FRANKLIN COUNTY

CARNESVILLE, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FRANKLIN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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 Franklin County, Georgia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Franklin County Health Department, which represent 11 percent, 0.39 percent, and 40 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for 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 the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Georgia, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted 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 require that the budgetary comparison and the historical pension information on pages 47-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 the state reporting section with the special purpose local option sales tax report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the state reporting section with the special purpose local option sales tax report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements and the state reporting section with the special purpose local option sales tax report are fairly stated, in all material respects, in relation to the basic 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 21, 2016 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

Duncan & Kitchens
Certified Public Accountants
Clarkesville, Georgia
December 21, 2016

BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2016

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Current assets				
Cash and cash equivalents	$ 7,595,474	$ 209,858	$ 7,805,332	$ 1,104,701
Restricted assets				
Cash	1,108,801	-	1,108,801	-
Certificates of deposit	11,672	1,385,218	1,396,890	-
Receivables (net)				
Accounts	207,372	182,628	390,000	36,428
Intergovernmental	93,202	-	93,202	-
Taxes	937,816	-	937,816	1,630
Notes	-	30,340	30,340	-
Internal Balances	478,156	(478,156)	-	-
Inventory	-	288,477	288,477	-
Prepaid expenses	157,005	-	157,005	-
Total current assets	10,589,498	1,618,365	12,207,863	1,142,759
Noncurrent assets				
Notes receivable	-	32,987	32,987	-
Capital assets				
Non-depreciable	4,968,337	667,596	5,635,933	2,188,586
Depreciable (net)	30,371,900	18,615,552	48,987,452	-
Total noncurrent assets	35,340,237	19,316,135	54,656,372	2,188,586
TOTAL ASSETS	$ 45,929,735	$ 20,934,500	$ 66,864,235	$ 3,331,345
Deferred Outflow of Resources				
Deferred Charges on Refunding	1,948,564	-	1,948,564	-
Pension Related Items	797,775	29,010	826,785	79,251
Total deferred outflow of Resources	2,746,339	29,010	2,775,349	79,251
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	48,676,074	20,963,510	69,639,584	3,410,596
LIABILITIES				
Current Liabilities				
Payables				
Accounts	$ 299,890	$ -	$ 299,890	$ 22,949
Intergovernmental	146,433	-	146,433	
Interest	-	20,205	20,205	
Accrued salaries and expenses	1,167,391	8,247	1,175,638	3,813
Due to other agencies	56,327	-	56,327	
Notes payable	-	225,698	225,698	
Lease Payable	11,116	-	11,116	
Bonds payable	68,758	285,000	353,758	
Compensated Absences	-	11,672	11,672	25,276
Other liabilities	137,318	-	137,318	
Total current liabilities	1,887,233	550,822	2,438,055	52,038

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2016

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Noncurrent liabilities				
Compensated absences	$ 571,570	$ -	$ 571,570	$ 13,021
Net Pension Liability	1,924,774	69,992	1,994,766	23,330
Proportionate share of net pension liability	-	-	-	385,288
Leases Payable	227,171	-	227,171	-
Notes payable	-	2,606,651	2,606,651	-
Bonds payable	13,957,474	1,960,000	15,917,474	-
Post-closure care costs	-	1,106,331	1,106,331	-
Total noncurrent liabilities	16,680,989	5,742,974	22,423,963	421,639
TOTAL LIABILITIES	18,568,222	6,293,796	24,862,018	473,677
Deferred Inflows of Resources				
Pension related items	214,452	7,798.00	222,250	37,665
TOTAL LIABLITIES AND DEFERRED INFLOW OF RESOURCES	18,782,674	6,301,594	25,084,268	511,342
NET POSITION				
Net Investment in Capital Assets	$ 35,101,950	$ 15,592,194	$ 50,694,144	$ 2,188,586
Restricted for:				
Judicial	210,326	-	210,326	-
Public Safety	1,302,730	-	1,302,730	-
Capital outlay	5,106,418	67,297	5,173,715	-
Unrestricted	(11,828,024)	(997,575)	(12,825,599)	710,668
TOTAL NET POSITION	**$** 29,893,400	**$** 14,661,916	**$** 44,555,316	**$** 2,899,254

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

		Primary Government			
		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
FUNCTIONS/PROGRAMS					
Primary government					
Governmental activities					
General Government	$ 2,742,195	$ 393,952	$ 3,705	$	$ (2,344,538)
Judicial	1,815,858	1,886,155			70,297
Public Safety	8,023,768	2,260,120	449,090		(5,314,558)
Public Works	3,187,823	2,265		405,660	(2,779,898)
Health and Welfare	340,398		115,290		(225,108)
Culture and Recreation	589,936	113,479			(476,457)
Airport	12,728				(12,728)
Housing and Development	90,818				(90,818)
Interest on long-term debt	831,529				(831,529)
Total governmental activities	17,635,053	4,655,971	568,085	405,660	(12,005,337)
Business-type activities					
Water and Sewer	1,496,592	1,324,956	-	328,255	156,619
Solid Waste	46,470	33,705	-	-	(12,765)
Total business-type activities	1,543,062	1,358,661	-	328,255	143,854
Total primary government	$ 19,178,115	$ 6,014,632	$ 568,085	$ 733,915	$ (11,861,483)
Component Units					
Franklin County Industrial Building Authority					
Housing and Development	119,153	-	-	57,300	(61,853)
Franklin County Health Department					
Health and Welfare	633,398	235,244	312,300	-	(85,854)
Total component units	$ 752,551	$ 235,244	$ 312,300	$ 57,300	$ (147,707)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Change in net assets				
Net (expense) revenue	$ (12,005,337)	$ 143,854	$ (11,861,483)	$ (147,707)
General revenues				
Taxes				
Property	6,699,941	-	6,699,941	150,405
Sales	5,001,917	-	5,001,917	-
Insurance premium	824,151	-	824,151	-
Intangible	109,602	-	109,602	-
Franchise	45,076	-	45,076	-
Real estate transfer	26,194	-	26,194	-
Occupational	13,710	-	13,710	-
Other	49,738	-	49,738	-
Interest and investment earnings	3,101	3,773	6,874	-
Payments from Franklin County	-	-	-	101,431
Loss on Sale of Capital Assets	7,008	-	7,008	-
Transfers	(6,270)	6,270	-	-
Total general revenues and transfers	12,774,168	10,043	12,784,211	251,836
Change in Net Position	768,831	153,897	922,728	104,129
Net Position - Beginning of Year-as previously reported	29,057,502	14,871,319	43,928,821	2,769,004
Prior Period Adjustment	67,067	(363,300)	(296,233)	26,121
Net Position - Beginning of Year - as restated	29,124,569	14,508,019	43,632,588	2,795,125
Net Position - End of Year	$ 29,893,400	$ 14,661,916	$ 44,555,316	$ 2,899,254

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	GENERAL	SPLOST IV	SPLOST V	EMERGENCY 911	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
ASSETS						
Cash and cash equivalents	$ 2,493,389	$ 1,835,761	$ 2,753,792	$ 54,195	$ 458,337	$ 7,595,474
Receivables (net)						
Accounts	149,243	-	-	58,129	-	207,372
Intergovernmental	13,962	-	-	-	79,240	93,202
Taxes	403,933	533,883	-	-	-	937,816
Prepaid expenses	157,005	-	-	-	-	157,005
Due from other funds	1,571,294	-	-	-	65,485	1,636,779
Restricted Assets						
Cash	1,077,677	-	31,124	-	-	1,108,801
Certificates of deposit	-	-	-	-	11,672	11,672
TOTAL ASSETS	$ 5,866,503	$ 2,369,644	$ 2,784,916	$ 112,324	$ 614,734	$ 11,748,121
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Payables						
Accounts	$ 299,750	$ -	$ -	$ -	$ 140	$ 299,890
Intergovernmental	-	146,433	-	-	-	146,433
Excess taxes	137,318	-	-	-	-	137,318
Accrued salaries and expenses	1,105,929	-	-	36,865	24,597	1,167,391
Due to other agencies	-	-	-	-	56,327	56,327
Due to other funds	65,485	-	-	1,093,138	-	1,158,623
TOTAL LIABILITIES	1,608,482	146,433	-	1,130,003	81,064	2,965,982
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	13,872	-	-	-	-	13,872
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,622,354	146,433	-	1,130,003	81,064	2,979,854
FUND BALANCES						
Nonspendable prepaid	157,005	-	-	-	-	157,005
Restricted for:						-
Judicial	-	-	-	-	210,326	210,326
Public Safety	1,077,677	-	-	-	225,053	1,302,730
Capital projects	-	2,223,211	2,784,916	-	98,291	5,106,418
Unassigned	3,009,467	-	-	(1,017,679)	-	1,991,788
TOTAL FUND BALANCES	4,244,149	2,223,211	2,784,916	(1,017,679)	533,670	8,768,267
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 5,866,503	$ 2,369,644	$ 2,784,916	$ 112,324	$ 614,734	$ 11,748,121

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 POSITION
JUNE 30, 2016

Adjustments to the Statement of Net Position		
Fund Balance		8,768,267
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of $68,127,743, net of accumulated depreciation of ($32,787,506), are not financial resources and, therefore, are not reported in the funds		35,340,237
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Charges on Refunding	1,948,564	
Deferred Outflows - Pension Related Items	797,775	
Deferred Inflows - Pension Related Items	(214,452)	2,531,887
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds		
Property Taxes		13,872
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are capital leases payable ($238,287) bonds payable ($14,026,232), compensated absences of ($571,570) and net pension liability of ($1,924,774)		(16,760,863)
Total Net Position of Governmental Activities (Exhibit A-1)		29,893,400

