receivables and recognized as revenue in the year they become due. The levy is made on assessed valuations as of January 1, and the taxes are due on November 15 of each year.

The tax bills are mailed at least 60 days prior to the due date. The billings are considered past due 60 days after the tax billings date or December 20, whichever is later, at which time the applicable property is subject to lien, and penalties are assessed.

All trade and property tax receivables are shown net of an allowance for uncollectibles, where applicable.

3 ***Interfund Balances***

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

4 ***Inventories***

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

5 ***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditures/expenses in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

6 ***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

NOTE 2 - (Continued)

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.

7 ***Compensated Absences***

It is the County's policy to permit employees to accumulate earned but unused vacation. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the government fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long term liabilities.

8 ***Accrued Liabilities and Long-term Obligations***

The County reports long-term debt of governmental activities at face value in the Government-wide Statement of Net Assets. Long-term debt is not reported for governmental activities in the fund financial statements. Long-term debt and other obligations financed by the proprietary fund are reported as liabilities in both the Government-wide and fund financial statements.

NOTE 2 - (Continued)

9 ***Fund Equity***

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

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

- *Nonspendable* – Fund balances are reported as nonspendable when the amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash like inventories and prepaid items) or (b) legally or contractually required to be maintained intact.
- *Restricted* – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.
- *Assigned*- Fund balances are reported as assigned when the amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's finance director to assign fund balances.

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

Net Position Flow Assumptions – In order to report net position as a restricted-net position and an unrestricted-net position in the government-wide and proprietary fund financial statements, the County has established a flow assumption policy. It is the County's policy to use restricted – net position first before using unrestricted-net position.

NOTE 2 – (Continued)

Fund Balance Flow Assumptions - It is the County's policy to consider restricted fund balance to have been used before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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

10 ***Operating Revenue and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water and development. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

11 ***Interfund Activity***

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/ expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

12 ***Estimates***

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

NOTE 2 – (Continued)

13 *Deferred Outflows/Inflows of Resources*

The County implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB No. 65, *Items Previously Reported as Assets and Liabilities* in fiscal year 2013. This implementation resulted primarily in changes to terminology and the elimination of reporting unamortized debt issuance costs (i.e., unamortized loan origination fees) as a deferred charge.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources, this separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditures) until then. The County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. **Budgetary Information**

The County clerk prepares a draft of the annual budget from which the Commissioners prepare a proposed budget. The County then advertises in a local newspaper giving notice regarding a public hearing in which local citizens may give their input regarding the proposed budget. The County also places a copy of the proposed budget on file for public inspection prior to actual approval. Once all of the steps have been taken, the Commissioners then formally adopt the annual, balanced budget. The legal level of control of the budget is at the department level. All appropriations lapse at year end. During the current fiscal year, there were no amendments made to the original budget.

The Commission annually adopts budgets for the General Fund of the Primary Government. All appropriations are legally controlled at the departmental level for the General Fund. The budgets are integrated into the accounting system, and the budgetary, as presented in financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditures are recorded to reserve that portion of the applicable appropriation - is not utilized by the Franklin County Commissioners.

NOTE 3 – (Continued)

During the fiscal year ended June 30, 2015, the County incurred expenditures in the following General Fund departments that were materially in excess of the amounts appropriated.

Department	Budget	Actual	Variance
General Fund			
Commission Board	$ 62,817	$ 85,325	$ (22,508)
Tax Commissioner	352,076	384,622	(32,546)
Tax Assessor	380,467	396,424	(15,957)
Registrar	134,393	143,661	(9,268)
County Engineer	25,000	61,564	(36,564)
Probate Court	213,165	222,252	(9,087)
Magistrate Court	171,822	200,031	(28,209)
Superior Court	213,638	220,438	(6,800)
Superior Court Judge	14,500	15,035	(535)
Clerk of Superior Court	279,264	340,324	(61,060)
Emergency Medical Service	1,781,414	1,930,599	(149,185)
County Marshall	48,076	52,075	(3,999)
Sheriff's Department	3,244,092	4,107,839	(863,747)
Animal Shelter	-	69,920	(69,920)
Highways and Streets	929,865	1,592,035	(662,170)
Health Department	103,431	105,486	(2,055)
Recreation Department	369,124	448,858	(79,734)
Library Board	32,500	34,409	(1,909)
County Agent	71,927	77,467	(5,540)

NOTE 4 – 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.

NOTE 4 – (Continued)

Credit Risk

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

Concentration of Credit Risk

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

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

NOTE 5 – ACCOUNTS RECEIVABLE

Net accounts receivable at June 30, 2015, consist of the following:

Major Funds		
General Fund	$ 148,764	
Less: Allowance for Uncollectibles	(54,628)	94,136
Enterprise Funds		
Water and Sewer	173,808	
Less: Allowance for Uncollectibles	(6,414)	167,394
Nonmajor Funds		
Emergency 911 Special Revenue Fund		47,041
Total primary government		$ 308,571
Component Units		
Franklin County Industrial Building Authority	24,835	
Franklin County Health Department	57,710	$ 82,545

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2015, consist of the following:

Major Funds		
General Fund		
Franklin County Industrial Building Authority	$ 7,625	
Northern Judicial Circuit Public Defender's Office	1,398	9,023
Nonmajor Funds		
Special Revenue Funds		
MANS Unit		
Georgia Criminal Justice Coordinating Council	25,730	
Probation Services		
Northern Judicial Circuit	56,359	82,089
Total primary government		$ 91,112

NOTE 7 – 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 2015, based upon the assessments of January 1, 2015, were levied on July 22, 2015, billed on August 15, 2015, and due on November 15, 2015. Tax liens maybe issued 90 days after the due date.

Taxes receivable as of June 30, 2015, consist of property taxes for seven years as follows:

Year of Levy	Franklin County	Franklin County Industrial Building Authority
2014	$ 47,828	$ 2,169
2013	15,173	454
2012	8,610	262
2011	5,065	154
2010	4,075	124
2009	3,596	143
2008	3,076	3
2007 & prior	11,326	-
	98,749	3,309
Less allowance for uncollectible	(44,411)	(1,037)
Total	$ 54,338	$ 2,272

Other Taxes

$354,727 of sales taxes are also included in taxes receivable.

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund receivables and payables as of June 30, 2015, is as follows:

Receivable Fund	Payable Fund	Amount
General	Water and Sewer Enterprise	$ 390,642
Total		$ 390,642

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.

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. During the year ended June 30, 2015 there were no interfund transfers.

NOTE 9 – NOTES RECEIVABLE

During fiscal year 2010, the County entered into a host fee with Earth Resources of Franklin County, LLC, which operates a construction and demolition landfill in the County. State law requires that private landfill operator's collects and remit host fees to the local host government. Earth Resources had collected, but not remitted, 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 a fee owed to the County. The host fee agreement allows Earth Resources further agreed to pay a 5.25% interest on amounts owed, beginning in October 2010. Earth Resources has not made payments since February 2011; the County expects to receive the balance owed in full.

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	$ 30,340	$ 6,004	$ 36,344
2017	14,182	1,394	15,576
2018	14,945	631	15,576
2019	3,860	33	3,893
Totals	$ 63,327	$ 8,062	$ 71,389

NOTE 10 – CAPITAL ASSETS

Capital asset activity for the primary government for the fiscal year ended June 30, 2015 was as follows:

	Balance 6/30/2014	Increase	Decrease	Balance 6/30/2015
Governmental Activities				
Nondepreciable assets				
Land	$ 4,968,337	$ -	$ -	$ 4,968,337
Depreciable assets				
Land Improvements	1,228,432	-	-	1,228,432
Infrastructure	43,832,746	-	(1,697,565)	42,135,181
Buildings	11,067,502	-	-	11,067,502
Machinery and equipment	2,617,497	228,735	-	2,846,232
Vehicles	6,557,954	431,981	-	6,989,935
Total depreciable assets	65,304,131	660,716	(1,697,565)	64,267,282
Accumulated Depreciation				
Land Improvements	(603,904)	(83,553)		(687,457)
Infrastructure	(18,242,981)	(892,946)	101,979	(19,033,948)
Buildings	(4,278,877)	(285,267)	-	(4,564,144)
Machinery and equipment	(2,571,255)	(78,832)	-	(2,650,087)
Vehicles	(5,276,849)	(434,805)	-	(5,711,654)
Total accumulated depreciation	(30,973,866)	(1,775,403)	101,979	(32,647,290)
Total depreciable assets, net	34,330,265	(1,114,687)	(1,595,586)	31,619,992
Governmental Activities capital assets, net	$ 39,298,602	$ (1,114,687)	$ (1,595,586)	$ 36,588,329

NOTE 10 – (Continued)

