

FRANKLIN County georgia

Franklin County, Georgia

Annual Financial Report

For the fiscal year ended June 30, 2025

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FRANKLIN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2025

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Independent Auditor's Report

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

Report on the Financial Statements

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 fiscal year ended June 30, 2025, 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 the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Georgia, as of June 30, 2025, and the respective changes in the financial position and the budgetary comparisons of the General Fund, the ARPA Grant Special Revenue Fund, the Emergency 911 Special Revenue Fund, and the Opioid Settlement Special Revenue Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Franklin County Health Department, a component unit of Franklin County, Georgia, which represents 12.44 percent, 2.49 percent, and 66.47 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Franklin County Health Department, is based solely on the reports 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, as presented in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Franklin County, Georgia, has not presented 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, the schedule of projects financed with special purpose local option sales tax, and the schedule of supplemental official income are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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, the schedule of projects financed with special purpose local option sales tax, the schedule of completed state awards expended, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.
are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, 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

Certified Public Accountants

Gainesville, Georgia
December 19, 2025

BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 26,689,170	$ 2,315,752	$ 29,004,922	$ 2,441,117
Restricted assets				
Cash and cash equivalents	892,558	88,285	980,843	0
Receivables (net)				
Accounts	1,294,378	252,637	1,547,015	38,405
Intergovernmental	121,094	200,000	321,094	1,151
Taxes	936,796	0	936,796	2,992
Inventory	0	83,799	83,799	0
Prepaid items	218,573	0	218,573	6,500
Internal balances	692,595	(692,595)	0	0
Total current assets	30,845,164	2,247,878	33,093,042	2,490,165
Noncurrent assets				
Property held for development	0	0	0	5,392,959
Proportionate share of net OPEB asset	0	0	0	173,364
Capital assets				
Non-depreciable	7,821,927	1,064,792	8,886,719	0
Depreciable/Intangible amortizable (net)	27,236,635	25,207,011	52,443,646	8,539
Total noncurrent assets	35,058,562	26,271,803	61,330,365	5,574,862
Total assets	65,903,726	28,519,681	94,423,407	8,065,027
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	205,125	7,881	213,006	174,386
Deferred outflows of resources - OPEB	0	0	0	77,596
Deferred charge on refunding	304,465	0	304,465	0
Total deferred outflows of resources	509,590	7,881	517,471	251,982
LIABILITIES				
Current liabilities				
Payables				
Accounts	474,411	181,718	656,129	29,495
Intergovernmental	291,069	0	291,069	0
Interest	0	1,973	1,973	0
Unearned revenue	1,206,472	0	1,206,472	0
Accrued salaries and expenses	393,247	8,895	402,142	0
Compensated absences	736,464	2,400	738,864	67,200
Due to other agencies	1,016,279	0	1,016,279	0
Lease payable	302,870	0	302,870	0
Subscriptions payable	42,005	0	42,005	0
Notes payable	29,644	217,534	247,178	0
Bonds payable	628,758	38,602	667,360	0
Post-closure care costs	0	32,319	32,319	0
Total current liabilities	5,121,219	483,441	5,604,660	96,695

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	$ 81,830	$ 267	$ 82,097	$ 47,435
Net pension liability	626,413	24,068	650,481	0
Proportionate share of net pension liability	0	0	0	771,394
Lease payable	414,908	0	414,908	0
Subscriptions payable	179,691	0	179,691	0
Notes payable	61,641	3,081,811	3,143,452	0
Bonds payable	6,758,826	1,991,319	8,750,145	0
Post-closure care costs	0	841,164	841,164	0
Total noncurrent liabilities	8,123,309	5,938,629	14,061,938	818,829
Total liabilities	13,244,528	6,422,070	19,666,598	915,524
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	144,042	5,534	149,576	113,530
Deferred inflows of resources - OPEB	0	0	0	59,964
Total deferred inflows of resources	144,042	5,534	149,576	173,494
NET POSITION				
Net investment in capital assets	33,767,903	21,030,822	54,798,725	8,539
Restricted for:				
Judicial	123,015	0	123,015	0
Public Safety	2,560,500	0	2,560,500	0
Public Works	32,905	0	32,905	0
Culture and Recreation	23,827	0	23,827	0
Housing and Development	39,982	0	39,982	0
Capital outlay	11,816,657	0	11,816,657	0
OPEB	0	0	0	173,364
Unrestricted	4,659,957	1,069,136	5,729,093	7,046,088
Total net position	$ 53,024,746	$ 22,099,958	$ 75,124,704	$ 7,227,991

