

FRANKLIN County georgia

Annual Financial Report

For the fiscal year ended June 30, 2023

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FRANKLIN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2023

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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, 2023 and the related notes to the financial statements, which collectively comprise Franklin County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of 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, 2023 and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund and ARPA Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Franklin County Health Department, a component unit of Franklin County, Georgia, which represents 14.01 percent, 5.29 percent, and 35.71 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 the Franklin County Health Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Franklin County, Georgia and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Franklin County, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Franklin County, Georgia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Franklin County, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 66 through 71, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted the 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.

Supplementary 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 fund financial statements and schedules, and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Franklin County, Georgia's basic financial statements for the year ended June 30, 2022, which are not presented with the accompanying financial statements. In our report dated November 28, 2022, we expressed unmodified opinions on the respective 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County, Georgia's basic financial statements as a whole. The individual fund financial statements and schedules related to the 2022 basic financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2022 financial statements. The 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. In our opinion, the 2022 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, on our consideration of Franklin County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Gainesville, Georgia
December 29, 2023

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BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 24,078,879	$ 1,494,744	$ 25,573,623	$ 2,146,723
Restricted assets				
Cash and cash equivalents	1,760,518	60,036	1,820,554	0
Receivables (net)				
Accounts	1,011,465	267,316	1,278,781	53,071
Intergovernmental	159,404	200,000	359,404	11,439
Taxes	892,153	0	892,153	1,686
Inventory	0	87,786	87,786	0
Net OPEB asset	0	0	0	18,722
Prepaid items	128,720	0	128,720	0
Internal balances	1,174,457	(1,174,457)	0	0
Total current assets	29,205,596	935,425	30,141,021	2,231,641
Noncurrent assets				
Property held for development	0	0	0	5,568,680
Capital assets				
Non-depreciable	6,408,736	876,903	7,285,639	0
Depreciable/Intangible amortizable (net)	25,019,047	25,311,544	50,330,591	10,317
Total noncurrent assets	31,427,783	26,188,447	57,616,230	5,578,997
Total assets	60,633,379	27,123,872	87,757,251	7,810,638
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	1,834,659	58,303	1,892,962	540,875
Deferred outflows of resources - OPEB	0	0	0	130,431
Deferred charge on refunding	365,357	0	365,357	0
Total deferred outflows of resources	2,200,016	58,303	2,258,319	671,306
LIABILITIES				
Current liabilities				
Payables				
Accounts	912,219	157,879	1,070,098	48,586
Intergovernmental	282,363	0	282,363	21,196
Interest	0	2,046	2,046	0
Unearned revenue	4,535,255	0	4,535,255	0
Accrued salaries and expenses	300,954	8,058	309,012	0
Compensated absences	839,430	18,669	858,099	60,750
Due to other agencies	648,746	0	648,746	0
Lease payable	253,195	0	253,195	0
Notes payable	0	241,767	241,767	0
Bonds payable	588,758	36,721	625,479	0
Total current liabilities	8,360,920	465,140	8,826,060	130,532

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

Exhibit A-1, continued

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	$ 93,269	$ 2,074	$ 95,343	$ 42,693
Net pension liability	2,521,753	80,138	2,601,891	0
Proportionate share of net pension liability	0	0	0	1,125,989
Lease payable	739,458	0	739,458	0
Notes payable	0	3,449,676	3,449,676	0
Bonds payable	7,991,342	2,067,564	10,058,906	0
Post-closure care costs	0	930,183	930,183	0
Total noncurrent liabilities	11,345,822	6,529,635	17,875,457	1,168,682
Total liabilities	19,706,742	6,994,775	26,701,517	1,299,214
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	83,689	2,660	86,349	10,213
Deferred inflows of resources - OPEB	0	0	0	85,534
Total deferred inflows of resources	83,689	2,660	86,349	95,747
NET POSITION				
Net investment in capital assets	30,244,570	20,452,755	50,697,325	10,317
Restricted for:				
Judicial	117,528	0	117,528	0
Public safety	1,559,190	0	1,559,190	0
Housing and Development	39,179	0	39,179	0
Capital outlay	8,159,034	0	8,159,034	0
Unrestricted	2,923,463	(268,015)	2,655,448	7,076,666
Total net position	$ 43,042,964	$ 20,184,740	$ 63,227,704	$ 7,086,983

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

Exhibit A-1, continued

FRANKLIN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 4,198,840	$ 1,110,383	$ 0	$ 1,531,021	$ (1,557,436)
Judicial	1,503,478	1,047,589	0	0	(455,889)
Public Safety	12,861,828	3,185,755	239,823	732,951	(8,703,299)
Public Works	5,695,555	226,751	0	2,203,390	(3,265,414)
Health and Welfare	492,404	0	2,175	0	(490,229)
Culture and Recreation	657,990	117,716	0	116,805	(423,469)
Housing and Development	2,347,285	0	0	219,009	(2,128,276)
Interest on long-term debt	289,529	0	0	0	(289,529)
Total governmental activities	28,046,909	5,688,194	241,998	4,803,176	(17,313,541)
Business-type activities					
Water and Sewer	3,248,675	3,086,003	0	0	(162,672)
Solid Waste	112,439	195,983	0	0	83,544
Total business-type activities	3,361,114	3,281,986	0	0	(79,128)
Total primary government	31,408,023	8,970,180	241,998	4,803,176	(17,392,669)
Component Units					
Franklin County Industrial Building Authority					
Housing and Development	183,711	0	1,680,300	0	1,496,589
Franklin County Health Department					
Health and Welfare	1,189,520	353,798	575,773	0	(259,949)
Total component units	1,373,231	353,798	2,256,073	0	1,236,640

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (17,313,541)	$ (79,128)	$ (17,392,669)	$ 1,236,640
General revenues				
Taxes				
Property	10,563,746	0	10,563,746	230,845
Sales	5,101,169	0	5,101,169	0
Intangible	171,752	0	171,752	0
Insurance premium	1,299,423	0	1,299,423	0
Other	159,285	0	159,285	0
Interest and investment earnings	12,808	1,747	14,555	0
Payments from Franklin County	0	0	0	114,937
Gain on sale of assets	25,651	0	25,651	0
Gain on sale of property held for resale	0	0	0	(68,559)
Other	374,555	1,932	376,487	0
Transfers	(959,423)	959,423	0	0
Total general revenues and transfers	16,748,966	963,102	17,712,068	277,223
Change in net position	(564,575)	883,974	319,399	1,513,863
Net position - beginning (original)	43,748,312	19,300,766	63,049,078	5,592,533
Prior period adjustment	(140,773)	0	(140,773)	(19,413)
Net position - beginning (restated)	43,607,539	19,300,766	62,908,305	5,573,120
Net position - ending	$ 43,042,964	$ 20,184,740	$ 63,227,704	$ 7,086,983

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

FRANKLIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	ARPA Grant	SPLOST V	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 9,686,542	$ 4,535,255	$ 7,505,055	$ 2,352,027	$ 24,078,879
Restricted assets					
Cash and cash equivalents	1,430,786	0	329,732	0	1,760,518
Receivables (net)					
Accounts	313,127	0	0	698,338	1,011,465
Intergovernmental	55,985	0	0	103,419	159,404
Taxes	375,001	0	0	517,152	892,153
Prepaid items	128,720	0	0	0	128,720
Due from other funds	2,449,100	0	0	251,895	2,700,995
Total assets	$ 14,439,261	$ 4,535,255	$ 7,834,787	$ 3,922,831	$ 30,732,134
LIABILITIES AND FUND BALANCES					
Liabilities					
Payables					
Accounts	$ 654,617	$ 0	$ 190,561	$ 67,041	$ 912,219
Intergovernmental	11,255	0	0	271,108	282,363
Accrued salaries and expenses	266,233	0	0	34,721	300,954
Unearned revenue	0	4,535,255	0	0	4,535,255
Due to other agencies	272,679	0	0	376,067	648,746
Due to other funds	374,299	0	630,667	521,572	1,526,538
Total liabilities	1,579,083	4,535,255	821,228	1,270,509	8,206,075
Deferred inflows of resources					
Unavailable revenue					
Fines, fees, and forfeitures	0	0	0	693,349	693,349
Taxes	54,385	0	0	0	54,385
Total deferred inflows of resources	54,385	0	0	693,349	747,734
Fund balances					
Nonspendable:					
Prepaid items	128,720	0	0	0	128,720
Restricted for:					
Judicial	0	0	0	117,528	117,528
Public Safety	1,158,107	0	0	401,083	1,559,190
Housing and Development	0	0	0	39,179	39,179
Capital outlay	0	0	7,013,559	1,145,475	8,159,034
Assigned for:					
Public Safety	0	0	0	255,708	255,708
Unassigned	11,518,966	0	0	0	11,518,966
Total fund balances	12,805,793	0	7,013,559	1,958,973	21,778,325
Total liabilities, deferred inflows of resources, and fund balances	$ 14,439,261	$ 4,535,255	$ 7,834,787	$ 3,922,831	$ 30,732,134

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, 2023

Total fund balance - total governmental funds		$ 21,778,325
Amounts reported for governmental activities in the statement of net position are different because:		
Some assets are not financial resources and, therefore, are not reported in the funds. These are:		
Capital assets, net of accumulated depreciation/amortization		31,427,783
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds. These are:		
Property taxes	$ 54,385	
Fines, fees, and forfeitures	693,349	747,734
Deferred outflows of resources related to pensions and debt refunding are applicable to future periods and, therefore, are not reported in the funds.		2,200,016
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		(83,689)
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Bonds payable	(8,580,100)	
Lease payable	(992,653)	
Compensated absences	(932,699)	
Net pension liability	(2,521,753)	(13,027,205)
Net position of governmental activities		$ 43,042,964