	Balance 6/30/2014	Increase	Decrease	Balance 6/30/2015
Business-type Activities				
Nondepreciable assets				
Land	$ 399,323	$ -	$ -	$ 399,323
Construction in progress	-	-	-	-
Total non-depreciable assets	399,323	-	-	399,323
Depreciable assets				
Land improvements	29,382	-	-	29,382
Distribution system	23,744,051	241,575	-	23,985,626
Buildings	32,380	-	-	32,380
Machinery and equipment	323,636	-	-	323,636
Vehicles	254,280	-	-	254,280
Total depreciable assets	24,383,729	241,575	-	24,625,304
Accumulated Depreciation				
Land improvements	(22,922)	(776)	-	(23,698)
Distribution system	(4,462,100)	(185,426)	-	(4,647,526)
Buildings	(8,081)	(320)	-	(8,401)
Machinery and equipment	(321,253)	(3,182)	-	(324,435)
Vehicles	(254,280)	-	-	(254,280)
Total accumulated depreciation	(5,068,636)	(189,704)	-	(5,258,340)
Total depreciable assets, net	19,315,093	51,871	-	19,366,964
Business-type Activities capital assets, net	$ 19,714,416	$ 51,871	$ -	$ 19,766,287

Capital asset activity for the Industrial Building Authority Component Unit for the fiscal year ended June 30, 2015 was as follows:

	Balance 6/30/2014	Increase	Decrease	Balance 6/30/2015
Industrial Building Authority Component Unit				
Nondepreciable assets				
Land	$ 3,031,251	$ -	$ -	$ 3,031,251
Industrial Building Authority Component Unit capital assets, net	$ 3,031,251	$ -	$ -	$ 3,031,251

NOTE 10 – (Continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government		
Governmental activities		
General Government	$	62,019
Public Safety		570,378
Public Works		972,179
Health and Welfare		24,011
Culture and Recreation		146,816
Total depreciation expense for governmental activities	$	1,775,403
Business-type activities		
Water and Sewer	$	187,745
Solid Waste		1,959
Total depreciation expense for business-type activities	$	189,704

NOTE 11 – OTHER LIABILITIES

At June 30, 2015, the County had $84,734 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.

NOTE 12 - CAPITAL AND OPERATING LEASE AGREEMENTS

The County has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these capital leases at June 30, 2015 are $217,235 for governmental activities.

Total assets leased under capital leases are $217,235 for governmental activities and are classified as follows:

	Governmental Activities	
	Cost	Accumulated Depreciation
Machinery and Equipment	$ 217,235	$

Amortization of leased equipment under capital leases is included with depreciation expense.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2015:

Year Ending June 30	
2016	$ 11,452
2017	11,452
2018	11,453
2019	205,418
Total minimum lease payments	239,775
Less amounts representing interest	(22,540)
Present value of minimum lease payments	217,235

The County's lease agreements, other than such agreement described above, are relatively minor commitments and are in compliance with state law.

Caterpillar Financing.

On April 6, 2015 the County entered into a Capital Lease with Caterpillar Finance for the acquisition of one 420FIT Caterpillar Backhoe Loader and one 120M2 Caterpillar Motor Grader. The original amount of the lease was $217,235. The lease calls for four annual payments of $11,452 and a balloon payment of $193,965 due one month after final monthly payment beginning April 1, 2016. This lease has an interest rate of 2.70% per annum. The asset is recorded in the General Fund. The equipment has a ten-year estimated useful life. There is no accumulated depreciation or depreciation expense for the fiscal year ended June 30, 2015.

NOTE 12 – (Continued)

The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2015:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	$ 5,587	$ 5,865	$ 11,452
2017	5,737	5,715	11,452
2018	5,893	5,560	11,453
2019	200,018	5,400	205,418
Totals	$ 217,235	$ 22,540	$ 239,775

NOTE 13 – LONG –TERM DEBT

Contracts Payable

HOSPITAL AUTHORITY OF THE CITY OF LAVONIA REVENUE ANTICIPATION CERTIFICATES, SERIES 2010

The Hospital Authority of the City of Lavonia (the "Authority") issued on December 10, 2010, $8,500,000 in aggregate principal amount of HOSPITAL AUTHORITY OF THE CITY OF LAVONIA REVENUE ANTICIPATION CERTIFICATES, SERIES 2010 in order to pay a portion of the costs of constructing and equipping the Ty Cobb Regional Medical Center.

The Authority entered into a pilot agreement dated as of December 1, 2010, with NGTC Health Properties, LLC (the "Company"), under the terms of which the Company was obligated to pay or cause to be paid to the Authority payments in lieu of taxes ("PILOT Payments") which were intended to be sufficient to pay the debt service on the Series 2010 Bonds.

The County entered into an Intergovernmental Contract, dated as of December 1, 2010 (the "Contract") with the Authority. Under the terms of the Contract the County agreed to pay the Authority amounts sufficient to pay the debt service on the Series 2010 in the event that the PILOT Payments are insufficient to service the debt. The Agreement also authorized the County to levy an ad valorem tax of up to seven mills to make the debt service payments.

No Pilot Payments were made and the Authority had no revenue from which to make the debt service payments. As guarantor, the County paid two debt service payments in December 2014 and June 2015.

The Medical Center was sold to St. Mary's Healthcare System, Inc. in June 2015. No assets from the sale or future revenues from the Medical Center are pledge to the payment of the Series 2010. The County released all parties related to the Series 2010 bonds and assumed full liability for the remaining balance. Beginning December 1, 2014, semiannual payments are required in an amount that would amortize the principal and interest over twenty six years. The interest rate on the bond is 4% to 6%. At June 30, 2015 the principal balance is $8,215,000.

NOTE 13 – (Continued)

The annual debt service requirements for contracts payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	$ 150,000	$ 468,531	$ 618,531
2017	160,000	462,331	622,331
2018	165,000	454,697	619,697
2019	175,000	445,559	620,559
2020	180,000	436,019	616,019
2021-2025	1,065,000	2,018,978	3,083,978
2026-2030	1,400,000	1,681,281	3,081,281
2031-2035	1,850,000	1,210,988	3,060,988
2036-2040	2,480,000	566,400	3,046,400
2041	590,000	17,700	607,700
Totals	$ 8,215,000	$ 7,762,484	$ 15,977,484

Revenue Bonds

Revenue bonds have been issued for business-type activities and are comprised of the following individual issue at June 30, 2015:

$4,190,000 2008 Franklin County Water and Sewerage Authority series revenue bonds due in annual installments of $250,000 to $355,000 through March 1, 2023; interest at 3.599% ($2,795,000 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
2016	$ 280,000	$ 90,875	$ 370,875
2017	285,000	80,798	365,798
2018	300,000	70,540	370,540
2019	310,000	59,743	369,743
2020	320,000	48,587	368,587
2021-2023	1,030,000	75,039	1,105,039
Totals	$ 2,525,000	$ 425,582	$ 2,950,582

NOTE 13 - (Continued)

Notes Payable

Business-type Activities

The County has entered into a lending agreement with the Georgia Environmental Facility Authority for expansion of the water and sewer system in the original amount of $2,166,217. At June 30, 2014, the balance of this note is $1,131,606. Quarterly installments of $32,332 principal are due through March 1, 2023; interest at 0%.

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	$ 129,326	$ -	$ 129,326
2017	129,326	-	129,326
2018	129,326	-	129,326
2019	129,326	-	129,326
2020	129,326	-	129,326
2021-2023	355,650	-	355,650
Totals	$ 1,002,280	$ -	$ 1,002,280

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 $582,290. At June 30, 2014, the balance of this note is $526,489 Monthly installments of $2,426 principal are due through July 1, 2033; interest at 0%.

Annual debt service requirements for notes payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	$ 29,114	$ -	$ 29,114
2017	29,114	-	29,114
2018	29,114	-	29,114
2019	29,114	-	29,114
2020	29,114	-	29,114
2021-2025	145,570	-	145,570
2026-2030	145,570	-	145,570
2031-2033	60,663	-	60,663
Totals	$ 497,373	$ -	$ 497,373

NOTE 13 – (Continued)

On September 1, 2012 the County entered into an agreement with the Georgia Environmental Facilities Authority, loan number DWSRF 12-002, to borrow $2,000,000 for a Water and Sewer Project. The note has a debt forgiveness portion, in the amount of $400,000 that will be forgiven when the project is complete. At June 30, 2014, the balance of this note is $1,580,650. Monthly installments of $8,193 principal and interest are due beginning November 1, 2014 through October 1, 2034; interest at 2.13%.