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

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FRANKLIN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2025

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	$ 4,434,016	$ 651,458	$ 0	$ 0	$ (3,782,558)
Judicial	1,729,653	1,047,476	0	0	(682,177)
Public Safety	14,307,404	3,160,358	136,773	2,589,768	(8,420,505)
Public Works	5,049,849	247,330	0	2,111,101	(2,691,418)
Health and Welfare	524,205	1,189	128,113	0	(394,903)
Culture and Recreation	698,750	92,404	0	0	(606,346)
Housing and Development	926,515	0	0	0	(926,515)
Interest on long-term debt	283,749	0	0	0	(283,749)
Total governmental activities	27,954,141	5,200,215	264,886	4,700,869	(17,788,171)
Business-type activities					
Water and Sewer	3,787,470	3,420,458	0	8,637	(358,375)
Solid Waste	91,005	180,307	0	0	89,302
Total business-type activities	3,878,475	3,600,765	0	8,637	(269,073)
Total primary government	31,832,616	8,800,980	264,886	4,709,506	(18,057,244)
Component Units					
Franklin County Industrial Building Authority					
Housing and Development	308,323	0	0	0	(308,323)
Franklin County Health Department					
Health and Welfare	1,067,965	412,381	667,111	0	11,527
Total component units	1,376,288	412,381	667,111	0	(296,796)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (17,788,171)	$ (269,073)	$ (18,057,244)	$ (296,796)
General revenues				
Taxes				
Property	11,366,959	0	11,366,959	287,126
Sales	10,083,946	0	10,083,946	0
Intangible	160,447	0	160,447	0
Insurance premium	1,469,889	0	1,469,889	0
Other	272,126	0	272,126	0
Interest and investment earnings	17,418	3,952	21,370	0
Payments from Franklin County	0	0	0	360,368
Other	623,546	125,620	749,166	0
Gain on sale of property held for development	0	0	0	49,515
Gain on lease termination	1,570	0	1,570	0
Gain on sale of capital assets	27,142	0	27,142	0
Transfers	(406,941)	406,941	0	0
Total general revenues and transfers	23,616,102	536,513	24,152,615	697,009
Change in net position	5,827,931	267,440	6,095,371	400,213
Net position - beginning, as previously reported	47,189,488	21,832,518	69,022,006	6,827,778
Error correction	7,327	0	7,327	0
Net position - beginning, as restated	47,196,815	21,832,518	69,029,333	6,827,778
Net position - ending	$ 53,024,746	$ 22,099,958	$ 75,124,704	$ 7,227,991

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

FRANKLIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General	ARPA Grant	Emergency 911
ASSETS			
Cash and cash equivalents	$ 10,314,115	$ 2,825,077	$ 1,756,253
Restricted assets			
Cash and cash equivalents	562,521	0	0
Receivables (net)			
Accounts	169,919	0	0
Intergovernmental	25,397	0	40,368
Taxes	390,656	0	0
Prepaid items	218,573	0	0
Due from other funds	3,979,025	0	0
Total assets	$ 15,660,206	$ 2,825,077	$ 1,796,621
LIABILITIES AND FUND BALANCES			
Liabilities			
Payables			
Accounts	$ 191,556	$ 0	$ 1,156
Intergovernmental	969	0	0
Accrued salaries and expenses	355,949	0	20,480
Unearned revenue	0	1,206,472	0
Due to other agencies	538,694	0	0
Due to other funds	208,331	1,618,605	1,478,216
Total liabilities	1,295,499	2,825,077	1,499,852
Deferred inflows of resources			
Unavailable revenue			
Fines, fees, and forfeitures	0	0	0
Taxes	57,008	0	0
Total deferred inflows of resources	57,008	0	0
Fund balances			
Nonspendable:			
Prepaid items	218,573	0	0
Restricted for:			
Judicial	0	0	0
Public Safety	0	0	0
Public Works	32,905	0	0
Culture and Recreation	23,827	0	0
Housing and Development	0	0	0
Capital outlay	1,478,044	0	0
Assigned for:			
Public Safety	0	0	296,769
Unassigned	12,554,350	0	0
Total fund balances	14,307,699	0	296,769
Total liabilities, deferred inflows of resources, and fund balances	$ 15,660,206	$ 2,825,077	$ 1,796,621