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	GENERAL	SPLOST IV	SPLOST V	EMERGENCY 911	NONMAJOR GOVERNMENTAL FUNDS	TOTALS
REVENUES						
Taxes	$ 9,635,427	$ 3,076,213	$ -	$ -	$ -	$ 12,711,640
Licenses and permits	5,920	-	-	-	-	5,920
Fines, fees and forfeitures	1,245,229	-	-	-	1,003,869	2,249,098
Charges for services	1,906,246	-	-	401,469	72,585	2,380,300
Intergovernmental	846,738	-	-	-	127,007	973,745
Interest	2,646	125	126	10	194	3,101
Other	64,200	-	1,000	-	-	65,200
TOTAL REVENUES	13,706,406	3,076,338	1,126	401,479	1,203,655	18,389,004
EXPENDITURES						
Current						-
General Government	2,599,974	-	-	-	-	2,599,974
Judicial	1,050,413	41,423	-	-	746,512	1,838,348
Public Safety	6,177,687	371,873	-	741,884	354,444	7,645,888
Public Works	1,092,789	319,081	-	-	-	1,411,870
Health and Welfare	315,677	-	-	-	-	315,677
Culture and Recreation	366,145	83,934	-	-	-	450,079
Housing and Development	83,191	-	-	-	-	83,191
Airport	-	12,728	-	-	-	12,728
Debt Service	645,894	-	32,233	-	-	678,127
Intergovernmental	-	901,044	260,969	-	-	1,162,013
TOTAL EXPENDITURES	12,331,770	1,730,083	293,202	741,884	1,100,956	16,197,895
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,374,636	1,346,255	(292,076)	(340,405)	102,699	2,191,109
OTHER FINANCING SOURCES(USES)						
Proceeds from Capital Leases	29,849	-	-	-	-	29,849
Proceeds of Refunding Bond	9,585,000	-	-	-	-	9,585,000
Premium on Refunding Bond Issuance	1,306,406	-	-	-	-	1,306,406
Proceeds from Bonds	-	-	3,135,000	-	-	3,135,000
Payment to Refunded Debt Escrow Agent	(10,018,521)	-	-	-	-	(10,018,521)
Debt Issuance Cost	(254,365)	-	(58,008)	-	-	(312,373)
TOTAL OTHER FINANCING SOURCES (USES)	648,369	-	3,076,992	-	-	3,725,361
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out	(6,270)	-	-	-	-	(6,270)
TOTAL TRANSFERS	(6,270)	-	-	-	-	(6,270)
NET CHANGE IN FUND BALANCE	2,016,735	1,346,255	2,784,916	(340,405)	102,699	5,910,200
FUND BALANCE - BEGINNING OF YEAR	2,227,414	876,956	-	(677,274)	430,971	2,858,067
FUND BALANCE - END OF YEAR	$ 4,244,149	$ 2,223,211	$ 2,784,916	$ (1,017,679)	$ 533,670	$ 8,768,267

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Adjustments to the Statement of Activities		
Net Change in Fund Balance		5,910,200
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	$ 523,034	
Depreciation expense	(1,770,777)	(1,247,743)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		13,872
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 ($14,056,255) exceed repayments of $10,177,492		(3,878,763)
In the statement of activities, gains and losses on the sale 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 ($1,630,910), net of accumulated depreciation of $1,630,561		(349)
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.		41,805
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.		(70,191)
Change in Net Position of Governmental Activities (Exhibit A-2)		768,831

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES		
	WATER AND SEWER	SOLID WASTE	TOTALS
ASSETS			
Current Assets			
Cash and cash equivalents	$ 138,419	$ 71,439	$ 209,858
Restricted assets			
Certicates of deposit	1,385,218	-	1,385,218
Receivables			
Accounts (net)	182,628	-	182,628
Notes	-	30,340	30,340
Inventory	288,477	-	288,477
Total Current Assets	1,994,742	101,779	2,096,521
Noncurrent Assets			
Notes receivable	-	32,987	32,987
Capital assets			
Non-depreciable	288,620	378,976	667,596
Depreciable (net)	18,612,940	2,612	18,615,552
Total Noncurrent Assets	18,901,560	414,575	19,316,135
TOTAL ASSETS	20,896,302	516,354	21,412,656
Deferred Outflow of Resources			
Pension related items	19,340	9,670	29,010
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 20,915,642	$ 526,024	$ 21,441,666
LIABILITIES			
Current liabilities			
Interest payable	$ 20,205	$ -	$ 20,205
Accrued salaries	7,095	1,152	8,247
Compensated absences	11,291	381	11,672
Due to Other Funds	379,587	98,569	478,156
Current portion of Long term Note	225,698	-	225,698
Bonds payable	285,000	-	285,000
Total Current Liabilities	928,876	100,102	1,028,978
Noncurrent liabilities			
Notes payable	2,606,651	-	2,606,651
Bonds payable	1,960,000	-	1,960,000
Net Pension Obligation	46,660	23,332	69,992
Post-closure care costs	-	1,106,331	1,106,331
Total Noncurrent Liabilities	4,613,311	1,129,663	5,742,974
TOTAL LIABILITIES	5,542,187	1,229,765	6,771,952
Deferred Inflow of Resources			
Pension related items	5,199	2,599	7,798
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	5,547,386	1,232,364	6,779,750
NET POSITION			
Net investment in capital assets	15,210,606	381,588	15,592,194
Restricted for capital outlay	67,297	-	67,297
Unrestricted	90,353	(1,087,928)	(997,575)
TOTAL NET POSITION	15,368,256	(706,340)	14,661,916
TOTAL LIABILITIES AND NET POSITION	$ 20,915,642	$ 526,024	$ 21,441,666

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES		
	WATER AND SEWER	SOLID WASTE	TOTALS
OPERATING REVENUES			
Charges for sales and services	$ 1,324,956	$ 33,705	$ 1,358,661
TOTAL OPERATING REVENUES	1,324,956	33,705	1,358,661
OPERATING EXPENSES			
Costs of sales and services	661,030	19,022	680,052
Personal services	212,131	19,032	231,163
Depreciation	496,435	1,959	498,394
Other	6,066	697	6,763
TOTAL OPERATING EXPENSES	1,375,662	40,710	1,416,372
OPERATING INCOME (LOSS)	(50,706)	(7,005)	(57,711)
NON-OPERATING REVENUES (EXPENSE)			
Interest revenue	3,742	31	3,773
Payments to other agencies	-	(5,760)	(5,760)
Interest expense	(120,930)	-	(120,930)
TOTAL NON-OPERATING REVENUES (EXPENSE)	(117,188)	(5,729)	(122,917)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(167,894)	(12,734)	(180,628)
CAPITAL CONTRIBUTIONS			
Capital contributions	328,255	-	328,255
TOTAL CAPITAL CONTRIBUTIONS	328,255	-	328,255
NET INCOME (LOSS) BEFORE TRANSFERS	160,361	(12,734)	147,627
TRANSFERS			
Transfers in	-	6,270	6,270
Transfers out	-	-	-
TOTAL TRANSFERS	-	6,270	6,270
NET INCOME (LOSS)	160,361	(6,464)	153,897
TOTAL NET POSITION-BEGINNING OF YEAR-AS PREVIOUSLY REPORTED	15,554,428	(683,109)	14,871,319
PRIOR PERIOD ADJUSTMENT	(346,533)	(16,767)	(363,300)
TOTAL NET POSITION-BEGINNING OF YEAR-AS RESTATED	15,207,895	(699,876)	14,508,019
TOTAL NET POSITION-END OF YEAR	$ 15,368,256	$ (706,340)	$ 14,661,916

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES		
	WATER AND SEWER	SOLID WASTE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 1,324,956	$ 33,705	$ 1,358,661
Payment to Suppliers	(614,009)	-	(614,009)
Payments to employees	(197,493)	-	(197,493)
Other payments	(6,067)	(61)	(6,128)
NET CASH PROVIDED BY OPERATING ACTIVITIES	507,387	33,644	541,031
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfer (To) From other funds	-	6,270	6,270
Payments to other agencies	-	(5,760)	(5,760)
NET CASH PROVIDED(USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES	-	510	510
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid	(120,930)	-	(120,930)
Acquisition of capital assets	(328,255)	-	(328,255)
Contributed capital	328,255	-	328,255
Principal payment - bonds payable	(280,000)	-	(280,000)
Principal payment - notes payable	(224,182)	-	(224,182)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(625,112)	-	(625,112)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	3,742	31	3,773
NET CASH PROVIDED BY INVESTING ACTIVITIES	3,742	31	3,773
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(113,983)	34,185	(79,798)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,637,620	37,254	1,674,874
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,523,637	71,439	1,595,076
Reconciliation of operating Income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(50,706)	(7,005)	(57,711)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	496,435	1,959	498,394
(Increase) decrease in accounts receivable	(15,234)	-	(15,234)
(Increase) decrease in Deferred Outflows	(17,713)	(8,856)	(26,569)
(Increase) decrease in inventory	47,989	-	47,989
Increase (decrease) in accounts payable	(2,520)	-	(2,520)
Increase (decrease) in accrued liabilities	3,110	202	3,312
Increase (decrease) in Due to Oher Funds	29,328	58,186	87,514
Increase (decrease) in Net Pension Libility	11,499	5,750	17,249
Increase (decrease) in Deferred Inflows	5,199	2,599	7,798
Increase (decrease) in Post-Closure Care costs		(19,191)	(19,191)
Total adjustments	558,093	40,649	598,742
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 507,387	$ 33,644	$ 541,031

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	AGENCY FUNDS
ASSETS	
Cash and cash equivalents	$ 590,922
TOTAL ASSETS	$ 590,922
LIABILITIES	
Due to other agencies	$ 590,922
TOTAL LIABILITIES	$ 590,922