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	$ 65,741	$ 32,575	$ 98,316
2017	67,258	31,058	98,316
2018	68,653	29,663	98,316
2019	70,130	28,186	98,316
2020	71,596	26,720	98,316
2021-2025	382,018	109,563	491,581
2026-2030	424,863	66,718	491,581
2031-2035	406,619	19,424	426,043
Totals	$ 1,556,878	$ 343,907	$ 1,900,785

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2015:

	Balance 6/30/2014	Additions	Deductions	Balance 6/30/2015	Due Within One Year
Governmental activities					
Bonds payable	$ 8,360,000	$	$ (145,000)	$ 8,215,000	$ 150,000
Capital Lease Payable	-	217,235	0	217,235	5,587
Compensated absences	460,213	41,166		501,379	-
Total Governmental activities	$ 460,213	$ 41,166	$ -	$ 501,379	$ -
Business-type activities					
Notes payable	$ 3,238,744	$ -	$ (182,213)	$ 3,056,531	$ 224,182
Bonds payable	2,795,000	-	(270,000)	2,525,000	280,000
Post-closure care costs	1,140,647	-	(15,125)	1,125,522	-
Compensated absences	8,961	734	-	9,695	-
Total business-type activities	$ 7,183,352	$ 734	$ (467,338)	$ 6,716,748	$ 504,182
Health Department Component Unit					
Compensated absences	$ 27,395	$ 9,972	$ -	$ 37,367	$ -
Total Health Department					

Compensated absences are liquidated by those governmental funds that have salary and wage

NOTE 13 – (Continued)

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 Funds.

NOTE 14 – CONDUIT DEBT

On December 15, 2010, the Franklin County Industrial Building Authority issued the Series 2010 Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition and construction of a medical facility deemed to be in the public interest. The Authority has acquired the property financed and leased it back to the private-sector entity under a lease agreement with payments sufficient to pay principal and interest on the bonds; upon repayment of the bonds, ownership of the acquired facilities will transfer to the private-sector entity. Neither the Authority nor the State of Georgia, or any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2014, the principal amount payable is $ 39,000,000; the original issue amount totaled $ 39,000,000.

NOTE 15 – LANDFILL POSTCLOSURE 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 $1,125,522 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.

NOTE 16 – DEFICIT EQUITY BALANCES

Business-type Activities

At June 30, 2015, the Solid Waste Enterprise Fund has negative net assets of $683,109. 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.

NOTE 17 – FUND BALANCE

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

Nonspendable:

General Fund	
Prepaid expenses – For the amount in prepaid insurance in the general fund	$ 80,586

Restricted:

Public Safety	
Sheriff's Department Funds – For funds held by the County for the Sheriff's Department. This includes Operations, Drug Surcharge and Jail Funds.	$ 990,933
SPLOST IV Fund	
Capital outlay projects – For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved Referendum	876,956
Health	
Health Account – To account for funds set aside for self - insurance.	97,442
Nonmajor Special Revenue Funds	
Judicial Programs:	
Probation Service – To account for funds legally restricted for the operation of Probation Services.	43,619
Law Library – To account for surcharges on fines and forfeitures which are for the operation of the County law library and other general expenditures as decided by the trustees of the library	129,651
Public Safety Programs:	
Drug Enforcement – To account for funds received from surcharges on fines and forfeitures restricted for Drug Enforcement.	17,482
MANS Unit – To account for funds legally restricted for law enforcement activity.	112,203
Inmate Welfare – Used to account for funds held in trust for inmates while incarcerated.	29,731
Capital Projects:	
SPLOST III - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved Referendum	98,285
	$ 2,396,302

NOTE 18 - EMPLOYEE RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

A. PLAN DESCRIPTION

The Plan provides retirement, disability and death benefits to plan members and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (the ACCG Plan), an agent multiple-employer defined benefit pension plan administered by the Government Employee Benefits Corporation of Georgia (GEBCorp). The ACCG, in its role as the Plan sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County retains the authority to amend the adoption agreement, which defines the specific operational provisions of the Plan. A separately issued financial report of the Plan may be obtained by writing GEBCorp at 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Control over the operation and administration of the Plan is vested with ACCG along with custody of the Plan assets. The Plan provides that the County has no liability with respect to payments or benefits or otherwise under the plan except to pay over to ACCG such actuarially determined contributions as are required to meet minimum funding's standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after satisfaction of all liabilities, such funds shall not revert to the County but shall be allocated to employees.

There are no loans to any of the County officials or other "party-in-interest," and there are no prohibited transactions. The plan assets do not include any securities or investments in Franklin County. The funds are managed by independent money managers.

Participant counts as of December 1, 2014 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees, Beneficiaries and Disables receiving benefits		37
Terminated plan participants entitled to but not yet receiving benefits		96
Active employees participating in the Plan		126
Total number of Plan Participants		259
Covered compensation for active participants	$	4,779,734

Benefits Provided. The plan provides retirement and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Benefits vest evenly over five years of service. Participants become eligible to retire with unreduced benefits at age 65 with 5 years of plan participation. The amount of monthly benefits provided to each participant at their normal retirement date is equal to one percent of the participant's average annual compensation multiplied by the participant's total number of years of service. The plan also provides benefits in the event of death or disability.

NOTE 18 – (Continued)

Contributions. Employees make no contributions to the plan. The County is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The current rate is 13.7% of annual covered payroll. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains authority to change the policy.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the County reported a net pension liability of $1,520,749. The net pension asset was measured as of December 31, 2014, and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. For the fiscal year ended June 30, 2015, the County recognized pension expense of $ 682,504.

At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 65,469

Amounts reported as deferred outflows and deferred inflows or resources will be recognized in pension expense as follows:

Year Ending June 30	
2016	$ 16,367
2017	16,367
2018	16,367
2019	16,368
Totals	$ 65,469

NOTE 18 – (Continued)

The long-term expected rate of return on pension investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

Benchmark	Asset Allocation	Average 20 Year Return	Weighted 20 Year Return	Average 30 Year Return	Weighted 30 Year Return
S & P 500	30%	8.80%	2.64%	10.74%	3.22%
Barclay's Agg.	30%	5.75%	1.73%	7.80%	2.34%
MSCI EAFE	15%	5.44%	0.82%	9.51%	1.43%
Citi Non US WEBI	5%	5.48%	0.27%	5.48%	0.27%
NAREIT Equity	5%	9.91%	0.50%	11.35%	0.57%
Russell 2000	5%	8.96%	0.45%	9.37%	0.47%
Russell 3000	5%	8.89%	0.44%	10.58%	0.53%
S & P Mid Cap	5%	11.83%	0.59%	13.21%	0.66%
Weighted Return			7.44%		9.49%

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 18 – (Continued)

*B. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

		2014
Total Pension Liability as of the beginning of year (1)	$	8,543,254
Service Cost		280,360
Interest on Total Pension Liability		640,744
Plan Change		-
Assumption Change		-
Benefit Payments (Adjusted for Interest)		(244,524)
Experience (gain)/(loss)		-
Total Pension Liability as of December 31, 2014 (2)	$	9,219,834
Fiduciary Net Position as of beginning of year (3)	$	6,857,591
Employer Contributions		682,504
Employee Contributions (including buy back)		-
Net Investment Income		496,502
Benefit Payments		(235,686)
Employee Contribution Refunds		(4,778)
Administrative Expense		(25,509)
Other		(71,539)
Fiduciary Net Position as of End of Year (4)	$	7,699,085
Net pension liability as of beginning of year (1)-(3)	$	1,685,663
Net Pension liability as of end of year (2) - (4)	$	1,520,749
Fiduciary Net Position as a % of Total Pension Liability (4)/(2)		83.5%
Covered-employee payroll	$	4,779,734
Net pension liability as a % of covered-employee payroll		31.82%

** Historical information prior to implementation of GASB 67/68 is not required.*

C. NET POSITION RESTRICTED FOR PENSIONS

Fiduciary net position	$	7,699,085
Deferred outflows of resources		
Deferred inflows of resources		
Net position restricted for pensions	$	7,699,085

NOTE 18 – (Continued)

D. CHANGES IN NET PENSION LIABILITY

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2013	$ 8,543,254	$ 6,857,591	$ 1,685,663
Changes for the year:			
Service Cost	280,360		280,360
Interest	640,744		640,744
Liability experience (gain)/loss			-
Employer contributions		682,504	(682,504)
Employee contributions			-
Net investment income		496,502	(496,502)
Benefit payments	(244,524)	(235,686)	(8,838)
Employee contribution refunds		(4,778)	4,778
Administrative expense		(25,509)	25,509
Other		(71,539)	71,539
Net Changes	676,580	841,494	(164,914)
Balances at December 31, 2014	$ 9,219,834	$ 7,699,085	$ 1,520,749

E. SENSITIVITY ANALYSIS FOR THE MEASUREMENT PERIOD ENDED DECEMBER 31, 2014

	6.50%	**8.50%**
Total Pension Liability	$ 933,192	$ 786,257
Fiduciary Net Position	$ 801,430	$ 801,430
Net Pension Liability	$ 131,762	$ (15,173)