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

Opioid Settlement	SPLOST V	SPLOST VI	Nonmajor Governmental Funds	Totals
$ 0	$ 3,018,221	$ 6,912,709	$ 1,862,795	$ 26,689,170
0	330,037	0	0	892,558
1,124,459	0	0	0	1,294,378
0	0	0	55,329	121,094
0	0	536,987	9,153	936,796
0	0	0	0	218,573
185,910	41,262	0	34,485	4,240,682
$ 1,310,369	$ 3,389,520	$ 7,449,696	$ 1,961,762	$ 34,393,251
$ 0	$ 278,000	$ 0	$ 3,699	$ 474,411
0	0	290,100	0	291,069
0	0	0	16,818	393,247
0	0	0	0	1,206,472
0	0	0	477,585	1,016,279
0	151,141	41,262	50,532	3,548,087
0	429,141	331,362	548,634	6,929,565
1,056,002	0	0	0	1,056,002
0	0	0	0	57,008
1,056,002	0	0	0	1,113,010
0	0	0	0	218,573
0	0	0	123,015	123,015
254,367	0	0	1,250,131	1,504,498
0	0	0	0	32,905
0	0	0	0	23,827
0	0	0	39,982	39,982
0	2,960,379	7,118,334	0	11,556,757
0	0	0	0	296,769
0	0	0	0	12,554,350
254,367	2,960,379	7,118,334	1,413,128	26,350,676
$ 1,310,369	$ 3,389,520	$ 7,449,696	$ 1,961,762	$ 34,393,251

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

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FRANKLIN COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2025

Total fund balance - total governmental funds		$ 26,350,676
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		35,058,562
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	$ 57,008	
Fines, fees, and forfeitures	1,056,002	1,113,010
Deferred outflows of resources related to pensions and debt refunding are applicable to future periods and, therefore, are not reported in the funds.		509,590
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		(144,042)
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Bonds payable	$ (7,387,584)	
Lease payable	(717,778)	
Subscriptions payable	(221,696)	
Notes payable	(91,285)	
Compensated absences	(818,294)	
Net pension liability	(626,413)	(9,863,050)
Net position of governmental activities		$ 53,024,746

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, 2025

	General	ARPA Grant	Emergency 911
REVENUES			
Taxes	$ 17,024,760	$ 0	$ 0
Licenses and permits	256,758	0	0
Fines, fees and forfeitures	1,083,311	0	0
Charges for services	2,283,969	0	480,036
Intergovernmental	2,264,509	2,589,768	0
Investment	10,892	0	0
Contributions	121,068	0	0
Other	573,546	0	0
Total revenues	23,618,813	2,589,768	480,036
EXPENDITURES			
Current			
General government	4,344,656	0	0
Judicial	1,695,287	0	0
Public safety	11,584,100	0	964,119
Public works	2,349,968	2,589,768	0
Health and welfare	452,090	0	0
Culture and recreation	698,213	0	0
Housing and development	620,612	0	0
Capital outlay	0	0	0
Intergovernmental	0	0	0
Debt service	391,321	0	0
Total expenditures	22,136,247	2,589,768	964,119
Excess (deficiency) of revenues over (under) expenditures	1,482,566	0	(484,083)
Other financing sources (uses)			
Transfers in	116,829	0	482,347
Transfers out	(663,133)	0	0
Sale of capital assets	6,702	0	0
Issuance of leases	203,076	0	0
Total other financing sources (uses)	(336,526)	0	482,347
Net change in fund balance	1,146,040	0	(1,736)
Fund balances, July 1	13,161,659	0	298,505
Fund balances, June 30	$ 14,307,699	$ 0	$ 296,769