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, 2023

	General	ARPA Grant	SPLOST V	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 15,720,028	$ 0	$ 4,191,101	$ 1,586,390	$ 21,497,519
Licenses and permits	238,751	0	0	0	238,751
Fines, fees and forfeitures	950,264	0	0	334,879	1,285,143
Charges for services	2,313,278	0	0	1,318,197	3,631,475
Intergovernmental	860,602	0	0	0	860,602
Investment	11,227	0	152	1,593	12,972
Contributions	2,175	0	0	0	2,175
Other	374,555	0	0	0	374,555
Total revenues	20,470,880	0	4,191,253	3,241,059	27,903,192
EXPENDITURES					
Current					
General government	3,863,392	0	0	0	3,863,392
Judicial	1,502,200	0	0	13,828	1,516,028
Public safety	11,132,496	0	0	1,848,468	12,980,964
Public works	3,263,630	0	0	0	3,263,630
Health and welfare	482,119	0	0	0	482,119
Culture and recreation	567,404	0	0	0	567,404
Housing and development	701,815	0	0	0	701,815
Capital outlay	0	0	3,795,804	13,438	3,809,242
Intergovernmental	0	0	1,122,332	411,363	1,533,695
Debt service	155,536	0	631,107	0	786,643
Total expenditures	21,668,592	0	5,549,243	2,287,097	29,504,932
Excess (deficiency) of revenues over (under) expenditures	(1,197,712)	0	(1,357,990)	953,962	(1,601,740)
Other financing sources (uses)					
Transfers in	58,768	0	0	414,449	473,217
Transfers out	(1,118,642)	0	(255,230)	(58,768)	(1,432,640)
Proceeds from sale of capital assets	43,851	0	0	0	43,851
Proceeds from inception of leases	803,500	0	0	0	803,500
Total other financing sources (uses)	(212,523)	0	(255,230)	355,681	(112,072)
Net change in fund balance	(1,410,235)	0	(1,613,220)	1,309,643	(1,713,812)
Fund balances, July 1 (original)	14,356,801	0	8,626,779	649,330	23,632,910
Prior period adjustment	(140,773)	0	0	0	(140,773)
Fund balances, July 1 (restated)	14,216,028	0	8,626,779	649,330	23,492,137
Fund balances, June 30	$ 12,805,793	$ 0	$ 7,013,559	$ 1,958,973	$ 21,778,325

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, 2023

Net change in fund balances - total governmental funds		$ (1,713,812)
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	$ 2,593,009	
Depreciation/Amortization	(1,807,695)	785,314
In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.		
Cost of assets disposed	(342,388)	
Related accumulated depreciation/amortization	324,188	(18,200)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds These include recognition of unavailable revenue.		682,312
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. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.		
Debt principal payments	458,802	
Net change in unamortized bond premium	68,758	
Net change in deferred debt refunding	(30,446)	
Debt proceeds	(803,500)	(306,386)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions is reported as pension expense.		
Pension contributions	746,056	
Cost of benefits earned net of employee contributions	(560,220)	185,836
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.		
Compensated absences		(179,639)
Change in net position of governmental activities		$ (564,575)

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

Exhibit A-6

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 13,169,520	$ 15,939,620	$ 15,720,028	$ (219,592)
Licenses and permits	55,000	239,000	238,751	(249)
Fines, fees and forfeitures	888,850	950,850	950,264	(586)
Charges for services	2,066,000	2,314,000	2,313,278	(722)
Intergovernmental	698,000	861,000	860,602	(398)
Investment	1,000	12,000	11,227	(773)
Contributions	0	2,200	2,175	(25)
Other	237,500	375,500	374,555	(945)
Total revenues	17,115,870	20,694,170	20,470,880	(223,290)
EXPENDITURES				
Current				
General Government				
Adminstration	1,240,000	1,474,000	1,473,045	955
Commission Board	217,610	247,610	246,994	616
County Manager	492,850	644,850	644,304	546
Elections	208,250	208,250	195,944	12,306
Tax Commissioner	499,600	516,600	516,322	278
Tax Assessor	515,500	613,500	612,584	916
Board of Equalization	4,850	5,550	5,517	33
County Engineer	152,050	169,050	168,682	368
Judicial				
Probate Court	333,550	333,550	322,042	11,508
Magistrate Court	204,300	222,300	222,153	147
Clerk of Superior Court	458,250	591,250	590,558	692
Superior Court	213,650	213,650	196,216	17,434
District Attorney	91,880	91,880	81,141	10,739
Public Defender	116,500	116,500	90,090	26,410
Public Safety				
Fire Departments	567,100	580,100	580,072	28
Coroner	140,500	146,500	145,868	632
Emergency Medical Service	2,872,950	3,173,950	3,173,553	397
Emergency Management	40,400	40,400	9,430	30,970
County Marshall	117,000	179,000	178,406	594
Sheriff Department	3,868,000	4,669,000	4,668,257	743
Detention Center	1,994,800	2,377,800	2,376,910	890
Public Works				
Highways and Streets	1,628,350	3,264,350	3,263,630	720
Health and Welfare				
Senior Center	241,350	271,350	271,200	150
Foster Care Services	30,000	30,000	22,939	7,061
Health Department	104,350	188,350	187,980	370
Culture and Recreation				
Recreation	456,300	568,300	567,404	896
Housing and Development				
County Agent	87,550	166,550	165,755	795
Forestry	6,500	7,100	7,025	75
Planning and Zoning	203,700	385,700	385,610	90
Economic Development	160,700	160,700	143,425	17,275
Debt Service	60,000	156,000	155,536	464
Total expenditures	17,328,390	21,813,690	21,668,592	145,098

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

Exhibit A-7, continued

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
Excess (deficiency) of revenues over (under) expenditures	$ (212,520)	$ (1,119,520)	$ (1,197,712)	$ (78,192)
Other financing sources (uses)				
Transfers in	0	59,000	58,768	(232)
Transfers out	(976,000)	(976,000)	(1,118,642)	(142,642)
Proceeds from sale of capital assets	0	44,000	43,851	(149)
Proceeds from inception of leases	0	804,000	803,500	(500)
Total other financing sources (uses)	(976,000)	(69,000)	(212,523)	(143,523)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,188,520)	(1,188,520)	(1,410,235)	(221,715)
Fund balances, July 1 (original)	0	0	14,356,801	14,356,801
Prior period adjustment	0	0	(140,773)	(140,773)
Fund balances, July 1 (restated)	1,188,520	1,188,520	14,216,028	13,027,508
Fund balances, June 30	$ 0	$ 0	$ 12,805,793	$ 12,805,793

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

FRANKLIN COUNTY, GEORGIA
ARPA GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 0	$ 0	$ 0	$ 0
EXPENDITURES	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
Fund balances, July 1	0	0	0	0
Fund balances, June 30	$ 0	$ 0	$ 0	$ 0

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,330,738	$ 164,006	$ 1,494,744
Receivables			
Accounts (net)	267,316	0	267,316
Intergovernmental	200,000	0	200,000
Due from other funds	545	122,404	122,949
Inventories	87,786	0	87,786
Restricted assets			
Cash and cash equivalents	60,036	0	60,036
Total current assets	1,946,421	286,410	2,232,831
Noncurrent assets			
Capital assets			
Non-depreciable	497,927	378,976	876,903
Depreciable (net)	25,311,544	0	25,311,544
Total noncurrent assets	25,809,471	378,976	26,188,447
Total assets	27,755,892	665,386	28,421,278
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	58,303	0	58,303
LIABILITIES			
Current liabilities			
Payables			
Accounts	154,517	3,362	157,879
Interest	2,046	0	2,046
Accrued salaries	6,123	1,935	8,058
Compensated absences	18,278	391	18,669
Due to other funds	1,000,000	297,406	1,297,406
Notes payable	241,767	0	241,767
Bonds payable	36,721	0	36,721
Total current liabilities	1,459,452	303,094	1,762,546
Noncurrent liabilities			
Compensated absences	2,031	43	2,074
Net pension liability	80,138	0	80,138
Notes payable	3,449,676	0	3,449,676
Bonds payable	2,067,564	0	2,067,564
Postclosure care	0	930,183	930,183
Total noncurrent liabilities	5,599,409	930,226	6,529,635
Total liabilities	7,058,861	1,233,320	8,292,181
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	2,660	0	2,660
NET POSITION			
Net investment in capital assets	20,073,779	378,976	20,452,755
Unrestricted	678,895	(946,910)	(268,015)
Total net position	$ 20,752,674	$ (567,934)	$ 20,184,740

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

Exhibit A-9

FRANKLIN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
OPERATING REVENUES			
Charges for sales and services	$ 3,086,003	$ 195,983	$ 3,281,986
Other	1,932	0	1,932
Total operating revenues	3,087,935	195,983	3,283,918
OPERATING EXPENSES			
Costs of sales and services	2,029,807	33,949	2,063,756
Personal services	285,766	78,490	364,256
Depreciation	794,594	0	794,594
Total operating expenses	3,110,167	112,439	3,222,606
Operating income (loss)	(22,232)	83,544	61,312
Non-operating revenues (expenses)			
Investment income	1,433	314	1,747
Interest expense	(138,508)	0	(138,508)
Total non-operating revenues (expenses)	(137,075)	314	(136,761)
Income (loss) before transfers	(159,307)	83,858	(75,449)
Transfers in	959,423	0	959,423
Change in net position	800,116	83,858	883,974
Net position, July 1	19,952,558	(651,792)	19,300,766
Net position, June 30	$ 20,752,674	$ (567,934)	$ 20,184,740

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

Exhibit A-10

FRANKLIN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
Cash flows from operating activities:			
Receipts from customers	$ 3,101,585	$ 195,983	$ 3,297,568
Payments to suppliers	(2,064,672)	(54,395)	(2,119,067)
Payments to employees	(284,581)	(77,447)	(362,028)
Other receipts	1,932	0	1,932
Net cash provided (used) by operating activities	754,264	64,141	818,405
Cash flows from non-capital financing activities:			
Receipts from other funds	704,193	45,592	749,785
Payments to other funds	(403,321)	(37,752)	(441,073)
Net cash provided (used) by non-capital financing activities	300,872	7,840	308,712
Cash flows from capital and related financing activities:			
Receipts from other funds	255,230	0	255,230
Acquisition of capital assets	(358,230)	0	(358,230)
Principal payments - notes payable	(334,845)	0	(334,845)
Principal payments - bonds payable	(390,817)	0	(390,817)
Interest paid	(142,760)	0	(142,760)
Net cash provided (used) by capital and related financing activities	(971,422)	0	(971,422)
Cash flows from investing activities:			
Interest received	1,433	314	1,747
Net increase (decrease) in cash and cash equivalents	85,147	72,295	157,442
Cash and cash equivalents, July 1	1,305,627	91,711	1,397,338
Cash and cash equivalents, June 30	$ 1,390,774	$ 164,006	$ 1,554,780