NOTE 18 – (Continued)

F. SCHEDULE OF ACCRUED LIABILITIES

1 Actuarial Present Value of Accumulated Plan Benefits as of December 31, 2014

a.	Vested		
	i. Retirees (and other in pay status)	$	1,778,583
	ii. Deferred Vested (former employees)		1,240,997
	iii. Vested Active Participants		3,328,569
	Total	$	6,348,149
b.	Nonvested		218,710
	Total	$	6,566,859
2	**Effect of Service Attribution and Future Salary Increases**	$	2,652,975
3	**Total Pension Liability**	$	9,219,834
4	**Fiduciary Net Position**	$	7,699,085
5	**Net Pension Liability**	$	1,520,749
6	**Fiduciary Net Position as % of Total Pension Liability (4)/(3)**		83.5%

G. SUMMARY OF ACTUARIAL METHODS AN ASSUMPTIONS

Investment Return: 7.50% per year
Future Salary Increases: 4.00% per year with an age based scale as follows:

Age	Salary Increase
Under 30	4.0% rate plus 1.5%
30-39	4.0% rate plus 1.0%
40-49	4.0% rate less 0.5%
50+	4.0% rate less 1.0%

Future Payroll Growth:
(For level percentage compensation amortization) 5.5% per year

NOTE 18 – (Continued)

Mortality:	RP-2000, Combined
Termination:	An experience based, age age service based set of rates.
Disability:	Male rates (used for both sexes) derived from a 1977 Social Security Administration study. Incidence of disability resulting in eligibility for both disability benefits under and the Social Security probability of disability based on age.

Retirement:	Probability of Retirement
age 55 to 60	10%
age 61 to 64	20%
age 65 to 69	30%
age 70	100%

Administrative Expenses:	The contribution payable at the end of the Plan Year includes administrative fees set by contract between the Association County Commissioners of Georgia and GEBCorp.
Actuarial Value of Assets:	Smoothed market value with a 5-year smoothing period.
Actuarial Cost Method:	Entry Age Normal: A method under which the actuarial present of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the service over the service of the individual between entry age and assumed exit age(s).
Beneficiary:	The Plan provides either a lump-sum benefit or an annuity for a fixed period of time to the beneficiary of a deceased active or inactive participant. Therefore all participants are assumed to have a beneficiary and such beneficiary is assumed to be the same age as the participant.
Participants on Sick Leave:	Participants that are currently on sick leave, but still considered employees of the County, are included in the valuation and a liability is maintained for such participants.

NOTE 18 – (Continued)

Cost of Living Adjustment	N/A
Changes Since Prior Valuation:	1) The investment return was changed from 7.75% to 7.5%; 2) age increases rates were changed from 4.0% -6.5% to 3.0%-5.5%; 3) based employee termination rates were changed; 40 mortality table 5) retirement rates were revised; 6) funding method was changed f Unit Credit to Entry Age Normal.

H. SUMMARY OF MAIN PLAN PROVISIONS FOR VALUATION PURPOSES

Effective Date:	January 1, 1994, amended and restated Restated January 1, 2000, January 1, 2010.
Participant:	Any full-time employee meeting the provisions as set out in the Adoptic Agreement.
Eligibility:	The January 1 coincident with or following the date the employee completes three years of Service.
Plan Year:	Period from January 1 to the next December 31, inclusive.
Service:	Complete years and months, from the date of employment to the date on which an employee ceases to be an employee.
Average Annual Compensation:	The highest average of the Participant's compensation over five consecutive plan years during the ten plan years preceding the Particip date of retirement, or other termination, or date the Plan was frozen.

NOTE 18 - (Continued)

Eligibility for Benefits:	
Normal Retirement	The earlier of attained age 65 and 5 years of participation.
Late Retirement	Any date subsequent to Normal Retirement.
Early Retirement	Attained age 60, 10 years Service and 3 years plan participation.
Disability Retirement	Ten years of Service and deemed to be totally disabled by the Federal Social Security Administration. Payments will not begin prior to age 50.
Vested Termination	One hundred percent after five years of Service.
Pre-Retirement Death Benefit	i. Lump- Sum Active Participants ii. 10-Year Certain Annuity Terminated vested participants and participants receiving a Disability Retirement benefit and not year age 65.
Post Retirement Death Benefit	Termination of employment due to Early, Normal or Late Retirement. Participants receiving a Disability Retirement benefit and who have attained normal retirement age are also eligible.
Accrued Benefit:	2.00% of Average Annual Compensation multiplied by years of service
Benefit Amounts:	
a. Normal Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit at Normal Retirement.
b. Late Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit at Late Retirement.
c. Early Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit at Early Retirement.
d. Disability Retirement	A benefit payable monthly for life equal to the Participant's frozen Accrued Benefit as of October 31, 1997.
e. Vested Termination	A benefit payable monthly for life beginning at Normal Retirement equal to the Participant's Accrued Benefit. Participants with 10 Years of Service may elect to receive benefits at an Early Retirement date calculated in the same manner as an early retirement.

NOTE 18– (Continued)

f. Pre-Retirement Death Benef i.	Lump- Sum	The beficiary of active Participants eligible for this benefit will receive a lump sum death benefit equal to 50 times the projected monthly benefit based on level earnings and continued Service to Normal Retirement.
	ii. Lump- Sum	The beneficiary of Particpants eligible for this benefit will receive a benefit equal to 50 times Partipants Accrued Benefit limited to $50,000.
g. Post-Retirement Death Benefit		The beneficiary will receive a lump- sum death benefit based on 50 times the retiree's benefit payable under the normal for as follows. This benefit is limited to $15,000.
Form of Benefit:		The normal form of benefit is a straight line annuity. Other forms of payment are available and are actuarially equivalent to the normal form.
Contributions:		No contributions are required of or permitted by Participants. The County meets all costs of the Plan.
Changes Since Prior Valuation:		There have been no substantive changes since the last actuarial valuation.

I. SUMMARY OF PLAN ASSET MATTERS AND ACCOUNTING PRINCIPLES

Summary of Significant Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains and losses on marketable securities owned by the plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

NOTE 18 – (Continued)

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

Board of Trustees

The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program for member employers.

NOTE 19–DEFERRED COMPENSATION PLAN

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 fiscal year ended June 30, 2014, the County contributed $34,647 to the Plans, based on covered salaries of $2,568,983. Total payroll was $6,536,237. Plan members made voluntary contributions of $112,750.

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.

NOTE 20 - 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 $0 to the Airport during the year ended June 30, 2013. 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, 2013, the County paid $17,087 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, 2013. Separate financial statements may be obtained from Joint Development Authority of Hart, Franklin, and Stephens Counties, Georgia, PO Box 793, Hartwell, Georgia 30643.

NOTE 21– 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.

NOTE 21 - (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.

- 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.

- 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.

NOTE 22- CHANGES IN BEGINNING BALANCES

Governmental Activities

A prior period adjustment has been made to record a net pension liability and related deferred outflows/inflows of resources at June 30, 2014. This adjustment was required with the implementation of GASB Statement No. 68 Accounting and Financial Reporting for Pensions. This adjustment decreased beginning net position of the governmental activities by $2,413,896.

A prior period adjustment has been made to record the assumption of a guarantee obligation. This adjustment was required when the County assumed the obligation to pay the Hospital Authority of the City of Lavonia Revenue Anticipation Certificates, Series 2010. See Note 13 for additional details regarding the obligation. This adjustment decreased beginning of the governmental activities by $8,360,000.

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

In accordance with the Governmental Accounting Standards Board Statement No. 34,
The following information is a required part of the financial statements.