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2016

	FRANKLIN COUNTY INDUSTRIAL BUILDING AUTHORITY	FRANKLIN COUNTY HEALTH DEPARTMENT	TOTALS
ASSETS			
Current Assets			
Cash and cash equivalents	$ 708,804	$ 395,897	$ 1,104,701
Receivables (net)			
Accounts	24,456	11,972	36,428
Taxes	1,630	-	1,630
Total Current Assets	734,890	407,869	1,142,759
Noncurrent Assets			
Capital assets			
Non-depreciable	2,188,586	-	2,188,586
Depreciable (net)	-	-	-
Total Noncurrent Assets	2,188,586		2,188,586
TOTAL ASSETS	2,923,476	407,869	3,331,345
Deferred Outflow of Resources			
Pension related items	9,670	69,581	79,251
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	2,933,146	477,450	3,410,596
LIABILITIES			
Current Liabilities			
Accounts payable	16,428	6,521	22,949
Accrued salaries and expenses	3,813	-	3,813
Compensated absences due within one year	-	25,276	25,276
Total Current Liabilities	20,241	31,797	52,038
Noncurrent Liabilities			
Compensated absences due after one year	-	13,021	13,021
Net Pension Liability	23,330	385,288	408,618
Total Noncurrent Liabilities	23,330	398,309	421,639
TOTAL LIABILITIES	43,571	430,106	473,677
DEFERRED INFLOW OF RESOURCES			
Pension Related Items	2,600	35,065	37,665
Total Deferred Inflow of Resources	2,600	35,065	37,665
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	46,171	465,171	511,342
NET POSITION			
Net Investment in Capital Assets	2,188,586	-	2,188,586
Unrestricted	698,389	12,279	710,668
TOTAL NET POSITION	$ 2,886,975	$ 12,279	$ 2,899,254

The accompanying notes are an integral part of these financial statements

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	FRANKLIN COUNTY INDUSTRIAL BUILDING AUTHORITY	FRANKLIN COUNTY HEALTH DEPARTMENT	TOTALS
EXPENSES			
Health and Welfare	$ -	$ 633,398	$ 633,398
Housing and Development	119,153	-	119,153
TOTAL EXPENSES	119,153	633,398	752,551
PROGRAM REVENUES			
Charges for services		235,244	235,244
Operating grants and contributions		312,300	312,300
Capital grants and contributions	57,300	-	57,300
TOTAL PROGRAM REVENUES	57,300	547,544	604,844
Net (expense) revenue	(61,853)	(85,854)	(147,707)
GENERAL REVENUES			
Property taxes	150,405	-	150,405
Interest	-	-	-
Payments from Franklin County			
Transfers	-	101,431	101,431
TOTAL GENERAL REVENUES	150,405	101,431	251,836
CHANGE IN NET POSITION	88,552	15,577	104,129
NET POSITION - Beginning of Year - As Previously Reported	2,815,190	(46,186)	2,769,004
Prior Period Adjustment	(16,767)	42,888	26,121
NET POSITION - Beginning of Year - Restated	2,798,423	(3,298)	2,795,125
NET POSITION- End of Year	$ 2,886,975	$ 12,279	$ 2,899,254

The 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.

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.

NOTE 2 - (Continued)

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 not 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 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

NOTE 2 - (Continued)

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*.

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

NOTE 2 - (Continued)

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.

Special Purpose Local Option Sales Tax V 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 2015 referendum. Revenue collections for the SPLOST V fund has not started as of the date of the financial statements. However, the County issued bonds in advance of the revenue collections which are accounted for in the SPLOST V fund.

Emergency 911 Fund – This fund is used to account for the collections of user fees and the operations of the County's E911 dispatch center.

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.

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.

NOTE 2 - (Continued)

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.

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

NOTE 2 - (Continued)

accrual basis, revenue from non-exchange transactions also must be available (i.e., collected before June 30, 2016 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

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 November 15, 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."

NOTE 2 - (Continued)

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, 2016, 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 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

NOTE 2 - (Continued)

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.

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.

NOTE 2 – (Continued)

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.

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 "net investment in capital assets", consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net 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.

13 Deferred Outflows/Inflows of Resources

The County implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources,*

NOTE 2 – (Continued)

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.

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. Deferred Revenue is one such example 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. In the proprietary funds, the county records deferred inflows related to pension obligations.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The County manager 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, 2016, 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			
County Manager	$ 269,307	$ 278,930	$ (9,623)
Probate Court	210,782	218,536	(7,754)
Fire Department	310,623	313,115	(2,492)
County Marshall	51,782	54,222	(2,440)
Senior Center	182,809	184,786	(1,977)

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.

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, 2016, consist of the following:

Primary Government:		
Major Funds		
General Fund	$ 239,437	
Less: Allowance for Uncollectibles	(90,194)	149,243
Emergency 911 Special Revenue Fund		58,129
		$ 207,372
Enterprise Funds		
Water and Sewer	222,641	
Less: Allowance for Uncollectibles	(40,013)	182,628
Total primary government		$ 390,000
Component Units		
Franklin County Industrial Building Authority	24,456	
Franklin County Health Department	11,972	$ 36,428

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2016, consist of the following:

Major Funds		
General Fund		
Franklin County Industrial Building Authority	$ 12,397	
Northern Judicial Circuit Public Defender's Office	1,565	13,962
Nonmajor Funds		
Special Revenue Funds		
MANS Unit		
Georgia Criminal Justice Coordinating Council	16,456	
Probation Services		
Northern Judicial Circuit	62,784	79,240
Total primary government		$ 93,202

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 2016, 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.

NOTE 7 – (Continued)

Taxes receivable as of June 30, 2016, consist of property taxes for seven years as follows:

Year of Levy	Franklin County	Franklin County Industrial Building Authority
2016	11,748	270
2015	57,976	1,361
2014	13,207	392
2013	7,486	226
2012	5,110	155
2011	3,821	116
2010	3,403	103
2009 & prior	10,498	133
	113,249	2,756
Less allowance for uncollectible	(43,524)	(1,126)
Total	$ 69,725	$ 1,630

Other Taxes

$334,208 of Local Option Sales Tax (LOST) and $533,883 of Special Purpose Local Option Sales Tax (SPLOST) are also included in taxes receivable.

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund receivables and payables as of June 30, 2016, is as follows:

Receivable Fund	Payable Fund	Amount
General	E911	1,093,138
General	Water and Sewer Enterprise	379,587
General	Solid Waste Fund	98,569
Nonmajor	General	65,485
Total		$ 1,636,779

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, 2016 there were as follows:

NOTE 8 – (Continued)

	Major Funds		
	General	Solid Waste	Combined
Transfer Out To:			
Major Funds			
Solid Waste	$ (6,270)	$ -	$ (6,270)
Transfer In From:			
Major Funds			
General	-	6,270	6,270
	$ (6,270)	$ 6,270	$ -

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.

The following is a schedule of the future minimum receivable payments as of June 30, 2016:

Fiscal Year Ending June 30,	**Principal**	**Interest**	**Total**
2017	$ 30,340	$ 6,004	$ 36,344
2018	14,182	1,394	15,576
2019	14,945	631	15,576
2020	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, 2016 was as follows:

	Balance 6/30/2015	Increase	Decrease	Balance 6/30/2016
Governmental Activities				
Nondepreciable assets				
Land	$ 4,968,337	$ -	$ -	$ 4,968,337
Depreciable assets				
Land Improvements	1,228,432	-	-	1,228,432
Infrastructure	42,146,869	-	-	42,146,869
Buildings	11,170,366	22,700	-	11,193,066
Machinery and equipment	2,731,680	53,803	(298,535)	2,486,948
Vehicles	6,989,935	446,531	(1,332,375)	6,104,091
Total depreciable assets	64,267,282	523,034	(1,630,910)	63,159,406
Accumulated Depreciation				
Land Improvements	(762,372)	(81,895)		(844,267)
Infrastructure	(19,426,371)	(842,314)	-	(20,268,685)
Buildings	(4,347,744)	(282,543)	-	(4,630,287)
Machinery and equipment	(2,373,653)	(106,055)	298,535	(2,181,173)
Vehicles	(5,737,150)	(457,970)	1,332,026	(4,863,094)
Total accumulated depreciation	(32,647,290)	(1,770,777)	1,630,561	(32,787,506)
Total depreciable assets, net	31,619,992	(1,247,743)	(349)	30,371,900
Governmental Activities capital assets, net	$ 36,588,329	$ (1,247,743)	$ (349)	$ 35,340,237

Governmental activities disposed of capital assets during the year. Some of the assets disposed of were not fully depreciated. This resulted in a net loss on disposal of $349 for the year.

NOTE 10 – (Continued)

	Balance 6/30/2015	Increase	Decrease	Balance 6/30/2016
Business-type Activities				
Nondepreciable assets				
Land	$ 399,323	$ -	$ -	$ 399,323
Construction in progress	-	268,273	-	268,273
Total non-depreciable assets	399,323	268,273	-	667,596
Depreciable assets				
Land improvements	29,382	-	-	29,382
Distribution system	23,985,626	-	-	23,985,626
Buildings	32,380	8,000	-	40,380
Machinery and equipment	323,636	-	(25,626)	298,010
Vehicles	254,280	51,982	(20,210)	286,052
Total depreciable assets	24,625,304	59,982	(45,836)	24,639,450
Accumulated Depreciation				
Land improvements	(24,811)	(1,959)	-	(26,770)
Distribution system	(4,966,955)	(483,547)	-	(5,450,502)
Buildings	(8,860)	(910)	-	(9,770)
Machinery and equipment	(316,434)	(6,720)	25,626	(297,528)
Vehicles	(254,280)	(5,258)	20,210	(239,328)
Total accumulated depreciation	(5,571,340)	(498,394)	45,836	(6,023,898)
Total depreciable assets, net	19,053,964	(438,412)	-	18,615,552
Business-type Activities capital assets, net	$ 19,453,287	$ (170,139)	$ -	$ 19,283,148

Capital asset activity for the Industrial Building Authority Component Unit for the fiscal year ended June 30, 2016 was as follows:

	Balance 6/30/2015	Increase	Decrease	Balance 6/30/2016
Industrial Building Authority Component Unit				
Nondepreciable assets				
Land	$ 2,117,749	$ 322,426	$ (251,589)	$ 2,188,586
Industrial Building Authority Component Unit capital assets, net	$ 2,117,749	$ 322,426	$ (251,589)	$ 2,188,586

NOTE 10 – (Continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government		
Governmental activities		
General Government	$	140,284
Public Safety		497,973
Public Works		968,848
Health and Welfare		23,535
Culture and Recreation		140,137
Total depreciation expense for governmental activities	$	1,770,777
Business-type activities		
Water and Sewer	$	496,435
Solid Waste		1,959
Total depreciation expense for business-type activities	$	498,394

NOTE 11 – OTHER LIABILITIES

At June 30, 2016, the County had $137,318 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, 2016 are $238,287 for governmental activities.