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

Opioid Settlement	SPLOST V	SPLOST VI	Nonmajor Governmental Funds	Totals
$ 0	$ 0	$ 6,247,820	$ 75,513	$ 23,348,093
0	0	0	0	256,758
127,389	0	0	152,277	1,362,977
0	0	0	917,168	3,681,173
0	0	0	0	4,854,277
0	152	0	6,526	17,570
0	0	0	0	121,068
0	50,000	0	0	623,546
127,389	50,152	6,247,820	1,151,484	34,265,462
0	0	0	0	4,344,656
0	0	0	16,151	1,711,438
269,021	0	0	1,062,633	13,879,873
0	0	0	0	4,939,736
0	0	0	0	452,090
0	0	0	0	698,213
0	0	0	30,188	650,800
0	720,902	741,599	0	1,462,501
0	0	1,673,791	0	1,673,791
0	0	824,400	0	1,215,721
269,021	720,902	3,239,790	1,108,972	31,028,819
(141,632)	(670,750)	3,008,030	42,512	3,236,643
0	0	0	0	599,176
0	(226,155)	0	(116,829)	(1,006,117)
0	20,440	0	0	27,142
0	0	0	0	203,076
0	(205,715)	0	(116,829)	(176,723)
(141,632)	(876,465)	3,008,030	(74,317)	3,059,920
395,999	3,836,844	4,110,304	1,487,445	23,290,756
$ 254,367	$ 2,960,379	$ 7,118,334	$ 1,413,128	$ 26,350,676

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

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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, 2025

Net change in fund balances - total governmental funds		$ 3,059,920
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/amortization expense.		
Capital outlays	$ 4,230,175	
Depreciation/Amortization	(2,316,257)	1,913,918
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	$ (260,223)	
Related accumulated depreciation/amortization	240,689	(19,534)
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.		(83,649)
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	$ 893,661	
Net change in unamortized bond premium	68,758	
Net change in deferred debt refunding	(30,446)	
Debt terminations	11,184	
Debt issuances	(203,076)	740,081
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	$ 610,737	
Cost of benefits earned net of employee contributions	(570,119)	40,618
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		176,577
Change in net position of governmental activities		$ 5,827,931

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

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 16,069,000	$ 16,459,000	$ 17,024,760	$ 565,760
Licenses and permits	150,500	150,500	256,758	106,258
Fines, fees and forfeitures	1,079,000	1,079,000	1,083,311	4,311
Charges for services	2,086,500	2,086,500	2,283,969	197,469
Intergovernmental	847,500	2,247,500	2,264,509	17,009
Investment	10,000	10,000	10,892	892
Contributions	2,500	2,500	121,068	118,568
Other	263,650	263,650	573,546	309,896
Total revenues	20,508,650	22,298,650	23,618,813	1,320,163
EXPENDITURES				
Current				
General Government				
Adminstration	1,496,331	1,806,331	1,805,752	579
Commission Board	95,700	95,700	94,230	1,470
County Manager	851,825	841,825	841,409	416
Elections	162,990	164,990	164,984	6
Tax Commissioner	571,480	572,480	572,144	336
Tax Assessor	612,405	612,405	609,613	2,792
Board of Equalization	6,100	6,100	2,990	3,110
Maintenance	167,875	149,875	149,003	872
County Engineer	173,165	105,165	104,531	634
Judicial				
Probate Court	337,085	322,085	321,088	997
Magistrate Court	249,225	259,225	259,164	61
Clerk of Superior Court	652,280	674,280	673,862	418
Juvenile Court	0	8,000	7,584	416
Superior Court	135,475	169,475	169,423	52
District Attorney	104,700	80,700	79,916	784
Public Defender	117,500	184,500	184,250	250
Public Safety				
Fire Departments	402,150	437,150	436,338	812
Coroner	89,520	73,520	73,307	213
Animal Control	135,000	173,000	172,546	454
Emergency Medical Service	3,346,395	3,480,395	3,479,583	812
Emergency Management	47,515	48,515	48,009	506
County Marshall	171,600	174,600	174,322	278
Sheriff Department	4,135,155	4,616,155	4,615,229	926
Detention Center	2,448,760	2,585,760	2,584,766	994
Public Works				
Highways and Streets	1,722,184	2,234,184	2,233,728	456
Administration	281,950	116,950	116,240	710
Health and Welfare				
Senior Center	325,150	326,150	326,062	88
Foster Care Services	0	14,000	12,280	1,720
Health Department	116,900	113,900	113,748	152
Culture and Recreation				
Recreation	538,060	699,060	698,213	847
Housing and Development				
County Agent	122,505	109,505	108,734	771
Forestry	0	14,000	13,971	29
Planning and Zoning	388,495	323,495	322,661	834
Economic Development	162,130	176,130	175,246	884
Debt Service	0	392,000	391,321	679
Total expenditures	20,167,605	22,161,605	22,136,247	25,358