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGIANL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED
REVENUES				
Taxes	$ 8,282,568	$ 8,282,568	$ 8,424,590	$ 142,022
Licenses and permits	10,700	10,700	5,750	(4,950)
Fines, fees and forfeitures	1,558,835	1,558,835	1,081,098	(477,737)
Charges for services	1,562,621	1,562,621	2,254,576	691,955
Intergovernmental	135,138	135,138	692,719	557,581
Interest	200,000	200,000	15,918	(184,082)
Other	522,722	522,722	26,878	(495,844)
TOTAL REVENUES	12,272,584	12,272,584	12,501,529	228,945
EXPENDITURES				
General Government				
Commission Board	62,817	62,817	85,325	(22,508)
County Manager's Office	269,365	269,365	259,186	10,179
General Building and Plant	112,914	112,914	105,810	7,104
General Administration	1,277,500	1,277,500	1,273,470	4,030
Tax Commissioner	352,076	352,076	384,622	(32,546)
Tax Assessor	380,467	380,467	396,424	(15,957)
Registrar	134,393	134,393	143,661	(9,268)
County Engineer	25,000	25,000	61,564	(36,564)
Judicial				
Probate Court	213,165	213,165	222,252	(9,087)
Magistrate Court	171,822	171,822	200,031	(28,209)
Superior Court	213,638	213,638	220,438	(6,800)
Superior Court Judge	14,500	14,500	15,035	(535)
Clerk of Superior Court	279,264	279,264	340,324	(61,060)
District Attorney	41,261	41,261	38,771	2,490
Public Safety				
Fire Departments	305,620	305,620	305,113	507
Coroner Services	31,548	31,548	26,042	5,506
Emergency Medical Service	1,781,414	1,781,414	1,930,599	(149,185)
Emergency Management	84,437	84,437	4,743	79,694
County Marshal	48,076	48,076	52,075	(3,999)
Sheriffs Department	3,226,342	3,244,092	4,107,839	(863,747)
Animal Shelter	-	-	69,920	(69,920)
Public Works				
Highways and Streets	929,865	929,865	1,592,035	(662,170)
Health and Welfare				
Senior Center	209,087	209,087	192,361	16,726
Foster Care Services	53,046	53,046	22,959	30,087
Health Department	103,431	103,431	105,486	(2,055)
Culture and Recreation				
Recreation Department	369,124	369,124	448,858	(79,734)
Library Board	32,500	32,500	34,409	(1,909)
Housing and Development				
County Agent	71,927	71,927	77,467	(5,540)
Forestry Service	8,037	8,037	2,009	6,028
Planning and Zoning	6,283	6,283	2,640	3,643
Debt Service				
Principal			619,431	
TOTAL EXPENDITURES	10,808,919	10,826,669	13,340,899	(1,894,799)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,463,665	1,463,665	(839,370)	(1,665,854)
OTHER FINANCING SOURCES (USES)				
Sale of Assets	10,000	10,000	573,717	563,717
Contingency	(1,473,665)	(1,473,665)	-	1,473,665
Proceeds from Capital Leases			217,235	
TOTAL OTHER FINANCING SOURCES (USES)	(1,463,665)	(1,463,665)	790,952	2,037,382
NET CHANGE IN FUND BALANCE	-	-	(48,418)	371,528
FUND BALANCE - BEGINNING OF YEAR			2,275,832	2,756,407
FUND BALANCE - END OF YEAR	$ -	$ -	$ 2,227,414	$ 3,127,935

Note to the Budgetary Comparison Schedule

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

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	FINAL BUDGET	ACTUAL	VARIANCE FORM FINAL
REVENUES			
Taxes			
General property taxes			
Property tax	$ 4,350,000	$ 4,361,278	$ 11,278
Motor vehicle tax	650,000	856,236	206,236
Mobile home tax	50,000	57,183	7,183
Cost, penalties, and interest	127,212	48,407	(78,805)
Total general property tax	5,177,212	5,323,104	145,892
Intangibles tax	55,000	10,806	(44,194)
Real estate transfer tax	12,356	14,741	2,385
Local option sales tax	2,250,000	2,179,192	(70,808)
Insurance premium	700,000	769,627	69,627
Franchise tax	70,000	15,004	(54,996)
Occupational tax	10,000	99,251	89,251
Other taxes	7,500	12,865	5,365
Hotel/motel tax	500	-	(500)
Total taxes	8,282,568	8,424,590	142,022
Licenses and Permits			
Building and inspection permits	6,000	5,750	(250)
Other permits	4,700	-	(4,700)
Total licenses and permits	10,700	5,750	(4,950)
Fines, fees and forfeitures	1,558,835	1,081,098	(477,737)
Charges for Services			
Emergency medical services	1,000,000	1,313,575	313,575
Tax collection commissions	313,000	328,830	15,830
Sheriff services	39,330	320,438	281,108
Prisoner board	-	38,261	38,261
Recreation Fees	158,905	217,950	59,045
Other	51,386	35,522	(15,864)
Total charges for services	1,562,621	2,254,576	691,955
Intergovernmental			
Grants and receipts	135,138	632,749	497,611
Interest	200,000	15,918	(184,082)
Other	522,722	26,878	(495,844)
TOTAL REVENUES	$ 12,272,584	$ 12,441,559	$ 168,975

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL
EXPENDITURES			
General Government			
Commission Board			
Personal services	$ 50,192	$ 76,169	$ (25,977.00)
Contract Services	-	50	(50.00)
Supplies and materials	12,625	9,106	3,519.00
Capital Outlay	-	-	-
Total Commission Board	62,817	85,325	(22,508.00)
County Manager's Office			
Personal services	239,665	228,085	11,580.00
Contract services	18,650	20,580	(1,930.00)
Supplies and materials	11,050	10,521	529.00
Total County Manager's Office	269,365	259,186	10,179.00
General Building and Plant			
Personal services	82,164	80,835	1,329.00
Contract services	15,800	12,593	3,207.00
Supplies and materials	14,950	12,382	2,568.00
Capital outlay	-	-	-
Total General Building and Plant	112,914	105,810	7,104.00
General Administration			
Personal services	820,000	865,842	(45,842.00)
Contract services	457,000	307,950	149,050.00
Supplies and materials	500	2,149	(1,649.00)
Payments to other agencies	-	97,529	(97,529.00)
Total General Administration	1,277,500	1,273,470	4,030.00
Tax Commissioner			
Personal services	274,649	306,265	(31,616.00)
Contract services	54,477	59,704	(5,227.00)
Supplies and materials	11,950	8,519	3,431.00
Capital outlay	11,000	10,134	866.00
Total Tax Commissioner	352,076	384,622	(32,546.00)
Tax Assessor			
Personal services	308,942	339,704	(30,762.00)
Contract services	30,750	33,012	(2,262.00)
Supplies and materials	40,775	23,708	17,067.00
Capital outlay	-	-	-
Total Tax Assessor	380,467	396,424	(15,957.00)

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL
Registrar			
Personal services	50,243	76,446	(26,203)
Contract services	56,500	47,835	8,665
Supplies and materials	27,650	17,348	10,302
Capital Outlay	-	2,032	(2,032)
Total Registrar	134,393	143,661	(9,268)
County Engineer			
Personal services	-	59,577	(59,577)
Contract services	25,000	1,987	23,013
Supplies and materials	-	-	-
Total County Engineer	25,000	61,564	(36,564)
Total General Government	$ 2,614,532	$ 2,710,062	$ (95,530)
Judicial			
Probate Court			
Personal services	$ 174,965	$ 190,139	$ (15,174)
Contract services	21,800	17,587	4,213
Supplies and materials	12,900	14,058	(1,158)
Capital Outlay	3,500	468	3,032
Total Probate Court	213,165	222,252	(9,087)
Magistrate Court			
Personal services	144,962	152,033	(7,071)
Contract services	17,960	18,758	(798)
Supplies and materials	7,900	29,047	(21,147)
Capital Outlay	1,000	193	807
Total Magistrate Court	171,822	200,031	(28,209)
Superior Court			
Personal services	128,138	59,163	68,975
Contract services	70,500	152,757	(82,257)
Supplies and materials	15,000	8,518	6,482
Total Superior Court	213,638	220,438	(6,800)
Superior Court Judge			
Contract services	6,900	4,726	2,174
Supplies and materials	7,600	10,309	(2,709)
Total Superior Court Judge	14,500	15,035	(535)
Clerk of Superior Court			
Personal services	205,014	302,685	(97,671)
Contract services	65,300	23,748	41,552
Supplies and materials	8,950	13,891	(4,941)
Total Clerk of Superior Court	279,264	340,324	(61,060)

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL
District Attorney			
Contract services	41,161	38,387	2,774
Materials and Supplies	100	384	(284)
Total District Attorney	41,261	38,771	2,490
Public Defender			
Payments to other agencies			-
Total Judicial	$ 933,650	$ 1,036,851	$ (103,201)
Public Safety			
Fire Departments			
Personal services	$ 5,500	$ -	$ 5,500
Contract services	1,200	11,139	(9,939)
Supplies and materials	1,500	10,700	(9,200)
Payments to other agencies	297,420	283,274	14,146
Total Fire Departments	305,620	305,113	507
Coroner Services			
Personal services	16,148	16,018	130
Contract services	13,000	9,774	3,226
Supplies and materials	2,400	250	2,150
Total Coroner Services	31,548	26,042	5,506
Emergency Medical Service			
Personal services	1,465,614	1,552,349	(86,735)
Contract services	135,300	189,796	(54,496)
Supplies and materials	158,000	174,710	(16,710)
Capital outlay	22,500	13,744	8,756
Total Emergency Medical Services	1,781,414	1,930,599	(149,185)
Emergency Management			
Personal services	9,507	3,108	6,399
Contract services	4,050	1,475	2,575
Supplies and materials	70,880	160	70,720
Capital outlay	-	-	-
Total Emergency Management	84,437	4,743	79,694
County Marshal			
Personal services	40,826	45,264	(4,438)
Contract services	2,700	1,611	1,089
Supplies and materials	4,550	5,200	(650)
Capital outlay	-	-	-
Total County Marshal	48,076	52,075	(3,999)