Total assets leased under capital leases are $247,084 for governmental activities and are classified as follows:

	Governmental Activities	
	Cost	**Accumulated Depreciation**
Machinery and Equipment	247,084	$ (56,826)

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

NOTE 12 – (Continued)

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, 2016:

Year Ending June 30	
2017	18,779
2018	18,780
2019	213,687
2020	7,327
2021	1,221
Total minimum lease payments	259,794
Less amounts representing interest	(21,507)
Present value of minimum lease payments	238,287

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 five-year estimated useful life. The depreciation expense for the year ended June 30, 2016 is $41,084.

Kubota Financing

On August 12, 2015, the County entered into a Capital Lease with Kubota Leasing for the acquisition of a Kubota M8560HDC Tractor. The original amount of the lease was $29,849. The lease calls for monthly payments of $610.58 for 60 months. This lease has an interest rate of 8.374% per annum. The asset is recorded in the General Fund. The equipment has a five-year estimated useful life. The depreciation expense for the year ended June 30, 2016 is $5,472.

NOTE 13 – LONG –TERM DEBT

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2016:

Bonds payable	$ 8,215,000	$ 12,720,000	$ (8,215,174)	$ 12,719,826	$ -
Unamortized Bond Premium	-	1,306,406	-	1,306,406	68,758
Total general obligation bonds	8,215,000	14,026,406	(8,215,174)	14,026,232	68,758
Capital Lease Payable	217,235	29,849	(8,797)	238,287	11,116
Compensated absences	501,379	70,191	-	571,570	-
Total Governmental activities	$ 8,933,614	$ 14,126,446	$ (8,223,971)	$ 14,836,089	$ 79,874
Business-type activities					
Notes payable	$ 3,056,531	$ -	$ (224,182)	$ 2,832,349	$ 225,698
Bonds payable	2,525,000	-	(280,000)	2,245,000	285,000
Post-closure care costs	1,125,522	-	(19,191)	1,106,331	-
Compensated absences	9,695	1,977	-	11,672	-
Total business-type activities	$ 6,716,748	$ 1,977	$ (523,373)	$ 6,195,352	$ 510,698
Health Department Component Unit					
Compensated absences	$ 37,367	$ 27,611	$ (26,681)	$ 38,297	$ 25,276
Total Health Department Component Unit	$ 37,367	$ 27,611	$ (26,681)	$ 38,297	$ 25,276

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 (Series 2010 Anticipation Certificates) 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 Anticipation Certificates. The County released all parties related to the Series 2010 Anticipation Certificates and assumed full liability for the remaining balance.

NOTE 13– (Continued)

In May of 2016, the County issued 2016 Series A and Series B bonds in an amount of $8,510,000 and $1,075,000 respectively. The proceeds from these bonds will be used for the purpose of refunding the remaining $8,065,000 balance on the Series 2010 Anticipation Certificates. The refunding transaction resulted in aggregate debt service savings of $1,275,821 and an economic gain (net present value of the aggregate debt service savings) of $832,843.

General Obligation Bonds

General obligation bonds have been issued by the County and consist of the following:

In 2016, Franklin County issued The Franklin County General Obligation Bonds, Series 2016A and the Franklin County Taxable General Obligation Bonds, Series 2016B. The Bonds are being issued to provide funds to finance (i) the costs of advance refunding and redeeming the outstanding Hospital Authority of the City of Lavonia Revenue Anticipation Certificates (Ty Cobb Regional Medical Center Project), Series 2010; (ii) the costs of a municipal bond insurance policy relating to the Bonds to be issued by Build America Mutual, (iii) capitalized interest on the bonds; and (iv) the costs of issuance of the bonds.

The Series 2016A bonds were issued in the amount of $8,510,000. Payment on the bonds are due installments ranging from $33,023 to $827,400 to be paid through July 1, 2035. The interest rate on the bonds varies from 2% to 4% over the life of the bonds.

Annual debt service requirements to maturity for the 2016 Series A bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	-	33,023	33,023
2018	-	321,300	321,300
2019	-	321,300	321,300
2020	-	321,300	321,300
2021	-	321,300	321,300
2022-2026	1,810,000	1,544,800	3,354,800
2027-2031	3,020,000	1,107,400	4,127,400
2032-2036	3,680,000	453,200	4,133,200
Totals	$ 8,510,000	$ 4,423,623	$ 12,933,623

NOTE 13– (Continued)

The Series 2016B bonds were issued in the amount of $1,075,000. Payment on the bonds are due installments ranging from $2,210 to $311,500 to be paid through July 1, 2022. The interest rate on the bonds varies from 1.43% to 2.08% over the life of the bonds. Annual debt service requirements to maturity for the 2016 Series B bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	-	2,210	2,210
2018	-	21,500	21,500
2019	290,000	21,500	311,500
2020	295,000	15,700	310,700
2021	300,000	9,800	309,800
2022	190,000	3,800	193,800
Totals	$ 1,075,000	$ 74,510	$ 1,149,510

During 2015, the County issued Series 2015 General Obligation Sales Tax Bonds. The bonds were all issued to a local financial institution for a total of $3,135,000 as an advanced funding for the construction of capital projects as approved in the SPLOST V referendum. The bond carries a fixed interest rate of 1.99% for the life of the bond. Annual debt service requirements for the Series 2015 General Obligation Sales Tax Bonds is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	-	62,733	62,733
2018	-	62,387	62,387
2019	1,025,000	52,188	1,077,188
2020	1,045,000	31,591	1,076,591
2021	1,064,826	10,597	1,075,423
Totals	$ 3,134,826	$ 219,496	$ 3,354,322

Revenue Bonds

Revenue bonds have been issued for business-type activities and are comprised of the following individual issue at June 30, 2016:

The Franklin County Water and Sewerage Authority issued 2008 series revenue bonds in the amount of $4,190,000. The bonds are due in annual installments of $250,000 to $355,000 through March 1. 2023; interest at 3.599% ($2,245,000

NOTE 13 – (Continued)

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
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	330,000	37,070	367,070
2022-2023	700,000	37,969	737,969
Totals	$ 2,245,000	$ 334,707	$ 2,579,707

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, 2016, the balance of this note is $872,953. Quarterly installments of $32,332 principal are due through March 1, 2023; interest at 0%. Annual debt service requirements to maturity for the notes payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	129,326	-	129,326
2018	129,326	-	129,326
2019	129,326	-	129,326
2020	129,326	-	129,326
2021	129,326	-	129,326
2022-2023	226,323	-	226,323
Totals	$ 872,953	$ -	$ 872,953

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, 2016, the balance of this note is $468,258 Monthly installments of $2,426 principal are due through July 1, 2033; interest at 0%.

NOTE 13 – (Continued)

Annual debt service requirements for notes payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	$ 29,114	$ -	$ 29,114
2018	29,114	-	29,114
2019	29,114	-	29,114
2020	29,114	-	29,114
2021	29,114	-	29,114
2022-2026	145,570	-	145,570
2027-2031	145,570	-	145,570
2032-2033	31,548	-	31,548
Totals	$ 468,258	$ -	$ 468,258

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, 2016, the balance of this note is $1,491,138. Monthly installments of $8,193 principal and interest are due beginning November 1, 2014 through October 1, 2034; interest at 2.13%. Annual debt service requirements for notes payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	73,220	25,096	98,316
2022-2026	390,193	101,387	491,580
2027-2031	434,002	57,579	491,581
2032-2035	316,086	11,642	327,728
Totals	$ 1,491,138	$ 311,331	$ 1,802,469

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

NOTE 14 – 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 $1,106,331 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 15 – DEFICIT EQUITY BALANCES

Business-type Activities

At June 30, 2016, the Solid Waste Enterprise Fund has negative net assets of $706,339. 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 16 – 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	$ 157,005
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.	$ 1,077,677
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	2,223,211
SPLOST V Fund	
Capital outlay projects – For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved Referendum	2,784,916
Nonmajor Special Revenue Funds	
Judicial Programs:	
Probation Service – To account for funds legally restricted for the operation of Probation Services.	103,672
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	106,654
Public Safety Programs:	
Drug Enforcement – To account for funds received from surcharges on fines and forfeitures restricted for Drug Enforcement.	11,609
MANS Unit – To account for funds legally restricted for law enforcement activity.	158,253

NOTE 16 – (Continued)

Inmate Welfare – Used to account for funds held in trust for inmates while incarcerated.	55,191
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	98,291
	$ 6,619,474

NOTE 17 - 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.

The County along with the Industrial Building Authority Component Unit are enrolled in the same defined benefit plan through GEBCorp. As a result, a portion of the deferred outflows, deferred inflows, and net pension liability have been allocated to the Industrial Building Authority.