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

Exhibit A-11, continued

FRANKLIN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (22,232)	$ 83,544	$ 61,312
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	794,594	0	794,594
Landfill closure/postclosure costs	0	(23,328)	(23,328)
(Increase) decrease in accounts receivable	15,582	0	15,582
(Increase) decrease in inventories	14,520	0	14,520
(Increase) decrease in net pension asset	26,226	0	26,226
(Increase) decrease in deferred outflows of resources - pension	(56,224)	0	(56,224)
Increase (decrease) in accounts payable	(49,385)	2,882	(46,503)
Increase (decrease) in accrued payroll liabilities	7,090	1,043	8,133
Increase (decrease) in deferred inlfows of resources - pension	(56,045)	0	(56,045)
Increase (decrease) in net pension liability	80,138	0	80,138
Total adjustments	776,496	(19,403)	757,093
Net cash provided (used) by operating activities	$ 754,264	$ 64,141	$ 818,405
Cash and cash equivalents reconciliation:			
Cash and cash equivalents	$ 1,330,738	$ 164,006	$ 1,494,744
Restricted cash and cash equivalents	60,036	0	60,036
Total cash and cash equivalents	$ 1,390,774	$ 164,006	$ 1,554,780

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

FRANKLIN COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	Custodial Funds
ASSETS	
Cash	$ 933,792
Taxes receivable, net	182,015
Total assets	1,115,807
LIABILITIES	
Due to other agencies	605,967
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 509,840

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

FRANKLIN COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2023

	Custodial Funds
ADDITIONS	
Taxes collected for other agencies	$ 20,264,590
Court fees collected for other agencies	1,266,666
Court individual cases	108,465
Sheriff fees collected	530,829
Sheriff inmate account deposits	289,385
Total additions	22,459,935
DEDUCTIONS	
Taxes distributed to other agencies	20,264,590
Court fees distributed to other agencies	1,250,906
Payments to others	43,503
Sheriff fees distributed to other agencies	291,063
Payments from inmates to others	527,352
Total deductions	22,377,414
Change in net position	82,521
Net position, July 1	427,319
Net position, June 30	$ 509,840

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

FRANKLIN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
June 30, 2023

	Franklin County Industrial Building Authority	Franklin County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,124,002	$ 1,022,721	$ 2,146,723
Receivable (net)			
Accounts	0	53,071	53,071
Taxes	1,686	0	1,686
Intergovernmental	11,439	0	11,439
Net OPEB Asset	0	18,722	18,722
Total current assets	1,137,127	1,094,514	2,231,641
Noncurrent assets			
Property held for development	5,568,680	0	5,568,680
Capital assets			
Depreciable (net)	10,317	0	10,317
Total noncurrent assets	5,578,997	0	5,578,997
Total assets	6,716,124	1,094,514	7,810,638
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	0	540,875	540,875
Deferred outflows of resources - OPEB	0	130,431	130,431
Total deferred outflows of resources	0	671,306	671,306
LIABILITIES			
Current liabilities			
Accounts payable	4,202	44,384	48,586
Intergovernmental payable	0	21,196	21,196
Compensated absences	0	60,750	60,750
Total current liabilities	4,202	126,330	130,532
Noncurrent liabilities			
Compensated absences	0	42,693	42,693
Proportionate share of net pension liability	0	1,125,989	1,125,989
Total noncurrent liabilities	0	1,168,682	1,168,682
Total liabilities	4,202	1,295,012	1,299,214
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	0	10,213	10,213
Deferred inflows of resources - OPEB	0	85,534	85,534
Total deferred inflows of resources	0	95,747	95,747
NET POSITION			
Investment in capital assets	10,317	0	10,317
Unrestricted	6,701,605	375,061	7,076,666
Total net position	$ 6,711,922	$ 375,061	$ 7,086,983

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

Exhibit A-14

FRANKLIN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2023

	Franklin County Industrial Building Authority	Franklin County Health Department	Totals
Expenses			
Health and Welfare	$ 0	$ 1,189,520	$ 1,189,520
Housing and Development	183,711	0	183,711
Total expenses	183,711	1,189,520	1,373,231
Program revenues			
Charges for services	0	353,798	353,798
Operating grants and contributions	1,680,300	575,773	2,256,073
Total program revenues	1,680,300	929,571	2,609,871
Net (expense) revenue	1,496,589	(259,949)	1,236,640
General revenues			
Property taxes	230,845	0	230,845
Payments from Franklin County	13,506	101,431	114,937
Gain on sale of properties held for resale	(68,559)	0	(68,559)
Total general revenues	175,792	101,431	277,223
Change in net position	1,672,381	(158,518)	1,513,863
Net position, July 1 (original)	5,058,954	533,579	5,592,533
Prior period adjustment	(19,413)	0	(19,413)
Net position, July 1 (restated)	5,039,541	533,579	5,573,120
Net position, June 30	$ 6,711,922	$ 375,061	$ 7,086,983

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

1. Description of Government Unit

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

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

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

2. Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. Reporting Entity

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

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

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

Franklin County 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 may be obtained by contacting the Franklin County Industrial Building Authority, PO Box 151, Carnesville, Georgia 30521.

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 (a voting majority) 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.

2. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

2. Summary of Significant Accounting Policies (continued)

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

The County's government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Custodial funds have no measurement focus. Accordingly, all the County's assets and liabilities, including capital assets, as well as current year infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

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

2. Summary of Significant Accounting Policies (continued)

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities that normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Governmental Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. The County considers property taxes as available in the period for which they were levied if they are collected within 60 days subsequent to year-end. A 60-day availability period is also used for revenue recognition for all other governmental fund revenue.

2. Summary of Significant Accounting Policies (continued)

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

The County reports the following major governmental funds:

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

ARPA Grant Special Revenue Fund – This fund is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

SPLOST 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.

The County reports the following major proprietary funds:

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

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

2. Summary of Significant Accounting Policies (continued)

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

Additionally, the County reports the following fund types:

Governmental Fund Types

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

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

Fiduciary Fund Types

Custodial Funds – Custodial Funds are custodial in nature and do not present results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others.

Component Units

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

2. Summary of Significant Accounting Policies (continued)

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

Component Units

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

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

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

2. Summary of Significant Accounting Policies (continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Budgets and Budgetary Accounting

The Board of Commissioners adopts an annual budget for all governmental fund types, prior to June 30, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the Board of Commissioners when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted at a public meeting. The County did not adopt a budget for the Drug Enforcement Special Revenue Fund, Inmate Welfare Special Revenue Fund, and Law Library Special Revenue Fund for the current fiscal year.

Each year in April, each department submits a proposed budget to the Board of Commissioners for their review. Each department will have scheduled meetings with the Board of Commissioners to review the proposed budget and to ratify any adjustments to the budget. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Franklin County. These hearings are publicized in the local newspaper at least one week before the first hearing, and the budget document is made available for public inspection during this week. The final proposed budget is presented at a Board of Commissioners meeting for final passage prior to June 30.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Any changes in total departmental expenditures/expenses, personnel benefits, or capital purchases must be approved by the Board of Commissioners.

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting, continued

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department, sub-department, or project level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year end.

The County does not use the encumbrance system of accounting.

F. Cash and Investments

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

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

G. Intergovernmental Receivables

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

2. Summary of Significant Accounting Policies (continued)

H. Inventories

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year are recorded as prepaid items. Prepaid items in the governmental funds are recorded as expenditures when consumed.

J. Capital Assets

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

GASB Statement No. 34 required the County to report and depreciate new infrastructure assets effective with the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are among the largest asset classes of the County. Prior to July 1, 2006, neither their historical costs, nor related depreciation, had been reported in the financial statements. The County implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended June 30, 2007. The County elected to report general infrastructure assets placed into service prior to July 1, 1980.

2. Summary of Significant Accounting Policies (continued)

J. Capital Assets, continued

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 acquisition 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
Intangible right-to-use assets		
Vehicles	3-5	$ 5,000

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

The County has recorded right to use leased assets as a result of implementing GASB Statement No. 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the shorter of the estimated useful life of the leased asset or life of the related lease.

2. Summary of Significant Accounting Policies (continued)

K. Fund Balances – Governmental Funds

Franklin County implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Commissioners, Franklin County's highest level of decision-making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed may be determined within 90 days of fiscal year-end.

Assigned – includes amounts that the County intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the County's adopted policy, amounts may be assigned by the County Manager, under the authorization of the Board of Commissioners, through a written memorandum. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and are documented by adoption of the County's annual operating budget. Equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

2. Summary of Significant Accounting Policies (continued)

K. Fund Balances – Governmental Funds, continued

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that should report this category of fund balance as a positive number.

For the purposes of fund balance classification, the County considers restricted amounts spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Furthermore, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, then committed amounts are spent first, followed by assigned amounts, and then unassigned amounts.

L. Deferred Outflows/Inflows of Resources

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County reports deferred outflow of resource for deferred charges on bond refunding and their defined benefit pension plan. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

2. Summary of Significant Accounting Policies (continued)

L. Deferred Outflows/Inflows of Resources , continued

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 an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item that 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 one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to their defined benefit pension plans.

M. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

2. Summary of Significant Accounting Policies (continued)

N. Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

O. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

P. Compensation for Future Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and compensation benefits. These will be paid to the employees upon separation from County service. Accumulated unpaid vacation pay amounts are accrued when incurred by the County in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

2. Summary of Significant Accounting Policies (continued)

Q. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

R. Capital Contributions

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

S. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Franklin County Defined Benefit Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

3. Deposit and Investment Risk

Custodial Credit Risk - Deposits

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

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

Concentration of Credit Risk

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

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

Investments

The County measures and records its investments using fair value hierarchy measurement guidelines established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs other than quoted market prices. Level 3 inputs are significant unobservable inputs.

4. Accounts Receivable

Net accounts receivable consist of the following at end of the current fiscal year:

Primary Government:		
Major Funds		
General Fund	$ 516,185	
Less: Allowance for Uncollectibles	(203,058)	$ 313,127
Enterprise Funds		
Water and Sewer Fund	329,429	
Less: Allowance for Uncollectibles	(62,113)	267,316
Nonmajor Funds		
Opioid Settlement Fund		698,338
Total primary government		$ 1,278,781
Component Unit		
Franklin County Health Department		$53,071

5. Intergovernmental Receivables

Intergovernmental receivables consist of the following at the end of the current fiscal year:

Major Funds	
General Fund	$ 55,985
Water and Sewer Enterprise Fund	200,000
Nonmajor Funds	
Emergency 911 Special Revenue Fund	39,223
Probation Service Special Revenue Fund	64,196
Total primary government	$ 359,404
Component Unit	
Franklin County Industrial Building Authority	$ 11,439

6. Property Taxes

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 2023, based upon the assessments of January 1, 2022, were levied on July 28, 2022, billed on September 1, 2022, and due on November 15, 2022. Tax liens may be issued 90 days after the due date.

7. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at the end of the current fiscal year:

Receivable Fund	Payable Fund	Amount
General	Water and Sewer	$ 1,000,000
	SPLOST V	630,667
	Solid Waste	296,861
	Nonmajor Governmental	521,572
Nonmajor Governmental	General	251,895
Water and Sewer	Solid Waste	545
Solid Waste	General	122,404
Total		$ 2,823,944

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

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

A summary of interfund transfers is as follows:

Transfer out Fund	Transfer in Fund	Amount
General	Water and Sewer	$ 704,193
	Nonmajor governmental	414,449
SPLOST V	Water and Sewer	255,230
Nonmajor governmental	General	58,768
		$ 1,432,640

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

8. Capital Assets

Capital asset activity for the primary government for the current fiscal year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Nondepreciable assets				
Land	$ 5,055,458	$ 176,701	$ 0	$ 5,232,159
Construction in progress	0	1,176,577	0	1,176,577
Total nondepreciable assets	5,055,458	1,353,278	0	6,408,736
Depreciable/amortizable assets				
Land improvements	1,317,885	0	0	1,317,885
Infrastructure	43,562,488	0	0	43,562,488
Buildings	11,365,970	0	0	11,365,970
Machinery and equipment	3,818,711	256,369	(128,185)	3,946,895
Vehicles	7,487,907	179,862	(214,203)	7,453,566
Intangible right-to-use assets				
Vehicles	361,369	803,500	0	1,164,869
Total depreciable/amortizable assets	67,914,330	1,239,731	(342,388)	68,811,673
Accumulated Depreciation/Amortization				
Land improvements	(1,080,195)	(41,917)	0	(1,122,112)
Infrastructure	(25,464,388)	(879,783)	0	(26,344,171)
Buildings	(6,191,752)	(288,702)	0	(6,480,454)
Machinery and equipment	(3,147,590)	(129,695)	128,185	(3,149,100)
Vehicles	(6,344,045)	(206,090)	196,003	(6,354,132)
Intangible right-to-use assets				
Vehicles	(81,149)	(261,508)	0	(342,657)
Total accumulated depreciation/amortization	(42,309,119)	(1,807,695)	324,188	(43,792,626)
Total depreciable/amortizable assets, net	25,605,211	(567,964)	(18,200)	25,019,047
Governmental Activities capital assets, net	$ 30,660,669	$ 785,314	$ (18,200)	$ 31,427,783

8. Capital Assets, continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Nondepreciable assets				
Land	$ 492,923	$ 0	$ 0	$ 492,923
Construction in progress	25,750	358,230	0	383,980
Total non-depreciable assets	518,673	358,230	0	876,903
Depreciable assets				
Land improvements	29,382	0	0	29,382
Distribution system	34,754,163	0	0	34,754,163
Buildings	40,380	0	0	40,380
Machinery and equipment	719,855	0	0	719,855
Vehicles	362,315	0	0	362,315
Total depreciable assets	35,906,095	0	0	35,906,095
Accumulated Depreciation				
Land improvements	(29,382)	0	0	(29,382)
Distribution system	(9,072,682)	(762,251)	0	(9,834,933)
Buildings	(17,028)	(1,210)	0	(18,238)
Machinery and equipment	(356,136)	(22,795)	0	(378,931)
Vehicles	(324,729)	(8,338)	0	(333,067)
Total accumulated depreciation	(9,799,957)	(794,594)	0	(10,594,551)
Total depreciable assets, net	26,106,138	(794,594)	0	25,311,544
Business-type Activities capital assets, net	$ 26,624,811	$ (436,364)	$ 0	$ 26,188,447

Beginning balances of the Governmental activities have been restated for the combining of GASB Statement No. 87, *Leases*' intangible right-to-use assets schedule into the capital asset schedule. The restatement totaled $280,220 and was comprised of $361,369 costs of intangible right-to-use intangible assets and accumulated amortization of $81,149.

8. Capital Assets (continued)

Capital asset activity for the Industrial Building Authority Component Unit for the current fiscal year was as follows:

Industrial Building Authority Component Unit	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable assets				
Land improvements	$ 7,356	$ 0	$ 0	$ 7,356
Furniture and fixtures	4,000	0	0	4,000
Total depreciable assets	11,356	0	0	11,356
Accumulated Depreciation				
Land improvements	(286)	(286)	0	(572)
Furniture and fixtures	(233)	(234)	0	(467)
Total accumulated depreciation	(519)	(520)	0	(1,039)
Industrial Building Authority Component Unit capital assets, net	$ 10,837	$ (520)	$ 0	$ 10,317

Depreciation/amortization expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 139,811
Public Safety	530,257
Public Works	974,446
Health and Welfare	41,460
Housing and Development	11,351
Culture and Recreation	110,370
Total depreciation/amortization expense for governmental activities	$ 1,807,695
Business-type activities	
Water and Sewer	$ 794,594
Industrial Building Authority Component Unit	$ 520

9. Long-Term Debt

Leases

Governmental Activities

The County entered into several agreements to lease certain vehicles. The lease agreements qualify as other than short-term leases under GASB Statement No. 87, *Leases* and, therefore have been recorded at the present value of the future minimum lease payments at their inception. Capital lease liabilities are comprised of the following individual leases at the end of the current fiscal year:

- Twenty-nine vehicle leases (original issuance ranging from $28,430 to $62,822) due in monthly installments ranging from $524 to $1,269 through June 2028, interest ranging from 0.270% to 5.758%, $992,653 outstanding.

The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments at the end of the current fiscal year:

Year Ending June 30,	Principal	Interest	Total
2024	$ 253,195	$ 24,850	$ 278,045
2025	260,116	17,929	278,045
2026	244,765	10,816	255,581
2027	195,606	4,035	199,641
2028	38,971	385	39,356
Totals	$ 992,653	$ 58,015	$ 1,050,668

General Obligation Bonds

General obligations bonds issued by the County are comprised 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 issued provide funds to finance the cost of advance refunding the outstanding Hospital Authority of the City of Lavonia Revenue Anticipation Certificates (Ty Cobb Regional Medical Center Project), Series 2010 and all related issue costs.

9. Long-Term Debt (continued)

General Obligation Bonds, continued

$8,510,000 2016 series A bonds due in annual installments of $33,023 to $827,400 through July 1, 2035; interest at 2% to 4% ($7,755,000 outstanding). The proceeds were used to advance refund the Hospital Authority of the City of Lavonia Revenue Anticipation Certificates (Ty Cobb Regional Medical Center Project), Series 2010 bonds.

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

Year Ending June 30,	Principal	Interest	Total
2024	$ 520,000	$ 305,000	$ 825,000
2025	535,000	289,400	824,400
2026	560,000	268,000	828,000
2027	580,000	245,600	825,600
2028	605,000	222,400	827,400
2029-2033	3,395,000	730,400	4,125,400
2034-2036	1,560,000	94,200	1,654,200
Totals	$ 7,755,000	$ 2,155,000	$ 9,910,000

Bonds from Direct Placements

Business-type Activities

$2,242,268 2019 Franklin County Water and Sewer Revenue series revenue bonds due in monthly installments of $7,409 of principal and interest through May 31, 2059; interest at 2.51% ($2,104,285 outstanding), to finance a portion of the County's wastewater treatment project with the United States Department of Agriculture. The bonds are secured by a pledge of first lien on the revenues derived from the system.

9. Long-Term Debt (continued)

Bonds from Direct Placements, continued

Business-type Activities, continued

Annual debt service requirements to maturity for direct-placement bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 36,721	$ 52,187	$ 88,908
2025	37,650	51,258	88,908
2026	38,602	50,306	88,908
2027	39,578	49,330	88,908
2028	40,579	48,329	88,908
2029-2033	218,818	225,722	444,540
2034-2038	247,921	196,619	444,540
2039-2043	280,894	163,646	444,540
2044-2048	318,254	126,286	444,540
2049-2053	360,582	83,958	444,540
2054-2058	408,540	36,000	444,540
2059	76,146	908	77,054
Totals	$ 2,104,285	$ 1,084,549	$ 3,188,834

Revenue Bonds

Business-type Activities

Revenue bonds have been issued for business-type activities and are comprised of the following individual issues at the end of the current year:

$4,190,000 2008 Franklin County Water and Sewerage Authority series revenue bonds due in annual installments of $250,000 to $355,000 through March 1, 2023; interest at 3.599%, for expansion of the County's water and sewerage system and retirement of promissory notes with the United States Department of Agriculture. The principal and interest payments of the bonds are secured by a lien on all revenues of the County. The bond obligation was paid in full in the current fiscal year.