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL
Sheriff Department			
Personal services	2,343,762	2,800,596	(456,834)
Contract services	196,080	489,362	(293,282)
Supplies and materials	617,500	796,696	(179,196)
Capital outlay	86,750	21,185	65,565
Pay to Others	-		
Total Sheriff Department	3,244,092	4,107,839	(863,747)
Animal Shelter			
Payments to other agencies	-	69,920	(69,920)
Total Public Safety	$ 5,495,187	$ 6,496,331	$ (1,001,144)
Public Works			
Highways and Streets			
Personal services	$ 503,398	$ 554,505	$ (51,107)
Contract services	55,050	561,511	(506,461)
Supplies and materials	371,417	476,019	(104,602)
	-	-	-
Total Public Works	$ 929,865	$ 1,592,035	$ (662,170)
Health and Welfare			
Senior Center			
Personal services	$ 106,305	$ 119,549	$ (13,244)
Contract services	16,600	831	15,769
Supplies and materials	86,182	71,981	14,201
Total Senior Center	209,087	192,361	16,726
Foster Care Services			
Payments to other agencies	53,046	22,959	30,087
Health Department			
Contract services	600	1,059	(459)
Supplies and materials	1,400	2,996	(1,596)
Payments to other agencies	101,431	101,431	-
Total Health Department	103,431	105,486	(2,055)
Total Health and Welfare	$ 365,564	$ 320,806	$ 44,758
Culture and Recreation			
Recreation Department			
Personal Services	$ 180,509	$ 221,421	$ (40,912)
Contract Services	76,300	70,075	6,225
Supplies and Materials	112,315	155,792	(43,477)
Capital Outlay	-	1,570	(1,570)
Total Recreation	369,124	448,858	(79,734)

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL
Library Board			
Payments to other agencies	32,500	34,409	(1,909)
Total Culture and Recreation	$ 401,624	$ 483,267	$ (81,643)
Housing and Development			
County Agent			
Personal services	$ 55,177	$ 58,079	$ (2,902)
Contract services	13,825	17,064	(3,239)
Supplies and materials	2,925	2,324	601
Total County Agent	71,927	77,467	(5,540)
Forestry Service			
Contract services	-	-	-
Payments to other agencies	8,037	2,009	6,028
Total Forestry Service	8,037	2,009	6,028
Planning and Zoning			
Personal Services	5,383	-	5,383
Contract services	900	2,633	(1,733)
Supplies and materials	-	7	(7)
Total Planning and Zoning	6,283	2,640	3,643
Total Housing and Development	$ 86,247	$ 82,116	$ 4,131
TOTAL EXPENDITURES	$ 10,826,669	$ 12,721,468	$ (1,894,799)

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
JUNE 30, 2015
(Unaudited)

		2014
Total Pension Liability as of the beginning of year (1)	$	8,543,254
Service Cost		280,360
Interest on Total Pension Liability		640,744
Plan Change		-
Assumption Change		-
Benefit Payments (Adjusted for Interest)		(244,524)
Experience (gain)/(loss)		-
Total Pension Liability as of December 31, 2014 (2)	$	9,219,834
Fiduciary Net Position as of beginning of year (3)	$	6,857,591
Employer Contributions		682,504
Employee Contributions (including buy back)		-
Net Investment Income		496,502
Benefit Payments		(235,686)
Employee Contribution Refunds		(4,778)
Administrative Expense		(25,509)
Other		(71,539)
Fiduciary Net Position as of End of Year (4)	$	7,699,085
Net pension liability as of beginning of year (1)-(3)	$	1,685,663
Net Pension liability as of end of year (2) - (4)	$	1,520,749
Fiduciary Net Position as a % of Total Pension Liability (4)/(2)		83.5%
Covered-employee payroll	$	4,779,734
Net pension liability as a % of covered-employee payroll		31.82%

* *Historical information prior to implementation of GASB 67/68 is not required.*

FRANKLIN COUNTY
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
JUNE 30, 2015
(Unaudited)

Actuarially determined contribution	$	681,542
Contributions in relation to actuarially determined contribution		(681,542)
Contribution deficiency (excess)	$	-
Covered-employee payroll	$	4,970,924
Contributions as a percentage of covered-employee payroll		13.7%

** Historical information prior to implementation of GASB 67/68 is not required.*

1. Valuation Date

The actuarially determined contribution rate was determined as of December 31, 2014 with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016.

2. Methods and Assumptions Used to Determine Contributions Rates

Actuarial cost method = Entry Age Normal

Amortization method = Closed level dollar for remaining unfunded liability.

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 15 years.

Asset valuation method = Smoothed market value with a 5-year smoothing period.

Net investment rate of return = 7.5%

Projected salary increases = 4.00% per year with age based scale

Cost of living adjustments = N/A

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on the Social Security Administration standard rate.

3. Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

4. Changes of Assumptions

There have been no substantive changes since the last actuarial valuation.

OTHER SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS

Nonmajor Governmental Funds

FRANKLIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	SPECIAL REVENUE			
	EMERGENCY 911	DRUG ENFORCEMENT	INMATE WELFARE	LAW LIBRARY
ASSETS				
Cash and cash equivalents	$ 23,696	$ 19,491	$ 29,731	$ 118,032
Certificates of Deposit				11,619
Due from other funds				
Receivables				
Accounts	47,041			
Intergovernmental				
TOTAL ASSETS	$ 70,737	$ 19,491	$ 29,731	$ 129,651
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued Salaries	$ 35,509	$	$	$
Due to other agencies		2,009		
Due to other funds	712,502			
TOTAL LIABILITIES	748,011	2,009	-	-
FUND BALANCES				
Restricted for:				
Judicial				129,651
Public Safety	(677,274)	17,482	29,731	
Capital Projects				
Unassigned	-			
TOTAL FUND BALANCES	(677,274)	17,482	29,731	129,651
TOTAL LIABILITIES AND FUND BALANCE	$ 70,737	$ 19,491	$ 29,731	$ 129,651

SPECIAL REVENUE		CAPITAL PROJECTS	
MANS UNIT	PROBATION SERVICE	SPLOST III	TOTAL NONMAJOR GOVERNMENTAL FUNDS
$ 93,447	$	$ 98,285	$ 382,682
			11,619
	5,563		5,563
			-
			47,041
25,730	56,359		82,089
$ 119,177	$ 61,922	$ 98,285	$ 528,994
$	$ 18,303	$	$ 53,812
6,974			8,983
			712,502
6,974	18,303	-	775,297
	43,619		173,270
112,203			(517,858)
		98,285	98,285
			-
112,203	43,619	98,285	(246,303)
$ 119,177	$ 61,922	$ 98,285	$ 528,994

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE		
	EMERGENCY 911	DRUG ENFORCEMENT	INMATE WELFARE
REVENUES			
Fines, fees, and forfeitures	$	$ 50,022	$
Charges for services	383,933		57,340
Intergovernmental			
Interest	5		
TOTAL REVENUE	383,938	50,022	57,340
EXPENDITURES			
Judicial			
Public Safety	787,999	32,138	46,208
Capital outlay		11,699	
TOTAL EXPENDITURES	787,999	43,837	46,208
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(404,061)	6,185	11,132
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out			
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGES IN FUND BALANCE	(404,061)	6,185	11,132
FUND BALANCE - BEGINNING OF YEAR	(273,213)	11,297	18,599
FUND BALANCE - END OF YEAR	$ (677,274)	$ 17,482	$ 29,731

SPECIAL REVENUE			CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
LAW LIBRARY	MANS UNIT	PROBATION SERVICE	SPLOST III	
$ 15,803	$ 7,225	$ 690,965	$	$ 764,015
				441,273
	129,344			129,344
79	19		9	112
15,882	136,588	690,965	9	1,334,744
10,005		671,390		681,395
	105,280			971,625
				11,699
10,005	105,280	671,390		1,664,719
5,877	31,308	19,575	9	(329,975)
				-
				-
-	-	-	-	-
5,877	31,308	19,575	9	(329,975)
123,774	80,895	24,044	98,276	83,672
$ 129,651	$ 112,203	$ 43,619	$ 98,285	$ (246,303)

FRANKLIN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2015

ASSETS

Cash and cash equivalents	$	23,696
Accounts receivable		47,041
TOTAL ASSETS	$	70,737

LIABILITIES AND FUND BALANCES

LIABILITIES

Accrued salaries	$	35,509
Due to other funds		712,502
TOTAL LIABILITIES		748,011

FUND BALANCE

Assigned for Public Safety		(677,274)
TOTAL LIABILITIES AND FUND BALANCE	$	70,737