Participant counts as of December 1, 2015 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

NOTE 17 – (Continued)

Retirees, Beneficiaries and Disables receiving benefits	41
Terminated plan participants entitled to but not yet receiving benefits	98
Active employees participating in the Plan	120
Total number of Plan Participants	259

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.

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, 2016, the County reported a net pension liability of $2,018,096. The net pension liability was measured as of December 31, 2015, and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. For the fiscal year ended June 30, 2016, the County recognized pension expense of $ 608,046.

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 484,934	$ (224,850)
Change in assumptions	351,521	-
	$ 836,455	$ (224,850)

NOTE 17 – (Continued)

Allocations between the primary government and the Industrial Building Authority are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	$ 826,785	$ (222,250)
Industrial Building Authority	9,670	(2,600)
	$ 836,455	$ (224,850)

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

Year Ending June 30	Primary Government	Industrial Building Authority
2017	$ 115,516.24	$ 1,351
2018	115,516.24	1,351
2019	115,516.24	1,351
2020	115,516.24	1,351
2021	115,516.24	1,351
2022	26,953.79	315
Totals	$ 604,535	$ 7,070

B. ACTUARIAL ASSUMPTIONS

The total pension liability as of December 31, 2015 was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
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%

Cost of Living Adjustments	N/A
Actuarial Cost Method	Entry Age Normal

NOTE 17 – (Continued)

Mortality rates were developed using RP-2000 projected with Scale AA. The Society of Actuaries are developing a new mortality table for governmental employees. Until such time as the new mortality table for governmental employees is released, the RP-2000 Mortality Table shall be used, as it represents the most up to date table pending this release. The RP-2000 Mortality Table was revised to project mortality improvements with Scale AA.

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, 2015 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 17 – (Continued)

C. CHANGE IN NET PENSION LIABILITY

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2014	$ 9,214,877	$ 7,699,085	$ 1,515,792
Changes for the year:			
Service Cost	260,613	-	260,613
Interest	679,836	-	679,836
Liability experience (gain)/loss	(272,691)	-	(272,691)
Employer contributions	426,313	608,046	(181,733)
Employee contributions	-	-	-
Net investment income	-	66,325	(66,325)
Benefit payments	(300,795)	(300,795)	-
Administrative expense	-	(25,282)	25,282
Other	-	(57,322)	57,322
Net Changes	793,276	290,972	502,304
Balances at December 31, 2015	$ 10,008,153	$ 7,990,057	$ 2,018,096

Net Pension Liability has been allocated between the primary government and the Industrial Building Authority as follows:

Primary Government	$ 1,994,767
Industrial Building Authority	23,329
Total Net Pension Liability	$ 2,018,096

Sensitivity Analysis. The following represents the County's net pension liability calculated using the discount rate of 7.5%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point higher (8.5%) or one percentage point lower (6.5%):

	6.50%	7.50%	8.50%
Total Pension Liability	$ 11,663,481	$ 10,008,153	$ 8,658,179
Fiduciary Net Position	$ 7,990,057	$ 7,990,057	$ 7,990,057
Net Pension Liability	$ 3,673,424	$ 2,018,096	$ 668,122

NOTE 17 – (Continued)

D. 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.

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.

E. OTHER PLANS

In addition to the plan above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual report.

Franklin County Health Department Retirement Plan

Eligible employees of the Franklin County Health Department participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system. During the fiscal year ended June 30, 2016, the Department recognized pension expense of $56,534. As of June 30, 2016, the Department reported a liability of $385,288 for its proportionate share of 0.009510% of the net pension liability. Further information regarding the plan can be obtained from the Department's annual report by contacting District 2, Public Health, 1280 Athens Street, Gainesville, GA 30507.

NOTE 18–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

NOTE 18 – (Continued)

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, 2016, the County contributed $60,710 to the Plans, based on covered salaries of $2,549,536. Total payroll was $6,940,969. Plan members made voluntary contributions of $107,013.

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 19 – JOINT VENTURES

Franklin County participates jointly with Hart County, Georgia in the Franklin-Hart Airport. Both Franklin and Hart County have agreed to allocate funds as part of their respective budget toward the venture. The Airport is a separate entity that maintains and accumulates assets of its individual ownership. The Airport entity will apply for grants and seek other outside revenue needed to supplement the entity's budget. Franklin County contributed $12,728 to the Airport during the year ended June 30, 2016. 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, 2016, 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, 2016. Separate financial statements may be obtained from Joint Development Authority of Hart, Franklin, and Stephens Counties, Georgia, PO Box 793, Hartwell, Georgia 30643.

NOTE 20– 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 20 – (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 21 – 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, 2015. This adjustment was required due to the failure to allocate a portion of the pension liability to the proprietary funds in the prior year and due to a restatement of the opening balance of the pension liability in the actuarial valuation report received from GEBCORP. This adjustment decreased beginning net position of the governmental activities by $67,067.

Proprietary Funds

A prior period adjustment has been made to record a net pension liability and related deferred outflows/inflows of resources at June 30, 2015. This adjustment was required due to the failure to allocate a portion of the pension liability to the proprietary funds in the prior year and due to a restatement of the opening balance of the pension liability in the actuarial valuation report received from GEBCORP. This adjustment decreased beginning net position of the water and sewer fund by $33,533 and the Solid Waste fund by $16,767.

NOTE 21 – (Continued

A prior period adjustment has been made to record a depreciation expense at June 30, 2015. This adjustment was required due to the failure to record the entire depreciation expense in the prior year. This adjustment decreased beginning net position of the water and sewer fund by $313,000.

Component Units

A prior period adjustment has been made to record a net pension liability and related deferred outflows/inflows of resources at June 30, 2015. This adjustment was required due to the failure to allocate a portion of the pension liability to the component unit in the prior year and due to a restatement of the opening balance of the pension liability in the actuarial valuation report received from GEBCORP. This adjustment decreased beginning net position of the Industrial Building Authority by $16,767.

A prior period adjustment has been made to adjust revenue and expenses at June 30, 2015. This adjustment was required due to an improper recording of revenue and expenses in the component unit in the prior year. This adjustment increased beginning net position of Franklin County Health Department by $42,888.

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
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGIANL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED
REVENUES				
Taxes	$ 9,343,741	$ 9,430,741	$ 9,635,427	$ 204,686
Licenses and permits	7,733	7,733	5,920	(1,813)
Fines, fees and forfeitures	1,192,816	1,192,816	1,245,229	52,413
Charges for services	1,735,380	1,735,380	1,906,246	170,866
Intergovernmental	653,555	700,850	846,738	145,888
Interest	-	-	2,646	2,646
Other	557,747	531,900	64,200	(467,700)
TOTAL REVENUES	13,490,972	13,599,420	13,706,406	106,986
EXPENDITURES				
General Government				
Commission Board	67,789	66,618	62,403	4,215
County Manager's Office	269,307	269,307	278,930	(9,623)
General Building and Plant	132,737	132,737	122,011	10,726
General Administration	1,286,519	1,286,519	1,219,680	66,839
Tax Commissioner	395,871	395,871	332,201	63,670
Tax Assessor	368,982	368,982	325,508	43,474
Registrar	178,492	178,492	154,330	24,162
County Engineer	108,922	108,922	104,911	4,011
Judicial				
Probate Court	223,533	210,782	218,536	(7,754)
Magistrate Court	184,082	179,282	169,929	9,353
Superior Court	226,224	226,224	198,477	27,747
Superior Court Judge	15,396	15,396	15,159	237
Clerk of Superior Court	339,040	339,040	323,821	15,219
District Attorney	52,317	62,968	43,488	19,480
Public Defender	80,551	87,451	81,003	6,448
Public Safety				
Fire Departments	307,264	310,623	313,115	(2,492)
Coroner Services	32,071	32,071	32,052	19
Emergency Medical Service	1,966,408	2,011,675	1,908,448	103,227
Emergency Management	16,472	16,472	11,559	4,913
County Marshal	51,782	51,782	54,222	(2,440)
Sheriffs Department	3,867,610	3,924,670	3,788,211	136,459
Animal Shelter	70,080	70,080	70,080	-
Public Works				
Highways and Streets	1,543,031	1,543,031	1,092,789	450,242
Health and Welfare				
Senior Center	190,776	182,809	184,786	(1,977)
Foster Care Services	79,157	79,157	25,797	53,360
Health Department	105,197	105,197	105,094	103
Culture and Recreation				
Recreation Department	392,813	392,813	333,239	59,574
Library Board	32,906	32,906	32,906	-
Housing and Development				
County Agent	80,241	80,241	70,262	9,979
Forestry Service	8,100	8,100	8,037	63
Planning and Zoning	9,246	9,246	4,892	4,354
Debt Service				
Principal		-	159,739	(159,739)
Interest		11,900	486,155	(474,255)
TOTAL EXPENDITURES	12,682,916	12,791,364	12,331,770	459,594
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	808,056	808,056	1,374,636	566,580
OTHER FINANCING SOURCES (USES)				
Contingency	(245)	(245)	-	245
Proceeds from Capital Leases	-	-	29,849	29,849
Proceeds of Refunding Bond			9,585,000	9,585,000
Premium on Refunding Bond Issuance	-	-	1,306,406	1,306,406
Payment to Refunded Debt Escrow Agent	-	-	(10,018,521)	(10,018,521)
Debt Issuance Cost			(254,365)	(254,365)
TOTAL OTHER FINANCING SOURCES (USES)	(245)	(245)	648,369	648,614
TRANSFERS				
Transfers In	-	-	-	-
Transfers Out	(807,811)	(807,811)	(6,270)	801,541
TOTAL TRANSFERS	(807,811)	(807,811)	(6,270)	801,541
NET CHANGE IN FUND BALANCE	-	-	2,016,735	
FUND BALANCE - BEGINNING OF YEAR			2,227,414	
FUND BALANCE - END OF YEAR	$ -	$ -	$ 4,244,149	$