9. Long-Term Debt (continued)

Notes from Direct Borrowings

The County has entered into a lending agreement with the Georgia Environmental Finance Authority for expansion of the water and sewer system in the original amount of $2,166,217. At the end of the current fiscal year, the balance of this note is $32,332. Quarterly installments of $32,332 principal are due through March 1, 2023; interest at 0% Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues of taxes, fees and charges collected by the County.

The County has entered into a lending agreement with the Georgia Environmental Finance Authority for expansion of the water and sewer system in the original amount of $1,600,000. At the end of the current fiscal year, the balance of this note is $1,027,587. Monthly installments of $8,193 principal are due through October 1, 2034; interest at 2.13%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues of taxes, fees and charges collected by the County.

The County has entered into a lending agreement with the Georgia Environmental Finance Authority for expansion of the water and sewer system in the original amount of $582,290. At the end of the current year, the balance of this note is $279,014. Quarterly installments of $2,426 principal are due through July 1, 2033; interest at 0% Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues of taxes, fees and charges collected by the County.

9. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

The County has entered into a lending agreement with the Georgia Environmental Finance Authority for expansion of the water and sewer system in the original amount of $3,500,000. GEFA agrees to forgive $500,000 of the loan if all funds are drawn. Monthly installments of principal and interest are due, beginning on the first day of the calendar month following the date that the loan is fully disbursed (the Amortization Commencement Date) for 239 months; interest at 2.25%. The County has drawn $2,900,815 on this agreement and recognized $447,456 in principal forgiveness. As of the end of the current fiscal year, the balance of this note is $2,352,510. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues of taxes, fees and charges collected by the County.

Annual debt service requirements for notes from direct borrowings are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 241,767	$ 73,009	314,776
2025	213,440	69,004	282,444
2026	217,534	64,911	282,445
2027	221,719	60,726	282,445
2028	225,997	56,448	282,445
2029-2033	1,185,424	214,668	1,400,092
2034-2038	852,376	102,967	955,343
2039-2042	533,186	22,282	555,468
Totals	$ 3,691,443	$ 664,015	$ 4,355,458

10. Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the County for the current fiscal year:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	$ 8,075,000	$ 0	$ (320,000)	$ 7,755,000	$ 520,000
Unamortized bond premium	893,858	0	(68,758)	825,100	68,758
Lease payable	327,955	803,500	(138,802)	992,653	253,195
Compensated absences	753,061	857,394	(677,756)	932,699	839,430
Total governmental activities	$ 10,049,874	$ 1,660,894	$ (1,205,316)	$ 10,505,452	$ 1,681,383
Business-type activities					
Notes from direct borrowings	$ 4,026,288	$ 0	$ (334,845)	$ 3,691,443	$ 241,767
Bonds payable	355,000	0	(355,000)	0	0
Bonds from direct placements	2,140,102	0	(35,817)	2,104,285	36,721
Post-closure care costs	953,511	0	(23,328)	930,183	0
Compensated absences	14,743	19,291	(13,291)	20,743	18,669
Total business-type activities	$ 7,489,644	$ 19,291	$ (762,281)	$ 6,746,654	$ 297,157

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 Special Revenue Fund.

The total interest incurred and charged to expense for the fiscal year ended June 30, 2023, was $289,529 for governmental activities and $138,508 for business-type activities.

11. Conduit Debt

From time to time, the County issues Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, nor the State, or any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At the end of the current fiscal year, there is one series of Revenue Bonds outstanding. The current principal amount outstanding is $1,759,768. The original issue amounts totaled $4,200,000.

12. Landfill Post-Closure Care Costs

The County closed its solid waste landfill in 2002. State and federal laws and regulations require the County to perform certain maintenance and monitoring operations at the landfill site for 30 years after official closure. The estimated cost of all post closure care activities is $930,183 and is reflected as a long-term liability in the Solid Waste Enterprise Fund. Because of future changes in technology, laws, or regulations, these costs may change.

13. Deficit Equity Balances

At the end of the current fiscal year, the Solid Waste Enterprise Fund has deficit net position of $567,934. This is due to the estimated cost of post closure care activities. The County plans to liquidate the deficit net position through payment of post closure care costs.

14. Pension Plans

County Defined Benefit Plan

Plan Description. The County is a participating member of the Association of County Commissioners of Georgia ("ACCG") Defined Benefit Plan ("Plan"), an agent multiple-employer retirement system, administered by the Association of County Commissioners of Georgia. This is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries. The Commission has established provisions, which assign the authority to the Commission council members to establish and amend the benefit provisions of the plan.

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 standards of the Public Retirement Systems

Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the County but shall be allocated to employees. All full-time County employees are eligible to participate in the Plan after completing one year of service and having reached their 21st birthday. These benefit provisions and powers to amend the plan were established by a resolution executed by the County Board of Commissioners. The plan is closed to new participants. Employees with a hire date or rehire date on or after March 7, 2011, are ineligible to participate in the plan.

14. Pension Plans (continued)

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 annual report and more detailed information regarding the plan can be obtained by writing to Pension Service Company, 1100 Circle 75 Parkway, Suite 320, Atlanta, GA 30339.

At January 1, 2022, the date of the most recent actuarial valuation, participants consisted of the following:

Retirees, beneficiaries and disables currently receiving benefits	62
Terminated vested participants entitled to but not yet receiving benefits	74
Active participants	60
Total number of participants	196

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 retirement benefits to be provided for each participant at their normal retirement date is equal to two 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.

14. Pension Plans (continued)

Contributions. Employees make no contributions to the plan. The County is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The current rate is 21.61% of annual covered payroll. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, the County reported a net pension liability of $2,601,891. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. For the fiscal year ended June 30, 2023, the County recognized pension expense of $580,014. For governmental activities, the net pension asset is liquidated in the General Fund and the Emergency 911 Fund Special Revenue Fund.

At the end of the current year, 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
Differences between expected and actual experience	$ 334,753	$ (86,349)
Net difference between projected and actual earnings on pension plan investments	1,524,365	0
Changes of assumptions	33,844	0
	$ 1,892,962	$ (86,349)

14. Pension Plans (continued)

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

Year Ending June 30	
2024	$ 180,960
2025	463,300
2026	468,173
2027	694,180
Totals	$ 1,806,613

Actuarial Assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Projected salary increases	3.00% plus service-based merit increases
Cost of living adjustments	N/A
Net investment rate of return	7.00%
Actuarial cost method	Entry age normal
Amortization method	Closed level dollar
Remaining amortization period	15 years

Healthy mortality rates were based on the Pub-2010 Amount weighted Mortality Table. Disabled mortality rates were based on the 1985 CIDA Table Class 1 sex-distinct rates.

The mortality and economic actuarial assumptions used in the December 31, 2022 valuation were based on the results of a February 2019 experience study.

14. Pension Plans (continued)

The long-term expected rate of return on pension plan 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, 2022 are summarized in the following table:

	Target Allocation	Range
Fixed Income	30%	25%-35%
Large Cap	30%	25%-35%
Mid Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%

Discount Rate. The discount rate used to measure the total pension liability was 7.00 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.

14. Pension Plans (continued)

Changes in Net Pension Liability (Asset)

	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 12/31/21	$ 15,412,559	$ 16,264,067	$ (851,508)
Changes for the year:			
Service cost	159,541	0	159,541
Interest	1,060,396	0	1,060,396
Differences between expected and actual experience	531,666	0	531,666
Changes of assumptions	29,348	0	29,348
Contributions—employer	0	771,755	(771,755)
Net investment income	0	(2,294,768)	2,294,768
Benefit payments, including refunds of employee contributions	(528,096)	(528,096)	0
Administrative expense	0	(35,679)	35,679
Other changes	0	(113,756)	113,756
Net changes	1,252,855	(2,200,544)	3,453,399
Balances at 12/31/22	$ 16,665,414	$ 14,063,523	$ 2,601,891

Plan's fiduciary net position as a percentage of the total pension liability	84.39%
Covered payroll	$ 3,328,696
Net pension liability as a percentage of covered payroll	78.17%

Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00 percent) or one percentage-point higher (8.00 percent) than the current rate:

	Discount Rate	Net Pension Liabilty (Asset)
1% decrease	6.00%	$ 4,939,611
Current discount rate	7.00%	2,601,891
1% increase	8.00%	670,302

14. Pension Plans (continued)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia Benefit System financial report.

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 reports. These plans are immaterial to the financial statements.

Franklin County Department of Public Health Retirement Plan

Eligible employees of the Franklin County Department of Public Health participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system. During the current fiscal year, the Department contributed $153,002. At the end of the current fiscal year, the Department reported a liability in the amount of $1,125,989 for its proportionate share (0.016860%) of the net pension liability. The Department recognized pension expense of $153,002 during the current fiscal year. Further information regarding the plan can be obtained from Department's annual audit report by contacting District 2, Public Health, 1280 Athens Street, Gainesville, GA 30507.

15. Deferred Compensation Plans

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

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

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

During the current fiscal year, the County contributed $168,628 to the Plans, based on covered salaries of $7,336,218. Total payroll was $10,207,718. Plan members made voluntary contributions of $232,044.

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.

16. Other Post-Employment Benefits

Franklin County Health Department

Eligible employees of the Franklin County Health Department are provided OPEB through the State of Georgia OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple-employer defined benefit other post-employment benefit plan. During the current fiscal year, the Department contributed $29,564. At the end of the current fiscal year, the Department reported a net OPEB asset in the amount of $18,722 for its proportionate share of 0.014769% for the State of Georgia OPEB Fund and 0.023146% for the SEAD-OPEB Fund. The Department recognized OPEB income of $87,663 for the current fiscal year. Further information regarding the plans can be obtained from Department's annual audit report by contacting District 2 Public Health, 1280 Athens Street, Gainesville, Georgia 30507.

17. 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 did not contribute funds to the Airport during the current fiscal year. 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 current fiscal year, the County paid $5,272 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.

18. 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.

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.