FRANKLIN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
JUNE 30, 2015

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 488,375	$ 383,933	$ (104,442)
Interest	-	5	5
TOTAL REVENUES	488,375	383,938	(104,437)
EXPENDITURES			
Current			
Public Safety			
Personal services	588,964	588,977	13
Contractual services	199,550	181,322	(18,228)
Supplies and materials	19,050	16,843	(2,207)
Capital outlay	9,000	857	(8,143)
TOTAL EXPENDITURES	816,564	787,999	(28,565)
Excess (deficiency) of revenues over (under) expenditures	(328,189)	(404,061)	(75,872)
Other financing sources (uses)			
Transfers in (out)			
General Fund	337,659	-	(337,659)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	9,470	(404,061)	(413,531)
FUND BALANCE - BEGINNING OF YEAR		(273,213)	(273,213)
FUND BALANCE - END OF YEAR	$	$ (677,274)	$ (677,274)

FRANKLIN COUNTY, GEORGIA
DRUG ENFORCEMENT SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2015

ASSETS	
Cash and cash equivalents	$ 19,491
LIABILITIES AND FUND BALANCES	
FUND BALANCE	
Restricted for Public Safety	$ 19,491

FRANKLIN COUNTY, GEORGIA
DRUG ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
JUNE 30, 2015

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ -	$ 50,022	$ 50,022
Interest			-
TOTAL REVENUES	-	50,022	50,022
EXPENDITURES			
Current			
Public Safety			
Supplies	-	32,138	(32,138)
Capital outlay		11,699	(11,699)
TOTAL EXPENDITURES	-	43,837	(43,837)
Excess (deficiency) of revenues over (under) expenditures	-	6,185	6,185
Other financing sources (uses)			
Transfers in (out)			
General Fund		-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	6,185	6,185
FUND BALANCE BEGINNING OF YEAR		11,297	11,297
FUND BALANCE END OF YEAR	$ -	$ 17,482	$ 17,482

FRANKLIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2015

ASSETS	
Cash and cash equivalents	$ 29,731
LIABILITIES AND FUND BALANCES	
FUND BALANCE	
Restricted for Public Safety	$ 29,731

FRANKLIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
JUNE 30, 2015

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$	$ 57,340	$ 57,340
TOTAL REVENUES	-	57,340	57,340
EXPENDITURES			
Current			
Public Safety			
Supplies		46,208	(46,208)
TOTAL EXPENDITURES	-	46,208	(46,208)
Excess (deficiency) of revenues over (under) expenditures	-	11,132	11,132
FUND BALANCE BEGINNING OF YEAR		18,599	18,599
FUND BALANCE END OF YEAR	$ -	$ 29,731	$ 29,731

FRANKLIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2015

ASSETS		
Cash and cash equivalents	$	118,032
Certificates of deposit		11,619
TOTAL ASSETS	$	129,651
LIABILITIES AND FUND BALANCE		
FUND BALANCE		
Restricted for Judicial	$	129,651

FRANKLIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
JUNE 30, 2015

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ -	$ 15,803	$ 15,803
Interest		79	79
Other		-	-
TOTAL REVENUES	-	15,882	15,882
EXPENDITURES			
Current			
Judicial			
Supplies and materials	-	10,005	(10,005)
TOTAL EXPENDITURES	-	10,005	(10,005)
Excess (deficiency) of revenues over (under) expenditures	-	5,877	5,877
Other financing sources (uses)			
Contingency	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	5,877	5,877
FUND BALANCE BEGINNING OF YEAR	-	123,774	123,774
FUND BALANCE END OF YEAR	$ -	$ 129,651	$ 129,651

FRANKLIN COUNTY, GEORGIA
MANS UNIT SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2015

ASSETS		
Cash and cash equivalents	$	93,447
Intergovernmental receivable		25,730
TOTAL ASSETS	$	119,177
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Due to other agencies	$	6,974
FUND BALANCE		
Restricted for Judicial		112,203
TOTAL LIABILITIES AND FUND BALANCE	$	119,177

FRANKLIN COUNTY, GEORGIA
MANS UNIT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
JUNE 30, 2015

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ -	$ 7,225	$ 7,225
Intergovernmental	-	129,344	129,344
Interest	-	19	19
TOTAL REVENUES	-	136,588	136,588
EXPENDITURES			
Current			
Public Safety			
Personal services	-	103,318	(103,318)
Contract services	-	1,962	(1,962)
TOTAL EXPENDITURES	-	105,280	(105,280)
Excess (deficiency) of revenues over (under) expenditures	-	31,308	31,308
Other financing sources (uses)			
Transfers in (out)			
General Fund		-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	31,308	31,308
FUND BALANCE BEGINNING OF YEAR	-	80,895	80,895
FUND BALANCE END OF YEAR	$ -	$ 112,203	$ 112,203

FRANKLIN COUNTY, GEORGIA
PROBATION SERVICES SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2015

ASSETS		
Intergovernmental receivable	$	56,359
Due from other funds		5,563
TOTAL ASSETS	$	61,922
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued salaries	$	18,303
TOTAL LIABILITIES		18,303
FUND BALANCE		
Restricted for Judicial		43,619
TOTAL LIABILITIES AND FUND BALANCE	$	61,922

PROBATION SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
JUNE 30, 2015

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 663,350	$ 690,965	$ 27,615
TOTAL REVENUES	663,350	690,965	27,615
EXPENDITURES			
Current			
Judicial			
Personal services	586,090	638,265	(52,175)
Contract services	23,500	20,191	3,309
Supplies and materials	15,500	12,934	2,566
TOTAL EXPENDITURES	625,090	671,390	(46,300)
Excess (deficiency) of revenues over (under) expenditures	38,260	19,575	(18,685)
Other financing sources (uses)			
Transfers in (out)			
General Fund	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	38,260	19,575	(18,685)
FUND BALANCE BEGINNING OF YEAR	-	24,044	24,044
FUND BALANCE END OF YEAR	$	$ 43,619	$ 43,619

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's Department - These funds account for deposits held for incatcerated inmates.

FRANKLIN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	TAX COMMISSIONER	MAGISTRATE COURT	PROBATE COURT
ASSETS			
Cash and cash equivalents	$ 2,546	$ 9,208	$ 103,389
LIABILITIES			
Due to other agencies	$ 2,546	$ 9,208	$ 103,389

CLERK OF SUPERIOR COURT	SHERIFF DEPARTMENT	TOTAL
$ 389,196	$ 1,650	$ 505,989
$ 389,196	$ 1,650	$ 505,989

FRANKLIN COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2015

	BALANCE JULY 1	ADDITIONS	DELETIONS	BALANCE JUNE 30
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 68,667	$ 19,441,803	$ (19,507,924)	$ 2,546
LIABILITIES				
Due to others	$ 68,667	$ 19,441,803	$ (19,507,924)	$ 2,546
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 14,705	$ 214,483	$ (219,980)	$ 9,208
LIABILITIES				
Due to others	$ 14,705	$ 214,483	$ (219,980)	$ 9,208
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 54,104	$ 1,290,766	$ (1,241,481)	$ 103,389
LIABILITIES				
Due to others	$ 54,104	$ 1,290,766	$ (1,241,481)	$ 103,389
CLERK OF SUPERIOR COURT				
ASSETS				
Cash and cash equivalents	$ 384,641	$ 697,851	$ (693,296)	$ 389,196
LIABILITIES				
Due to others	$ 384,641	$ 697,851	$ (693,296)	$ 389,196
SHERIFF DEPARTMENT				
ASSETS				
Cash and cash equivalents	$ 1,681	$ 185,396	$ (185,427)	$ 1,650
LIABILITIES				
Due to others	$ 1,681	$ 185,396	$ (185,427)	$ 1,650
TOTALS ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 523,798	$ 21,830,299	$ (21,848,108)	$ 505,989
LIABILITIES				
Due to others	$ 523,798	$ 21,830,299	$ (21,848,108)	$ 505,989

OTHER REPORTS

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Certified Public Accountants

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

December 6, 2015

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business – type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Franklin County, Georgia's basic financial statements and have issued our report thereon dated December 6, 2015. Our report includes a reference to other auditors who audited the financial statements of the Franklin County Health Department, as described in our report on Franklin County, Georgia's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employee, 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 significant deficiency, or 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 deficiencies described in the accompanying schedule of findings and questioned costs as comments 15-1 and 13-1 to be material weaknesses.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. A significant deficiency is a deficiency or 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 did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as comments 15-2 and 15-3 and 13-2 through 13-5 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as comments 13-6 to 13-7.