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, 2016

	FINAL BUDGET	ACTUAL	VARIANCE FORM FINAL
REVENUES			
Taxes			
General property taxes			
Property tax	$ 5,509,023	$ 5,626,870	$ 117,847
Motor vehicle tax	859,601	948,145	88,544
Mobile home tax	25,000	53,603	28,603
Cost, penalties, and interest	38,884	53,148	14,264
Total general property tax	6,432,508	6,681,766	249,258
Intangibles tax	72,471	109,602	37,131
Real estate transfer tax	15,078	26,194	11,116
Local option sales tax	2,101,200	1,925,704	(175,496)
Insurance premium	747,464	824,151	76,687
Franchise tax	40,055	45,076	5,021
Occupational tax	12,425	13,710	1,285
Other taxes	9,540	9,224	(316)
Total taxes	9,430,741	9,635,427	204,686
Licenses and Permits			
Building and inspection permits	4,733	5,120	387
Other permits	3,000	800	(2,200)
Total licenses and permits	7,733	5,920	(1,813)
Fines, fees and forfeitures	1,192,816	1,245,229	52,413
Charges for Services			
Emergency medical services	1,161,000	1,341,219	180,219
Tax collection commissions	323,040	370,252	47,212
Sheriff services	34,053	51,685	17,632
Prisoner board	48,553	9,566	(38,987)
Recreation Fees	135,391	113,479	(21,912)
Other	33,343	20,045	(13,298)
Total charges for services	1,735,380	1,906,246	170,866
Intergovernmental			
Grants and receipts	700,850	846,738	145,888
Proceeds of Refunding Bond	-	9,585,000	
Proceeds from Lease	-	29,849	
Premium on Refunding Bond Issuance		1,306,406	
Interest	-	2,646	2,646
Other	531,900	64,200	(467,700)
TOTAL REVENUES	$ 13,599,420	$ 24,627,661	$ 11,028,241

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL
EXPENDITURES			
General Government			
Commission Board			
Personal services	$ 53,498	$ 58,762	$ (5,264.00)
Contract Services	400	50	350.00
Supplies and materials	12,720	3,591	9,129.00
Total Commission Board	66,618	62,403	4,215.00
County Manager's Office			
Personal services	235,512	236,572	(1,060.00)
Contract services	22,865	31,441	(8,576.00)
Supplies and materials	10,930	10,917	13.00
Total County Manager's Office	269,307	278,930	(9,623.00)
General Building and Plant			
Personal services	89,661	85,806	3,855.00
Contract services	26,187	23,002	3,185.00
Supplies and materials	16,889	13,203	3,686.00
Total General Building and Plant	132,737	122,011	10,726.00
General Administration			
Personal services	845,806	895,624	(49,818.00)
Contract services	421,151	322,106	99,045.00
Supplies and materials	644	1,251	(607.00)
Payments to other agencies	18,918	699	18,219.00
Total General Administration	1,286,519	1,219,680	66,839.00
Tax Commissioner			
Personal services	305,894	273,689	32,205.00
Contract services	72,786	36,404	36,382.00
Supplies and materials	9,377	22,108	(12,731.00)
Capital outlay	7,814	-	7,814.00
Total Tax Commissioner	395,871	332,201	63,670.00
Tax Assessor			
Personal services	319,778	269,978	49,800.00
Contract services	21,480	38,009	(16,529.00)
Supplies and materials	27,724	17,521	10,203.00
Total Tax Assessor	368,982	325,508	43,474.00

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL
Registrar			
Personal services	64,777	63,778	999
Contract services	97,778	79,808	17,970
Supplies and materials	15,937	10,744	5,193
Total Registrar	178,492	154,330	24,162
County Engineer			
Personal services	103,054	100,098	2,956
Contract services	4,368	2,060	2,308
Supplies and materials	500	708	(208)
Capital Outlay	1,000	2,045	(1,045)
Total County Engineer	108,922	104,911	4,011
Total General Government	$ 2,807,448	$ 2,599,974	$ 207,474
Judicial			
Probate Court			
Personal services	$ 188,102	$ 183,062	$ 5,040
Contract services	7,743	25,476	(17,733)
Supplies and materials	14,314	9,998	4,316
Capital Outlay	623	-	623
Total Probate Court	210,782	218,536	(7,754)
Magistrate Court			
Personal services	152,318	144,463	7,855
Contract services	17,381	17,967	(586)
Supplies and materials	8,583	7,499	1,084
Capital Outlay	1,000	-	1,000
Total Magistrate Court	179,282	169,929	9,353
Superior Court			
Personal services	61,449	59,873	1,576
Contract services	155,472	52,357	103,115
Supplies and materials	9,303	86,247	(76,944)
Total Superior Court	226,224	198,477	27,747
Superior Court Judge			
Contract services	4,850	5,558	(708)
Supplies and materials	10,546	9,601	945
Total Superior Court Judge	15,396	15,159	237
Clerk of Superior Court			
Personal services	299,169	284,749	14,420
Contract services	23,270	24,173	(903)
Supplies and materials	16,601	14,899	1,702
Total Clerk of Superior Court	339,040	323,821	15,219

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL
District Attorney			
Contract services	62,307	42,221	20,086
Materials and Supplies	661	1,267	(606)
Total District Attorney	62,968	43,488	19,480
Public Defender			
Contract services	6,900	600	6,300
Payments to other agencies	80,551	80,403	148
	87,451	81,003	6,448
Total Judicial	$ 1,114,243	$ 1,050,413	$ 64,430
Public Safety			
Fire Departments			
Personal services	$ 9,845	$ 10,132	$ (287)
Contract services	-	3,591	(3,591)
Supplies and materials	-	7,015	(7,015)
Payments to other agencies	300,778	292,377	8,401
Total Fire Departments	310,623	313,115	(2,492)
Coroner Services			
Personal services	16,171	18,069	(1,898)
Contract services	13,000	13,313	(313)
Supplies and materials	2,900	-	2,900
Capital Outlay	-	670	(670)
Total Coroner Services	32,071	32,052	19
Emergency Medical Service			
Personal services	821,745	642,059	179,686
Contract services	165,111	180,103	(14,992)
Supplies and materials	983,872	1,064,511	(80,639)
Capital outlay	40,947	21,775	19,172
Total Emergency Medical Services	2,011,675	1,908,448	103,227
Emergency Management			
Personal services	11,434	9,770	1,664
Contract services	4,116	1,789	2,327
Supplies and materials	922	-	922
Total Emergency Management	16,472	11,559	4,913
County Marshal			
Personal services	45,136	43,136	2,000
Contract services	2,242	6,135	(3,893)
Supplies and materials	4,404	4,951	(547)
Total County Marshal	51,782	54,222	(2,440)

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL
Sheriff Department			
Personal services	2,817,121	2,766,366	50,755
Contract services	190,187	185,618	4,569
Supplies and materials	792,909	740,322	52,587
Capital outlay	124,453	95,905	28,548
Total Sheriff Department	3,924,670	3,788,211	136,459
Animal Shelter			
Payments to other agencies	70,080	70,080	-
Total Public Safety	$ 6,417,373	$ 6,177,687	$ 239,686
Public Works			
Highways and Streets			
Personal services	$ 549,550	$ 530,930	$ 18,620
Contract services	594,586	172,062	422,524
Supplies and materials	398,895	389,797	9,098
Total Public Works	$ 1,543,031	$ 1,092,789	$ 450,242
Health and Welfare			
Senior Center			
Personal services	$ 77,422	$ 107,366	$ (29,944)
Contract services	10,829	8,270	2,559
Supplies and materials	94,558	69,150	25,408
Total Senior Center	182,809	184,786	(1,977)
Foster Care Services			
Payments to other agencies	79,157	25,797	53,360
Health Department			
Contract services	893	2,319	(1,426)
Supplies and materials	104,304	102,775	1,529
Total Health Department	105,197	105,094	103
Total Health and Welfare	$ 367,163	$ 315,677	$ 51,486
Culture and Recreation			
Recreation Department			
Personal Services	$ 202,530	$ 152,413	$ 50,117
Contract Services	61,233	61,698	(465)
Supplies and Materials	126,957	119,128	7,829
Capital Outlay	2,093	-	2,093
Total Recreation	392,813	333,239	59,574

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL
Library Board			
Payments to other agencies	32,906	32,906	-
Total Culture and Recreation	$ 425,719	$ 366,145	$ 59,574
Housing and Development			
County Agent			
Personal services	$ 61,824	$ 52,349	$ 9,475
Contract services	15,602	16,095	(493)
Supplies and materials	2,815	1,318	1,497
Capital Outlay	-	500	(500)
Total County Agent	80,241	70,262	9,979
Forestry Service			
Contract services	8,100	-	8,100
Payments to other agencies	-	8,037	(8,037)
Total Forestry Service	8,100	8,037	63
Planning and Zoning			
Personal Services	5,409	-	5,409
Contract services	3,837	4,330	(493)
Supplies and materials	-	562	(562)
Total Planning and Zoning	9,246	4,892	4,354
Total Housing and Development	$ 97,587	$ 83,191	$ 14,396
TOTAL EXPENDITURES	$ 12,772,564	$ 11,685,876	$ 1,086,688