19. Commitments and Contingencies

Commitments

The County has active construction projects at the end of the current fiscal year. At fiscal year end, the County's commitments with contractors total $114,710.

Contingencies

The County is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The County's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

Franklin County participates in several 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.

20. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the current fiscal year follows:

Lodging tax receipts	$	49,809	
Disbursements for tourism and trade	$	0	0% of tax receipts
Transfers to General Fund	$	58,768	118% of tax receipts

The County did not make its required payouts to the required Destination Marketing Organization pursuant to OCGA Code Section 48-13-51(a)(3) during the current fiscal year. Refer to 2023-009 on page 87 of this report.

21. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows as of the end of the current fiscal year:

	Governmental Activities	Business-Type Activities	Franklin County Industrial Development Authority
Capital assets, net	$ 31,427,783	$ 26,188,447	$ 10,317
Capital-related accounts payable	(190,560)	0	0
Leases payable	(992,653)	0	0
Bonds payable	0	(2,104,285)	0
Notes payable	0	(3,691,443)	0
Unspent debt proceeds	0	60,036	0
Net investment in capital assets	$ 30,244,570	$ 20,452,755	$ 10,317

22. Restricted and Assigned Fund Balances

A summary of restricted and assigned fund balances of the governmental funds as of the end of the current fiscal year is as follows:

	General	SPLOST V	Nonmajor Governmental	Total Governmental Funds
Restricted for:				
Judicial				
Law library operations	$ 0	$ 0	$ 117,528	$ 117,528
Public safety				
Construction, operation, and staffing of detention facilities	685,046	0	0	685,046
Drug abuse treatment and education programs	473,061	0	189,566	662,627
Sheriff facilities and equipment	0	0	134,700	134,700
Probation services	0	0	76,817	76,817
Housing and development				
Trade and tourism	0	0	39,179	39,179
Capital projects	0	7,013,559	1,145,475	8,159,034
	$ 1,158,107	$ 7,013,559	$ 1,703,265	$ 9,874,931
Assigned for:				
Public safety				
Emergency 911 system operations	$ 0	$ 0	$ 255,708	$ 255,708

23. New Accounting Pronouncements

The County implemented GASB Statement No. 91, *Conduit Debt,* effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2021. This implementation had no effect on beginning net position.

The County implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. This implementation had no effect on beginning net position.

The County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. This implementation had no effect on beginning net position.

The County implemented GASB Statement No. 99, *Omnibus 2022,* effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. This implementation had no effect on beginning net position.

24. Changes in Beginning Balances

Governmental Activities

General Fund

A prior period adjustment has been made to adjust the beginning balance of accounts payable. This adjustment decreased beginning fund balance by $140,773.

Component Units

Franklin County Industrial Building Authority

A prior period adjustment has been made to adjust the beginning balance of accounts receivable. This adjustment decreased beginning net position by $19,413.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

This section contains required supplementary information provided by Franklin County.

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2023
(Unaudited)

	Fiscal Year End		
	2023	**2022**	**2021**
Total pension liability			
Service cost	$ 159,541	$ 163,369	$ 194,691
Interest	1,060,396	1,025,947	996,857
Differences between expected and actual expenses	531,666	(215,370)	(312,194)
Changes of assumptions	29,348	44,119	26,792
Benefit payments, including refunds of employee contributions	(528,096)	(523,782)	(457,374)
Net change in total pension liability	1,252,855	494,283	448,772
Total pension liability - beginning	15,412,559	14,918,276	14,469,504
Total pension liability - ending (a)	$ 16,665,414	$ 15,412,559	$ 14,918,276
Plan fiduciary net position			
Contributions - employer	$ 771,755	$ 725,187	$ 756,445
Net investment income	(2,294,768)	2,157,154	1,646,157
Benefit payments, including refunds of employee contributions	(528,096)	(523,782)	(457,374)
Administrative expense	(35,679)	(33,521)	(34,450)
Other	(113,756)	(129,135)	(92,933)
Net change in plan fiduciary net position	(2,200,544)	2,195,903	1,817,845
Plan fiduciary net position - beginning	16,264,067	14,068,164	12,250,319
Plan fiduciary net position - ending (b)	$ 14,063,523	$ 16,264,067	$ 14,068,164
Net pension liability (asset) - ending: (a) - (b)	$ 2,601,891	$ (851,508)	$ 850,112
Plan's fiduciary net position as a percentage of the total pension liability	84.39%	105.52%	94.30%
Covered payroll	$ 3,328,696	$ 3,298,841	$ 3,591,519
Net pension liability as a percentage of covered payroll	78.17%	-25.81%	23.67%

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

The accompanying notes to the required supplementary information are an integral part of this schedule.

Fiscal Year End						
2020	2019	2018	2017	2016	2015
$ 189,934	$ 240,421	$ 262,592	$ 262,245	$ 260,613	$ 280,360
893,759	859,976	800,312	750,611	691,116	640,744
203,321	578,860	105,406	(56,481)	(272,691)	0
681,396	(116,950)	28,077	396,254	426,313	0
(533,787)	(389,168)	(373,431)	(321,996)	(312,075)	(249,481)
1,434,623	1,173,139	822,956	1,030,633	793,276	671,623
13,034,881	11,861,742	11,038,786	10,008,153	9,214,877	8,543,254
$ 14,469,504	$ 13,034,881	$ 11,861,742	$ 11,038,786	$ 10,008,153	$ 9,214,877
$ 710,570	$ 693,691	$ 660,216	$ 615,713	$ 608,046	$ 682,504
2,108,160	(491,068)	1,383,884	557,257	66,325	496,502
(533,787)	(375,554)	(360,368)	(310,358)	(300,795)	(240,464)
(34,291)	(25,309)	(22,933)	(27,342)	(25,282)	(25,509)
(66,081)	(71,180)	(78,555)	(72,403)	(57,322)	(71,539)
2,184,571	(269,420)	1,582,244	762,867	290,972	841,494
10,065,748	10,335,168	8,752,924	7,990,057	7,699,085	6,857,591
$ 12,250,319	$ 10,065,748	$ 10,335,168	$ 8,752,924	$ 7,990,057	$ 7,699,085
$ 2,219,185	$ 2,969,133	$ 1,526,574	$ 2,285,862	$ 2,018,096	$ 1,515,792
84.66%	77.22%	87.13%	79.29%	79.84%	83.55%
$ 3,685,654	$ 4,160,058	$ 4,101,353	$ 4,285,613	$ 4,484,980	$ 4,779,734
60.21%	71.37%	37.22%	53.34%	45.00%	31.71%

The accompanying notes to the required supplementary information are an integral part of this schedule.

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2023
(Unaudited)

	Fiscal Year End		
	2023	**2022**	**2021**
Actuarially determined contribution	$ 664,345	$ 639,084	$ 682,411
Contributions in relation to the actuarially determined contribution	(771,755)	(725,187)	(756,445)
Contribution deficiency (excess)	$ (107,410)	$ (86,103)	$ (74,034)
Covered payroll	$ 3,572,071	$ 3,284,018	$ 3,589,105
Contributions as a percentage of covered payroll	21.61%	22.08%	21.08%

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

The accompanying notes to the required supplementary information are an integral part of this schedule.

Fiscal Year End						
2020	2019	2018	2017	2016	2015
$ 643,596	$ 642,399	$ 638,474	$ 579,622	$ 584,000	$ 681,542
(710,570)	(693,691)	(660,216)	(615,713)	(608,046)	(681,542)
$ (66,974)	$ (51,292)	$ (21,742)	$ (36,091)	$ (24,046)	$ 0
$ 3,581,698	$ 3,780,707	$ 3,976,158	$ 4,285,613	$ 4,484,980	$ 4,779,734
19.84%	18.35%	16.60%	14.37%	13.56%	14.26%

The accompanying notes to the required supplementary information are an integral part of this schedule.

1. Valuation Date

The actuarially determined contribution rate was determined as of December 31, 2023, 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, 2024.

2. Methods and Assumptions Used to Determine Contribution 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 = 7.00%

Projected salary increases = 3.00% plus service-based merit increases

Cost of living adjustments = N/A

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the Pub-2010 Amount weighted Mortality Table. Disabled mortality rates were based on the 1985 CIDA Table Class 1 sex-distinct rates

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.

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COMBINING STATEMENTS

Nonmajor Governmental Funds

FRANKLIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue							Capital Projects		Total Nonmajor Governmental Funds
	Drug Enforcement	Inmate Welfare	Emergency 911	Opioid Settlement	Law Library	Probation Service	Hotel/Motel Tax	SPLOST IV	SPLOST VI	
ASSETS										
Cash and cash equivalents	$ 402,072	$ 134,700	$ 800,221	$ 0	$ 115,603	$ 0	$ 0	$ 20,257	$ 879,174	$ 2,352,027
Due from other funds	0	0	0	158,572	1,925	52,219	39,179	0	0	251,895
Accounts receivable	0	0	0	698,338	0	0	0	0	0	698,338
Taxes receivable	0	0	0	0	0	0	0	0	517,152	517,152
Intergovernmental receivable	0	0	39,223	0	0	64,196	0	0	0	103,419
Total assets	$ 402,072	$ 134,700	$ 839,444	$ 856,910	$ 117,528	$ 116,415	$ 39,179	$ 20,257	$ 1,396,326	$ 3,922,831
LIABILITIES AND FUND BALANCES										
Liabilities										
Payables										
Accounts	$ 0	$ 0	$ 41,742	$ 0	$ 0	$ 25,299	$ 0	$ 0	$ 0	$ 67,041
Intergovernmental	0	0	0	0	0	0	0	0	271,108	271,108
Due to other funds	0	0	521,572	0	0	0	0	0	0	521,572
Due to other agencies	376,067	0	0	0	0	0	0	0	0	376,067
Accrued payroll liabilities	0	0	20,422	0	0	14,299	0	0	0	34,721
Total liabilities	376,067	0	583,736	0	0	39,598	0	0	271,108	1,270,509
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue										
Fines, fees, and forfeitures	0	0	0	693,349	0	0	0	0	0	693,349
Fund balances										
Restricted for:										
Judicial	0	0	0	0	117,528	0	0	0	0	117,528
Public Safety	26,005	134,700	0	163,561	0	76,817	0	0	0	401,083
Housing and Development	0	0	0	0	0	0	39,179	0	0	39,179
Capital outlay	0	0	0	0	0	0	0	20,257	1,125,218	1,145,475
Assigned for:										
Public safety	0	0	255,708	0	0	0	0	0	0	255,708
Total fund balances	26,005	134,700	255,708	163,561	117,528	76,817	39,179	20,257	1,125,218	1,958,973
Total liabilities, deferred inflows of resources, and fund balances	$ 402,072	$ 134,700	$ 839,444	$ 856,910	$ 117,528	$ 116,415	$ 39,179	$ 20,257	$ 1,396,326	$ 3,922,831