Franklin County, Georgia's Response to Findings

Franklin County, Georgia's response to the findings identified in our audit is in the accompanying schedule of findings and questioned costs. Franklin County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Duncan & Kitchens, CPA

Duncan & Kitchens, LLC
Certified Public Accountants
Clarkesville, Georgia

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Financial Statement Findings

A. Current Year Audit Findings

Comment 15-1

Condition: There is a lack of sufficient internal controls in the office at Solid Waste, which is due to inadequate segregation of duties. The result is that one person prepares and makes deposits and records the receipt of funds. Failing to have an effective system of controls could lead to the misstatement of the financial statements.

Criteria: Proper internal controls require adequate segregation of duties.

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

Recommendation: To ensure that sufficient internal controls are in place, the office should properly segregate duties.

Management Response: Management concurs with this finding. Management will advise Elected Officials to implement the recommendation.

Comment 15-2

Condition: While performing audit procedures at the Sheriff's office, we noted that the bank reconciliations were not properly completed for all bank accounts.

Criteria: Proper internal controls require that cash accounts be reconciled to the general ledger in a timely manner, usually monthly.

Effect: Failure to reconcile cash accounts exposes the County to greater risk of loss and may lead to management decisions based on incorrect information.

Recommendation: Bank reconciliations should be completed for all bank accounts on a monthly basis.

Management Response: Management concurs with this finding.

Comment 15-3

Condition: While performing audit procedures at the Industrial Building Authority's office, we noted that the bank reconciliations were not properly completed for all bank accounts.

Criteria: Proper internal controls require that cash accounts be reconciled to the general ledger in a timely manner, usually monthly.

Effect: Failure to reconcile cash accounts exposes the County to greater risk of loss and may lead to management decisions based on incorrect information.

Recommendation: Bank reconciliations should be completed for all bank accounts on a monthly basis.

Management Response: Management concurs with this finding.

2. *Financial Statement Findings*

B. Prior Year Audit Finding Follow-Ups

Comment 13-1

Condition: There is a lack of sufficient internal controls in the Sheriff's Department, which is due to inadequate segregation of duties. The result is that one person maintains the checkbook, prepares and makes deposits, withes and signs all checks, and prepares al bank reconciliations. Failing to have an effective system of controls could lead to the misstatement of the financial statements.

Criteria: Proper internal controls require adequate segregation of duties in control over adjustments to the general ledger.

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

Recommendation: To ensure that sufficient internal controls are in place, the Sheriff's office should properly segregate duties.

Management Response: Management concurs with this finding. Management will advise Elected Officials to implement the recommendation

Comment 13-2

Condition: While performing audit procedures at the Commissioner's office, we noted that the bank reconciliations were not properly completed for all bank accounts.

Criteria: Proper internal controls require that cash accounts be reconciled to the general ledger in a timely manner, usually monthly.

Effect: Failure to reconcile cash accounts exposes the County to greater risk of loss and may lead to management decisions based on incorrect information.

Recommendation: Bank reconciliations should be completed for all bank accounts on a monthly basis.

Management Response: Management concurs with this finding.

Comment 13-3

Condition: During the year miscellaneous debits to the bank statement were not being posted to the general ledger. The bank statements were not being reconciled to detect this omission.

Criteria: Proper internal controls require that transactions be recorded and reconciled in a timely manner.

Effect: Failure to post transactions in a timely manner exposes the County to greater risk of loss due to fraud and may lead to financial statements that are materially misstated.

2. *Financial Statement Findings (continued)*

Recommendation: At a minimum, these items should be posted on a monthly basis.

Managements Response: Management concurs with this finding. Management will advise the appropriate Department Head to implement this recommendation.

Comment 13-4

Condition: During the year miscellaneous credits to the bank statement were not being posted to the general ledger. The bank statements were not being reconciled to detect this omission.

Criteria: Proper internal controls require that transactions be recorded and reconciled in a timely manner.

Effect: Failure to post transactions in a timely manner exposes the County to greater risk of loss due to fraud and may lead to financial statements that are materially misstated.

Recommendation: At a minimum, these items should be posted on a monthly basis.

Managements Response: Management concurs with this finding. Management will advise the appropriate Department Head to implement this recommendation.

Comment 13-5

Condition: While performing audit procedures on capital assets, we noted that capital asset additions and dispositions were not reconciled from the capital asset listing to the general ledger.

Criteria: Generally accepted accounting principles require that the capital asset listing be reconciled to the general ledger on a regular basis, usually monthly.

Effect: Failure to reconcile the capital asset listing to the general ledger may lead to financial statements that are materially misstated.

Recommendation: At a minimum, the capital asset listing should be reconciled to the general ledger on a monthly basis.

Managements Response: Management concurs with this finding. Management will advise the appropriate Department Head to implement the recommendation.

2. *Financial Statement Findings (continued)*

Comment 13-6

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.

Comment 13-7

Condition: The County experienced a material excess of expenditures over appropriations in the General Fund, and Drug Enforcement Special Revenue Fund.

Criteria: State law requires that the budget at the legal level of control not be over-expended.

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

Recommendation: The budgets should be reviewed regularly for compliance. This will assist management with budgetary decisions throughout the fiscal year.

2. *Financial Statement Findings (continued)*

Management Response: Management concurs with this finding. The County manager will review the comparative financial statements to budget and recommend any necessary budget revisions to the Board of Commissioners.

STATE REPORTING SECTION

This section contains additional reports required by the state of Georgia.

FRANKLIN COUINTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Periods	Current Periods	Total
SPLOST II					
Franklin County					
Recreation facilities	$ 1,600,000	$ 1,505,138	$ 1,507,807	$ -	$ 1,507,807
Fire equipment	1,140,800	1,073,160	1,129,150		1,129,150
Solid Waste improvements	1,120,000	1,053,593	969,835		969,835
Airport improvements	320,000	301,027	335,290		335,290
Construction and			-		-
improvements of roads	3,824,000	3,597,268	3,693,505		3,693,505
Industrial development	1,120,000	1,053,593	1,154,277		1,154,277
Water expansion	4,400,000	4,139,115	5,850,086		5,850,086
Courthouse improvements	160,000	150,513	178,987		178,987
Jail improvements	160,000	150,513	168,169		168,169
City of Lavonia	590,400	555,394	555,395		555,395
City of Royston	665,200	625,759	625,760		625,760
City of Canon	299,866	282,087	281,787		281,787
City of Carnesville	299,867	282,087	282,087		282,087
City of Franklin Springs	299,867	282,087	282,086		282,086
Total SPLOST II	$ 16,000,000	$ 15,051,334	$ 17,014,221	$ -	$ 17,014,221
SPLOST III					
Franklin County					
Recreation facilities	$ 1,620,000	$ 1,620,000	$ 1,795,814	$ -	$ 1,795,814
Public Safety	1,400,000	1,400,000			-
Emergency 911 equipment	-	-	381,467		381,467
Fire facilities and equipment	-	-	1,667,946		1,667,946
Airport improvements	360,000	360,000	350,108		350,108
Construction and improvements of roads	4,020,000	4,020,000	5,295,386		5,295,386
Industrial development	1,080,000	1,080,000	1,054,918		1,054,918
Water expansion	4,020,000	4,020,000	4,272,753		4,272,753
Courthouse improvements	180,000	180,000	460,579		460,579
Jail improvements	180,000	180,000	-		-
City of Lavonia	1,402,143	1,402,143	1,402,143		1,402,143
City of Royston	1,402,144	1,402,144	1,402,144		1,402,144
City of Canon	778,571	778,571	778,571		778,571
City of Carnesville	778,571	778,571	778,571		778,571
City of Franklin Springs	778,571	778,571	778,571		778,571
Total SPLOST III	$ 18,000,000	$ 18,000,000	$ 20,418,971	$ -	$ 20,418,971

FRANKLIN COUINTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Project	Estimated Cost*		Expenditures		
	Original	Current	Prior Periods	Current Periods	Total
SPLOST IV					
Franklin County					-
Recreation Facilities	$ 500,000	$ 500,000	$ 28,280	$ 8,856	$ 37,136
Public Safety	2,250,000	2,250,000	1,541,140	512,332	2,053,472
Courthouse/Public Facilties	200,000	200,000	55,981	7,500	63,481
Construction and Improvements of roads	3,550,000	3,550,000	2,882,230	902,224	3,784,454
Water Expansion	3,000,000	3,000,000	747,578	275,450	1,023,028
Industrial Development	4,000,000	4,000,000	2,142,662	400,000	2,542,662
Airport Improvements	100,000	100,000	35,842	16,728	52,570
City of Lavonia	1,402,140	1,402,140	789,933	290,122	1,080,055
City of Royston	1,402,140	1,402,140	781,198	290,122	1,071,320
City of Canon	778,570	778,570	436,202	161,097	597,299
City of Carnesville	778,570	778,570	436,203	161,097	597,300
City of Franklin Springs	778,570	778,570	436,202	161,097	597,299
Total SPLOST IV	$ 18,739,990	$ 18,739,990	$ 10,313,451	$ 3,186,625	$ 13,500,076

* 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.