FRANKLIN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 349,355	$ 401,469	$ 52,114
Interest	-	10	10
TOTAL REVENUES	349,355	401,479	52,124
EXPENDITURES			
Current			
Public Safety			
Personal services	610,631	561,303	(49,328)
Contractual services	193,862	162,958	(30,904)
Supplies and materials	19,684	17,623	(2,061)
Capital outlay	9,000	-	(9,000)
TOTAL EXPENDITURES	833,177	741,884	(91,293)
Excess (deficiency) of revenues over (under) expenditures	(483,822)	(340,405)	143,417
Other financing sources (uses)			
Transfers in (out)			
General Fund	483,822	-	(483,822)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(340,405)	(340,405)
FUND BALANCE - BEGINNING OF YEAR		(677,274)	(677,274)
FUND BALANCE - END OF YEAR	$	$ (1,017,679)	$ (1,017,679)

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
JUNE 30, 2016
(Unaudited)

	Fiscal Year End	
	2016	**2015**
Total Pension Liability as of the beginning of year (1)	$ 9,214,877	$ 8,543,254
Service Cost	260,613	280,360
Interest on Total Pension Liability	691,116	640,744
Plan Change	-	-
Assumption Change	426,313	-
Benefit Payments (Adjusted for Interest)	(312,075)	(244,524)
Experience (gain)/(loss)	(272,691)	-
Total Pension Liability as of December 31, 2014 (2)	$ 10,008,153	$ 9,219,834
Fiduciary Net Position as of beginning of year (3)	$ 7,699,085	$ 6,857,591
Employer Contributions	608,046	682,504
Employee Contributions (including buy back)	-	-
Net Investment Income	66,325	496,502
Benefit Payments	(300,795)	(235,686)
Employee Contribution Refunds	-	(4,778)
Administrative Expense	(25,282)	(25,509)
Other	(57,322)	(71,539)
Fiduciary Net Position as of End of Year (4)	$ 7,990,057	$ 7,699,085
Net pension liability as of beginning of year (1)-(3)	$ 1,515,792	$ 1,685,663
Net Pension liability as of end of year (2) - (4)	$ 2,018,096	$ 1,520,749
Fiduciary Net Position as a % of Total Pension Liability (4)/(2)	79.8%	83.5%
Covered-employee payroll	$ 4,484,980	$ 4,779,734
Net pension liability as a % of covered-employee payroll	45.00%	31.82%

Note: Fiscal Year 2015 was the first year of implementation. Therefore, only two years are reported.

FRANKLIN COUNTY
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
JUNE 30, 2016
(Unaudited)

	Fiscal Year End	
	2016	2015
Actuarially determined contribution	$ 584,000	$ 681,542
Contributions in relation to actuarially determined contribution	(608,046)	(681,542)
Contribution deficiency (excess)	$ (24,046)	$ -
Covered-employee payroll	$ 4,664,379	$ 4,970,924
Contributions as a percentage of covered-employee payroll	13.0%	13.7%

Note: Fiscal Year 2015 was the first year of implementation. Therefore, only two years are reported.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

1. Valuation Date

The actuarially determined contribution rate was determined as of December 31, 2015 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, 2016

	SPECIAL REVENUE		
	DRUG ENFORCEMENT	INMATE WELFARE	LAW LIBRARY
ASSETS			
Cash and cash equivalents	$ 64,657	$ 55,191	$ 95,122
Certificates of Deposit	-	-	11,672
Due from other funds	-	-	-
Receivables			
Accounts	-	-	-
Intergovernmental	-	-	-
TOTAL ASSETS	$ 64,657	$ 55,191	$ 106,794
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ -	$ -	$ 140
Accrued Salaries	-	-	-
Due to other agencies	53,048	-	-
Due to other funds	-	-	-
TOTAL LIABILITIES	53,048	-	140
FUND BALANCES			
Restricted for:			
Judicial	-	-	106,654
Public Safety	11,609	55,191	-
Capital Projects	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	11,609	55,191	106,654
TOTAL LIABILITIES AND FUND BALANCE	$ 64,657	$ 55,191	$ 106,794

SPECIAL REVENUE		CAPITAL PROJECTS	
MANS UNIT	PROBATION SERVICE	SPLOST III	TOTAL NONMAJOR GOVERNMENTAL FUNDS
$ 145,076	$ -	$ 98,291	$ 458,337
-	-	-	11,672
-	65,485	-	65,485
			-
-	-	-	-
16,456	62,784	-	79,240
$ 161,532	$ 128,269	$ 98,291	$ 614,734
$ -	$ -	$ -	$ 140
-	24,597	-	24,597
3,279	-	-	56,327
-	-	-	-
3,279	24,597	-	81,064
-	103,672	-	210,326
158,253	-	-	225,053
-	-	98,291	98,291
-	-	-	-
158,253	103,672	98,291	533,670
$ 161,532	$ 128,269	$ 98,291	$ 614,734

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE	
	DRUG ENFORCEMENT	INMATE WELFARE
REVENUES		
Fines, fees, and forfeitures	$ 168,282	$ -
Charges for services	-	72,585
Intergovernmental	-	-
Interest	51	-
TOTAL REVENUE	168,333	72,585
EXPENDITURES		
Judicial	-	-
Public Safety	174,206	47,125
TOTAL EXPENDITURES	174,206	47,125
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,873)	25,460
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-
NET CHANGES IN FUND BALANCE	(5,873)	25,460
FUND BALANCE - BEGINNING OF YEAR	17,482	29,731
FUND BALANCE - END OF YEAR	$ 11,609	$ 55,191

SPECIAL REVENUE			CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
LAW LIBRARY	MANS UNIT	PROBATION SERVICE	SPLOST III	
$ 16,972	$ 52,132	$ 766,483	$ -	$ 1,003,869
-	-	-	-	72,585
-	127,007	-	-	127,007
113	24	-	6	194
17,085	179,163	766,483	6	1,203,655
40,082	-	706,430	-	746,512
-	133,113	-	-	354,444
40,082	133,113	706,430		1,100,956
(22,997)	46,050	60,053	6	102,699
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(22,997)	46,050	60,053	6	102,699
129,651	112,203	43,619	98,285	430,971
$ 106,654	$ 158,253	$ 103,672	$ 98,291	$ 533,670

SPECIAL REVENUE FUNDS

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

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

Inmate Welfare Fund - This fund is used to account for the funds legally restricted for the benefit of detainees in the Count jail.

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

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

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

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

FRANKLIN COUNTY, GEORGIA
DRUG ENFORCEMENT SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2016

ASSETS		
Cash and cash equivalents	$	64,657
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Due to other agencies	$	53,048
FUND BALANCE		
Restricted for Judicial		11,609
TOTAL LIABILITIES AND FUND BALANCE	$	64,657

FRANKLIN COUNTY, GEORGIA
DRUG ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ -	$ 168,282	$ 168,282
Interest	-	51	51
TOTAL REVENUES	-	168,333	168,333
EXPENDITURES			
Current			
Public Safety			
Supplies	-	64,485	(64,485)
Capital outlay	-	109,721	(109,721)
TOTAL EXPENDITURES	-	174,206	(174,206)
Excess (deficiency) of revenues over (under) expenditures	-	(5,873)	(5,873)
Other financing sources (uses)			
Transfers in (out)			
General Fund	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(5,873)	(5,873)
FUND BALANCE BEGINNING OF YEAR	-	17,482	17,482
FUND BALANCE END OF YEAR	$ -	$ 11,609	$ 11,609

FRANKLIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2016

ASSETS	
Cash and cash equivalents	$ 55,191
LIABILITIES AND FUND BALANCES	
FUND BALANCE	
Restricted for Public Safety	$ 55,191

FRANKLIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ -	$ 72,585	$ 72,585
TOTAL REVENUES	-	72,585	72,585
EXPENDITURES			
Current			
Public Safety			
Supplies	-	47,125	(47,125)
TOTAL EXPENDITURES	-	47,125	(47,125)
Excess (deficiency) of revenues over (under) expenditures	-	25,460	25,460
FUND BALANCE BEGINNING OF YEAR	-	29,731	29,731
FUND BALANCE END OF YEAR	$ -	$ 55,191	$ 55,191

FRANKLIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2016

ASSETS		
Cash and cash equivalents	$	95,122
Certificates of deposit		11,672
TOTAL ASSETS	$	106,794
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$	140
FUND BALANCE		
Restricted for Judicial	$	106,654
TOTAL LIABILITIES AND FUND BALANCE	$	106,794

FRANKLIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ -	$ 16,972	$ 16,972
Interest	-	113	113
TOTAL REVENUES	-	17,085	17,085
EXPENDITURES			
Current			
Judicial			
Personnel Services	-	1,820	(1,820)
Supplies and materials	-	38,262	(38,262)
TOTAL EXPENDITURES	-	40,082	(40,082)
Excess (deficiency) of revenues over (under) expenditures	-	(22,997)	(22,997)
Other financing sources (uses)			
Contingency	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(22,997)	(22,997)
FUND BALANCE BEGINNING OF YEAR	-	129,651	129,651
FUND BALANCE END OF YEAR	$ -	$ 106,654	$ 106,654

FRANKLIN COUNTY, GEORGIA
MANS UNIT SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2016

ASSETS		
Cash and cash equivalents	$	145,076
Intergovernmental receivable		16,456
TOTAL ASSETS	$	161,532
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Due to other agencies	$	3,279
FUND BALANCE		
Restricted for Judicial		158,253
TOTAL LIABILITIES AND FUND BALANCE	$	161,532

FRANKLIN COUNTY, GEORGIA
MANS UNIT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ -	$ 52,132	$ 52,132
Intergovernmental	-	127,007	127,007
Interest	-	24	24
TOTAL REVENUES	-	179,163	179,163
EXPENDITURES			
Current			
Public Safety			
Personal services	-	97,287	(97,287)
Contract services	-	30,732	(30,732)
Supplies and Materials	-	5,094	(5,094)
TOTAL EXPENDITURES	-	133,113	(133,113)
Excess (deficiency) of revenues over (under) expenditures	-	46,050	46,050
Other financing sources (uses)			
Transfers in (out)			
General Fund		-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	46,050	46,050
FUND BALANCE BEGINNING OF YEAR	-	112,203	112,203
FUND BALANCE END OF YEAR	$ -	$ 158,253	$ 158,253