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2023

	Special Revenue							Capital Projects		Total Nonmajor Governmental Funds
	Drug Enforcement	Inmate Welfare	Emergency 911	Opioid Settlement	Law Library	Probation Service	Hotel/Motel Tax	SPLOST IV	SPLOST VI	
REVENUES										
Fines, fees, and forfeitures	$ 155,685	$ 0	$ 0	$ 163,561	$ 15,633	$ 0	$ 0	$ 0	$ 0	$ 334,879
Taxes	0	0	0	0	0	0	49,809	0	1,536,581	1,586,390
Charges for services	0	75,183	479,976	0	0	763,038	0	0	0	1,318,197
Investment income	1,449	0	0	0	132	0	0	12	0	1,593
Total revenues	157,134	75,183	479,976	163,561	15,765	763,038	49,809	12	1,536,581	3,241,059
EXPENDITURES										
Current										
Judicial	0	0	0	0	13,828	0	0	0	0	13,828
Public safety	160,535	90,610	894,425	0	0	702,898	0	0	0	1,848,468
Intergovernmental	0	0	0	0	0	0	0	0	411,363	411,363
Capital outlay	0	0	0	0	0	0	0	13,438	0	13,438
Total expenditures	160,535	90,610	894,425	0	13,828	702,898	0	13,438	411,363	2,287,097
Excess (deficiency) of revenues over (under) expenditures	(3,401)	(15,427)	(414,449)	163,561	1,937	60,140	49,809	(13,426)	1,125,218	953,962
Other financing sources (uses)										
Transfers in	0	0	414,449	0	0	0	0	0	0	414,449
Transfers out	0	0	0	0	0	0	(58,768)	0	0	(58,768)
Total other financing sources (uses)	0	0	414,449	0	0	0	(58,768)	0	0	355,681
Net change in fund balance	(3,401)	(15,427)	0	163,561	1,937	60,140	(8,959)	(13,426)	1,125,218	1,309,643
Fund balances, July 1	29,406	150,127	255,708	0	115,591	16,677	48,138	33,683	0	649,330
Fund balances, June 30	$ 26,005	$ 134,700	$ 255,708	$ 163,561	$ 117,528	$ 76,817	$ 39,179	$ 20,257	$ 1,125,218	$ 1,958,973

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 Sheriff's Department. These monies are held for evidence and then disbursed by court order to the appropriate agencies. This fund also includes monies paid to the County that are restricted for law enforcement against drugs.

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

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

Opioid Settlement Fund – This fund is used to account for the County's share of the National Opioid Settlement monies.

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.

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

Hotel/Motel Tax Fund – This fund is used to account for Hotel/Motel tax collections that are restricted for tourism in Franklin County.

FRANKLIN COUNTY, GEORGIA
DRUG ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 159,500	$ 155,685	$ (3,815)
Investment revenue	1,500	1,449	(51)
Total revenues	161,000	157,134	(3,866)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	161,000	160,535	465
Total expenditures	161,000	160,535	465
Excess (deficiency) of revenues over (under) expenditures	0	(3,401)	(3,401)
Fund balances, July 1	0	29,406	29,406
Fund balances, June 30	$ 0	$ 26,005	$ 26,005

FRANKLIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	Final Budget	Actual	Variance
REVENUES			
Charges for service	$ 91,000	$ 75,183	$ (15,817)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	91,000	90,610	390
Total expenditures	91,000	90,610	390
Excess (deficiency) of revenues over (under) expenditures	0	(15,427)	(15,427)
Fund balances, July 1	0	150,127	150,127
Fund balances, June 30	$ 0	$ 134,700	$ 134,700

FRANKLIN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 396,600	$ 479,976	$ 83,376
Total revenues	396,600	479,976	83,376
EXPENDITURES			
Current			
Public Safety			
Personal services	782,300	726,738	55,562
Contract services	165,250	147,683	17,567
Materials and supplies	49,750	20,004	29,746
Capital outlay	5,000	0	5,000
Total expenditures	1,002,300	894,425	107,875
Excess (deficiency) of revenues over (under) expenditures	(605,700)	(414,449)	191,251
Other financing sources (uses)			
Transfers in	605,700	414,449	(191,251)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balances, July 1	0	255,708	255,708
Fund balances, June 30	$ 0	$ 255,708	$ 255,708

FRANKLIN COUNTY, GEORGIA
OPIOID SETTLEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 0	$ 163,561	$ 163,561
Total revenues	0	163,561	163,561
EXPENDITURES	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	163,561	163,561
Fund balances, July 1	0	0	0
Fund balances, June 30	$ 0	$ 163,561	$ 163,561

FRANKLIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 15,800	$ 15,633	$ (167)
Investment	0	132	132
Total revenues	15,800	15,765	(35)
EXPENDITURES			
Current			
Judicial			
Personal services	1,680	1,680	0
Materials and supplies	12,200	12,148	52
Total expenditures	13,880	13,828	52
Excess (deficiency) of revenues over (under) expenditures	1,920	1,937	17
Fund balances, July 1	(1,920)	115,591	117,511
Fund balances, June 30	$ 0	$ 117,528	$ 117,528

FRANKLIN COUNTY, GEORGIA
PROBATION SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 556,250	$ 763,038	$ 206,788
Total revenues	556,250	763,038	206,788
EXPENDITURES			
Current			
Public Safety			
Personal services	666,000	657,207	8,793
Contract services	28,950	25,164	3,786
Materials and supplies	10,500	20,527	(10,027)
Capital outlay	2,500	0	2,500
Total expenditures	707,950	702,898	5,052
Excess (deficiency) of revenues over (under) expenditures	(151,700)	60,140	211,840
Other financing sources (uses)			
Transfers in	151,700	0	(151,700)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	60,140	60,140
Fund balances, July 1	0	16,677	16,677
Fund balances, June 30	$ 0	$ 76,817	$ 76,817

FRANKLIN COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	Final Budget	Actual	Variance
REVENUES			
Taxes	$ 20,000	$ 49,809	$ 29,809
EXPENDITURES			
Current			
Housing and Development			
Contract services	5,000	0	5,000
Payments to other agencies	15,000	0	15,000
Total expenditures	20,000	0	20,000
Excess (deficiency) of revenues over (under) expenditures	0	49,809	49,809
Other financing sources (uses)			
Transfers out	0	(58,768)	(58,768)
Net change in fund balance	0	(8,959)	(8,959)
Fund balances, July 1	0	48,138	48,138
Fund balances, June 30	$ 0	$ 39,179	$ 39,179

CUSTODIAL 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 custodial capacity.

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

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

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

FRANKLIN COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	Tax Commissioner	Magistrate Court	Probate Court	Clerk of Superior Court	Sheriff Department	Total Custodial Funds
ASSETS						
Cash	$ 58,003	$ 20,392	$ 211,025	$ 398,358	$ 246,014	$ 933,792
Taxes receivable, net	182,015	0	0	0	0	182,015
Total assets	240,018	20,392	211,025	398,358	246,014	1,115,807
LIABILITIES						
Due to other agencies	240,018	11,142	28,694	86,727	239,386	605,967
NET POSITION						
Restricted for individuals, organizations, and other governments	$ 0	$ 9,250	$ 182,331	$ 311,631	$ 6,628	$ 509,840

FRANKLIN COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2023

	Tax Commissioner	Magistrate Court	Probate Court	Clerk of Superior Court	Sheriff Department	Total Custodial Funds
ADDITIONS						
Taxes collected for other agencies	$ 20,264,590	$ 0	$ 0	$ 0	$ 0	$ 20,264,590
Court fees collected for other agencies	0	96,786	447,365	722,515	0	1,266,666
Court individual cases	0	0	0	108,465	0	108,465
Sheriff fees collected	0	0	0	0	530,829	530,829
Sheriff inmate account deposits	0	0	0	0	289,385	289,385
Total additions	20,264,590	96,786	447,365	830,980	820,214	22,459,935
DEDUCTIONS						
Taxes distributed to other agencies	20,264,590	0	0	0	0	20,264,590
Court fees distributed to other agencies	0	92,311	437,176	721,419	0	1,250,906
Payments to others	0	0	0	43,503	0	43,503
Sheriff fees distributed to other agencies	0	0	0	0	291,063	291,063
Payments from inmates to others	0	0	0	0	527,352	527,352
Total deductions	20,264,590	92,311	437,176	764,922	818,415	22,377,414
Change in net position	0	4,475	10,189	66,058	1,799	82,521
Net position, July 1	0	4,775	172,142	245,573	4,829	427,319
Net position, June 30	$ 0	$ 9,250	$ 182,331	$ 311,631	$ 6,628	$ 509,840

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OTHER REPORTING SECTION

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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*

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, 2023, 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 29, 2023. 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 auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Report on 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 first paragraph of this section 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 have not been identified.

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 as follows, to be material weaknesses:

2023-001

Condition: The County lacks sufficient controls and procedures regarding year-end close to ensure timely and accurate financial reporting. This included material adjustments and material prior period adjustments during the audit process.

Criteria: Internal controls should be in place to ensure the County can perform timely and accurate year-end close procedures for the County to be able to produce its annual financial statements timely.

Effect: Failure to properly design and implement internal controls over year-end close procedures may lead to financial statements that are materially misstated and lead to delays in financial reporting.

2023-001, continued

Cause: Various posting and classification errors led to account balances not agreeing to subsidiary ledgers.

Recommendation: We recommend that the County's Finance Department continue to implement and/or strengthen internal controls over the year-end closeout procedures. We also recommend management reconcile account balances monthly to the subsidiary ledgers to ensure proper and timely recording.

Management Response: Management concurs with this finding. County staff will review all year-end balances to ensure they are properly calculated and recorded. This action was taken immediately upon receipt of the comment from our auditors.

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 as follows that we consider to be significant deficiencies:

2023-002

Condition: While performing audit procedures at the Board of Commissioners' Office, Tax Commissioner's Office, Sheriff's Office, Clerk of Court, Probate Court, Law Library, and Industrial Building Authority, we noted that there is a lack of segregation of duties.

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.

Cause: The departments do not have an adequate number of staff to properly segregate duties.

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

Management Response: Management has provided a copy of this finding to the listed departments, and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2023-003

Condition: While performing audit procedures at the Magistrate Court, we noted that there is no approval process for voided transactions.

Criteria: Proper internal controls require that all voided transactions are properly approved.

Effect: Failure to maintain proper supporting documentation with evidence of approval for voided transactions subjects the assets of the County to greater risk of misappropriation.

Cause: Evidence that documents approval is not maintained by the Court.

Recommendation: Supporting documentation with evidence of approval should be retained at the Court's office.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official, and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2023-004

Condition: While performing audit procedures at the Magistrate Court, we noted an excess of funds in the cash account. The Magistrate Court has been unable to determine to whom the funds should be disbursed.

Criteria: Proper internal controls require that all cash in agency funds be properly accounted for.

Effect: Failure to account for all cash and to whom it is due subjects the assets of the County to greater risk of misappropriation.

Cause: The Magistrate Court does not have the information available to reconcile to whom excess funds should be disbursed.

Recommendation: The Magistrate Court should determine the proper payee and disburse funds appropriately.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2023-005

Condition: While performing audit procedures at the Recreation Department and Magistrate Court, we noted instances where deposits were not made in a timely manner. We noted 13 of 23 (57%) and 5 of 25 (20%), respectively, receipts tested were held for more than seven days before depositing.

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

Effect: Failure to deposit cash receipts in a timely manner exposes the County's assets to a greater risk of loss due to fraud.

Cause: Deposits were not made on a weekly basis.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management concurs with this finding. Management will direct the appropriate Department Head to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

2023-006

Condition: Vendor payments are paid out of the General Fund for all other funds and charged to the appropriate fund through interfund activity. Residual activity is maintained in interfund balances throughout the year. While performing audit procedures at the Commissioner's Office, we noted that interfund balances are not reconciled and not reimbursed to the General Fund on a timely basis.

Criteria: Proper internal controls require that interfund activity be reconciled and outstanding balances between funds be liquidated.

Effect: Failure to reconcile interfund activity and liquidate outstanding interfund balances throughout the year increases the County's risk for proper reporting.

Cause: The County does not reconcile interfund activity or settle outstanding interfund balances.

2023-006, continued

Recommendation: The County should reconcile interfund activity and liquidate balances due back to the General Fund monthly.

Management Response: Management concurs with this finding. Action was taken immediately upon receipt of the comment from our auditors.

2023-007

Condition: While performing audit procedures at the Water Department, we noted that physical inventory count sheets were not updated to reflect the year-end inventory counts.

Criteria: Proper internal controls require that physical inventory counts be performed at least annually and differences properly accounted for on count sheets and reflected on the general ledger.

Effect: Failure to maintain adequate inventory records subjects the assets of the County to greater risk of misappropriation.

Cause: Management did not updated records to reflect any changes in recorded inventory.

Recommendation: To ensure that sufficient internal controls are in place, the Water Department should perform a physical inventory count at least annually and update records to reflect any changes in recorded inventory amounts.

Management Response: Management concurs with this finding. Management will direct the Water Superintendent to implement the recommendations. This action was taken immediately upon receipt of the comment from our auditors.

2023-008

Condition: While performing audit procedures on capital assets, we noted several disbursements tested were misclassified. The disbursements were capital outlays recorded as expenses or expenses recorded as capital outlays.

Criteria: Proper internal controls require that all disbursements be properly classified.

Effect: Failure to properly classify disbursements may lead to financial statements that are materially misstated.

Cause: Multiple disbursements were incorrectly classified when recorded in the general ledger.

Recommendation: Adequate detail of supporting documentation should be maintained for all transactions to provide an audit trail. Each disbursement should be reviewed for accuracy and classified correctly when recorded in the general ledger.

Management Response: Management concurs with this finding. Management will implement the recommendation to ensure that adequate supporting documentation is maintained for all transactions, will review each disbursement for accuracy, and classify correctly when recording in the general ledger. This action was taken immediately upon receipt of the comment from our auditors.

2023-009

Condition: While performing audit procedures over cash disbursements, we noted that 14 of 41 (38%) disbursements tested lacked evidence of approval.

Criteria: Proper internal controls require that all disbursements are properly approved.

2023-009, continued

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

Cause: Multiple disbursements lacked evidence of approval.

Recommendation: Supporting documentation with evidence of approval should be retained.

Management Response: Management concurs with this finding. Management will implement the recommendation to ensure that adequate supporting documentation is maintained for all transactions with proper approval. This action was taken immediately upon receipt of the comment from our auditors.

Report on 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 grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*:

2023-010

Condition: While performing audit procedures on Hotel Motel Tax Fund expenditures, we noted that distributions for promotion of trade and tourism to a designated marketing organization were not made.

Criteria: OCGA Code Section 48-13-51(a)(3) requires local governments to disburse a percentage of hotel motel tax collections to an approved recipient.

Effect: Failure to disburse hotel motel tax monies as required by OCGA Code Section 38-13-51(a)(3) will place the County in violation of state law.

Cause: The County did not disburse hotel motel tax monies to an approved recipient.

Recommendation: Management should ensure that the correct percentage of restricted hotel motel tax monies are disbursed to the Franklin County Chamber of Commerce in a timely manner.

Management Response: Management concurs with this finding. Management will ensure that the correct percentage of restricted hotel motel tax monies are disbursed to the Franklin County Chamber of Commerce in a timely manner. This action was taken immediately upon receipt of the comment from our auditors.

Franklin County, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Franklin County, Georgia's response to the findings identified in our audit and described previously. Franklin County, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion the response.

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 Franklin County, Georgia'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.

Rushton, LLC

Gainesville, Georgia
December 29, 2023

STATE REPORTING SECTION

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

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FRANKLIN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2023

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST IV					
Water and Sewer	$ 3,000,000	$ 3,000,000	$ 2,919,762	$ 0	$ 2,919,762
Industrial Development	4,000,000	4,000,000	4,000,000	0	4,000,000
Public Safety	2,250,000	2,250,000	2,548,861	0	2,548,861
Roads, Streets, Bridges	3,550,000	3,550,000	4,037,310	13,438	4,050,748
Airport	100,000	100,000	83,322	0	83,322
Courthouse/Public Facilities	200,000	200,000	215,749	0	215,749
Recreation	500,000	500,000	324,082	0	324,082
City of Lavonia	1,402,140	1,402,140	1,464,460	0	1,464,460
City of Royston	1,402,140	1,402,140	1,455,725	0	1,455,725
City of Canon	778,570	778,570	810,748	0	810,748
City of Carnesville	778,570	778,570	810,749	0	810,749
City of Franklin Springs	778,570	778,570	810,748	0	810,748
Total SPLOST IV	$ 18,739,990	$ 18,739,990	$ 19,481,516	$ 13,438	$ 19,494,954

* 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.

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST V					
General Obligation Debt	$ 3,800,000	$ 3,800,000	$ 6,029,242	$ 631,107	$ 6,660,349
Roads, Streets, Bridges	3,550,000	3,550,000	2,105,020	9,995	2,115,015
Public Safety	2,510,000	2,510,000	1,309,957	388,054	1,698,011
Water, Sewer, Utilities	1,800,000	1,800,000	1,059,961	274,196	1,334,157
Courthouse Renovation/ Public Facilities Improvements	1,443,000	1,443,000	149,938	1,292,265	1,442,203
Industrial Development	750,000	750,000	85,426	2,086,522	2,171,948
Recreation	400,000	400,000	0	0	0
Airport Improvements	100,000	100,000	55,014	0	55,014
City of Lavonia	1,440,000	1,440,000	1,659,755	307,919	1,967,674
City of Royston	1,440,000	1,440,000	1,659,755	307,919	1,967,674
City of Canon	789,000	789,000	910,042	168,832	1,078,874
City of Carnesville	789,000	789,000	896,801	168,832	1,065,633
City of Franklin Springs	789,000	789,000	910,042	168,832	1,078,874
	$ 19,600,000	$ 19,600,000	$ 16,830,953	$ 5,804,473	$ 22,635,426

* 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.

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2023

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST VI					
General Obligation Debt	$ 3,800,000	$ 3,800,000	$ 0	$ 0	$ 0
Roads, Streets, Bridges	4,000,000	4,000,000	0	0	0
Fire Services	2,450,000	2,450,000	0	0	0
Public Safety	2,500,000	2,500,000	0	0	0
Water, Sewer, Utilities	3,775,000	3,775,000	0	0	0
Public Facilities	1,500,000	1,500,000	0	0	0
Industrial Development	750,000	750,000	0	0	0
Recreation	400,000	400,000	0	0	0
Airport Improvements	100,000	100,000	0	0	0
City of Lavonia	1,000,000	1,000,000	0	112,860	112,860
City of Royston	1,000,000	1,000,000	0	112,860	112,860
City of Canon	1,000,000	1,000,000	0	61,881	61,881
City of Carnesville	1,725,000	1,725,000	0	61,881	61,881
City of Franklin Springs	1,725,000	1,725,000	0	61,881	61,881
	$ 25,725,000	$ 25,725,000	$ 0	$ 411,363	$ 411,363

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

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