FRANKLIN COUNTY, GEORGIA
PROBATION SERVICES SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2016

ASSETS		
Intergovernmental receivable	$	62,784
Due from other funds		65,485
TOTAL ASSETS	$	128,269
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued salaries	$	24,597
TOTAL LIABILITIES		24,597
FUND BALANCE		
Restricted for Judicial		103,672
TOTAL LIABILITIES AND FUND BALANCE	$	128,269

PROBATION SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 700,350	$ 766,483	$ 66,133
TOTAL REVENUES	700,350	766,483	66,133
EXPENDITURES			
Current			
Judicial			
Personal services	646,964	652,390	(5,426)
Contract services	21,359	24,529	(3,170)
Supplies and materials	27,500	29,511	(2,011)
TOTAL EXPENDITURES	695,823	706,430	(10,607)
Excess (deficiency) of revenues over (under) expenditures	4,527	60,053	55,526
Other financing sources (uses)			
Contingency	(4,527)	-	4,527
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	60,053	60,053
FUND BALANCE BEGINNING OF YEAR	-	43,619	43,619
FUND BALANCE END OF YEAR	$ -	$ 103,672	$ 103,672

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, 2016

	TAX COMMISSIONER	MAGISTRATE COURT	PROBATE COURT
ASSETS			
Cash and cash equivalents	$ 77,781	$ 22,227	$ 110,574
LIABILITIES			
Due to other agencies	$ 77,781	$ 22,227	$ 110,574

CLERK OF SUPERIOR COURT	SHERIFF DEPARTMENT	TOTAL
$ 379,016	$ 1,324	$ 590,922
$ 379,016	$ 1,324	$ 590,922

FRANKLIN COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BALANCE JULY 1	ADDITIONS	DELETIONS	BALANCE JUNE 30
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 2,546	$ 22,028,080	$ (21,952,845)	$ 77,781
LIABILITIES				
Due to others	$ 2,546	$ 22,028,080	$ (21,952,845)	$ 77,781
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 9,208	$ 240,843	$ (227,824)	$ 22,227
LIABILITIES				
Due to others	$ 9,208	$ 240,843	$ (227,824)	$ 22,227
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 103,389	$ 1,518,544	$ (1,511,359)	$ 110,574
LIABILITIES				
Due to others	$ 103,389	$ 1,518,544	$ (1,511,359)	$ 110,574
CLERK OF SUPERIOR COURT				
ASSETS				
Cash and cash equivalents	$ 389,196	$ 766,431	$ (776,611)	$ 379,016
LIABILITIES				
Due to others	$ 389,196	$ 766,431	$ (776,611)	$ 379,016
SHERIFF DEPARTMENT				
ASSETS				
Cash and cash equivalents	$ 1,650	$ 216,308	$ (216,634)	$ 1,324
LIABILITIES				
Due to others	$ 1,650	$ 216,308	$ (216,634)	$ 1,324
TOTALS ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 505,989	$ 24,770,206	$ (24,685,273)	$ 590,922
LIABILITIES				
Due to others	$ 505,989	$ 24,770,206	$ (24,685,273)	$ 590,922

OTHER REPORTS

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Georgia Society of
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 21, 2016

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, 2016, 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 21, 2016. 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 of the financial statements, 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, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Franklin County, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as described in items 13-1, 15-1, and 16-1 to 16-4, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs, as described in items 15-3 and 16-5 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin County, Georgia's financial statements are free from 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 items 13-5, 13-7 and 16-6 to 16-7.

Franklin County, Georgia's Response to Findings

Franklin County, Georgia's response to the findings identified in our audit is described 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 it.

Purpose of this Report

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

Duncan & Kitchens, LLC
Certified Public Accountants
Clarkesville, Georgia
December 21, 2016

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

1. Financial Statement Findings

A. Current Year Audit Findings

Comment 16-1

Condition: The Franklin County Jail has been utilizing a signature stamp to sign checks for inmates who are being released from jail. It was also discovered that some checks were clearing the bank which did not contain any signature.

Criteria: Lack of control over the disbursement of funds.

Effect: Failure to have proper oversight over the disbursement of funds subjects the assets of the County to greater risk of misappropriation.

Recommendation: To ensure that sufficient internal controls are in place, the office should require a physical signature on each check that is written to inmates being released.

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

Comment 16-2

Condition: While performing audit procedures at the Industrial Building Authority's office, we noted that the IBA would sometimes go months between deposits of checks from the Tax Commissioners Office.

Criteria: Proper internal controls require that checks be deposited in a timely manner.

Effect: Failure to deposit checks in a timely mannerexposes the County to greater risk of loss.

Recommendation: Deposits should be made on a daily basis as funds are received.

Management Response: Management concurs with this finding.

Comment 16-3

Condition: While performing audit procedures at the Industrial Building Authority's office, we noted that the IBA was not keeping timely accounting records of transactions. It appears that most transactions for the year were entered after the fiscal year end. A check was noted as having a date of July 2016 that had cleared the bank in January 2016.

Criteria: Proper internal controls require accounting records be kept up to date.

Effect: Failure to maintain up to date accounting records exposes the County to greater risk of loss and may lead to management decisions based on incorrect information.

Recommendation: Deposits should be made on a daily basis as funds are received.

Management Response: Management concurs with this finding.

Comment 16-4

Condition: While performing audit procedures at the Tax Commissioner's office, we noted that the bank deposits were not being made in a timely manner.

Criteria: Proper internal controls require that monies be deposited in a timely manner.

1. Financial Statement Findings (Continued)

Effect: Failure to deposit monies in a timely manner exposes the County to greater risk of loss.

Recommendation: Deposits should be made to the bank on a daily basis.

Management Response: Management concurs with this finding and immediately implemented daily deposits upon discussion with the auditor about the matter.

Comment 16-5

Condition: While performing audit procedures at the Tax Commissioner's office, we noted that the bank reconciliations were not completed in a timely manner.

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 and agrees to perform the reconciliations on a monthly basis going forward.

Comment 16-6

Condition: The County inappropriately borrowed money from the SPLOST fund during the year for the purchase of a van for the jail.

Criteria: SPLOST funds are to be kept separate from other funds of the county and shall not in any manner be comingled with other funds of the county.

Effect: The borrowing of funds from SPLOST is a violation of the Official Code of the State of Georgia

Recommendation: Going forward the county shall not borrow funds from the SPLOST fund.

Management Response: Management concurs with this finding. The SPLOST borrowing was an unintentional act that was the result of a miscommunication between departments about what was SPLOST eligible and what was not. As soon as the mistake was discovered, the money was refunded to the SPLOST account.

Comment 16-7

Condition: The annual report from law enforcement itemizing the property seized during the year was not submitted to the local government along with law enforcement's budget request

Criteria: Per O.C.GA 16-16-2, law enforcement is to submit this report to the local government annually

Effect: Not submitting the report is a violation of the Official Code of the State of Georgia

Recommendation: Going forward the sheriff department shall submit the report to the County on an annual 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 13-5

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.

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.

2. Financial Statement Findings (continued)

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 orother 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 E911 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.

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.

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 15-3

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.

2. Financial Statement Findings (continued)

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.

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.

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, 2016

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, 2016

Project	Estimated Cost*		Expenditures		
	Original	Current	Prior Periods	Current Periods	Total
SPLOST IV					
Franklin County					-
Recreation Facilities	$ 500,000	$ 500,000	$ 37,136	$ 83,934	$ 121,070
Public Safety	2,250,000	2,250,000	2,053,472	371,873	2,425,345
Courthouse/Public Facilties	200,000	200,000	63,481	41,423	104,904
Construction and Improvements of roads	3,550,000	3,550,000	3,846,030	44,699	3,890,729
Water Expansion	3,000,000	3,000,000	961,452	274,384	1,235,836
Industrial Development	4,000,000	4,000,000	2,542,662	57,300	2,599,962
Airport Improvements	100,000	100,000	52,570	12,728	65,298
City of Lavonia	1,402,140	1,402,140	1,080,055	230,165	1,310,220
City of Royston	1,402,140	1,402,140	1,071,320	230,165	1,301,485
City of Canon	778,570	778,570	597,299	127,804	725,103
City of Carnesville	778,570	778,570	597,300	127,804	725,104
City of Franklin Springs	778,570	778,570	597,299	127,804	725,103
Total SPLOST IV	$ 18,739,990	$ 18,739,990	$ 13,500,076	$ 1,730,083	$ 15,230,159

Project	Estimated Cost*		Expenditures		
	Original	Current	Prior Periods	Current Periods	Total
SPLOST V					
Franklin County					-
General Obligation Debt	$ 3,800,000	$ 3,800,000	$ -	$ 90,241	$ 90,241
Roads, Streets, and Bridges	3,550,000	3,550,000	-	-	-
Public Safety	2,510,000	2,510,000	-	-	-
Water, Sewer, and Utilities	1,800,000	1,800,000	-	-	-
Courthouse Renovation/ Public Facilities Improvement	1,443,000	1,443,000	-	-	-
Industrial Development	750,000	750,000	-	-	-
Recreation	400,000	400,000	-	-	-
Airport Improvements	100,000	100,000	-	-	-
City of Lavonia	144,000	144,000	-	-	-
City of Royston	144,000	144,000	-	-	-
City of Canon	789,000	789,000	-	-	-
City of Carnesville	789,000	789,000	-	260,969	260,969
City of Franklin Springs	789,000	789,000	-	-	-
Total SPLOST IV	$ 17,008,000	$ 17,008,000	$ -	$ 351,210	$ 351,210

* 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.