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

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Excess (deficiency) of revenues over (under) expenditures	$ 341,045	$ 137,045	$ 1,482,566	$ 1,345,521
Other financing sources (uses)				
Transfers in	433,555	433,555	116,829	(316,726)
Transfers out	(744,275)	(744,275)	(663,133)	81,142
Sale of capital assets	25,000	25,000	6,702	(18,298)
Issuance of notes	0	0	0	0
Issuance of leases	0	204,000	203,076	(924)
Total other financing sources (uses)	(285,720)	(81,720)	(336,526)	(254,806)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	55,325	55,325	1,146,040	1,090,715
Fund balances, July 1	(55,325)	(55,325)	13,161,659	13,106,334
Fund balances, June 30	$ 0	$ 0	$ 14,307,699	$ 14,307,699

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, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 0	$ 2,590,605	$ 2,589,768	$ (837)
EXPENDITURES				
Current				
Public Works	1,618,605	2,590,605	2,589,768	837
Excess (deficiency) of revenues over (under) expenditures	(1,618,605)	0	0	0
Fund balances, July 1	1,618,605	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
EMERGENCY 911 SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 458,800	$ 458,800	$ 480,036	$ 21,236
EXPENDITURES				
Current				
Public Safety	1,072,880	1,072,880	964,119	108,761
Excess (deficiency) of revenues over (under) expenditures	(614,080)	(614,080)	(484,083)	129,997
Other financing sources (uses)				
Transfers in	635,990	635,990	482,347	153,643
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	21,910	21,910	(1,736)	(23,646)
Fund balances, July 1	(21,910)	(21,910)	298,505	320,415
Fund balances, June 30	$ 0	$ 0	$ 296,769	$ 296,769

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

FRANKLIN COUNTY, GEORGIA
OPIOID SETTLEMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines, fees, and forfeitures	$ 36,500	$ 261,500	$ 127,389	$ (134,111)
EXPENDITURES				
Current				
Public Safety	44,323	269,323	269,021	302
Excess (deficiency) of revenues over (under) expenditures	(7,823)	(7,823)	(141,632)	(133,809)
Fund balances, July 1	7,823	7,823	395,999	388,176
Fund balances, June 30	$ 0	$ 0	$ 254,367	$ 254,367

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,726,026	$ 589,726	$ 2,315,752
Receivables			
Accounts (net)	252,637	0	252,637
Intergovernmental	200,000	0	200,000
Due from other funds	0	110,978	110,978
Inventories	83,799	0	83,799
Restricted assets			
Cash and cash equivalents	88,285	0	88,285
Total current assets	2,350,747	700,704	3,051,451
Noncurrent assets			
Capital assets			
Non-depreciable	685,816	378,976	1,064,792
Depreciable (net)	25,207,011	0	25,207,011
Total noncurrent assets	25,892,827	378,976	26,271,803
Total assets	28,243,574	1,079,680	29,323,254
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	7,881	0	7,881
LIABILITIES			
Current liabilities			
Payables			
Accounts	181,718	0	181,718
Interest	1,973	0	1,973
Accrued salaries	7,672	1,223	8,895
Compensated absences	2,400	0	2,400
Due to other funds	803,573	0	803,573
Notes payable	217,534	0	217,534
Bonds payable	38,602	0	38,602
Postclosure care	0	32,319	32,319
Total current liabilities	1,253,472	33,542	1,287,014
Noncurrent liabilities			
Compensated absences	267	0	267
Net pension liability	24,068	0	24,068
Notes payable	3,081,811	0	3,081,811
Bonds payable	1,991,319	0	1,991,319
Postclosure care	0	841,164	841,164
Total noncurrent liabilities	5,097,465	841,164	5,938,629
Total liabilities	6,350,937	874,706	7,225,643
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	5,534	0	5,534
NET POSITION			
Net investment in capital assets	20,651,846	378,976	21,030,822
Unrestricted	1,243,138	(174,002)	1,069,136
Total net position	$ 21,894,984	$ 204,974	$ 22,099,958

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

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FRANKLIN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2025

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
OPERATING REVENUES			
Charges for sales and services	$ 3,420,458	$ 180,307	$ 3,600,765
Other	125,620	0	125,620
Total operating revenues	3,546,078	180,307	3,726,385
OPERATING EXPENSES			
Costs of sales and services	2,462,175	41,879	2,504,054
Personal services	339,532	49,126	388,658
Depreciation	827,602	0	827,602
Total operating expenses	3,629,309	91,005	3,720,314
Operating income (loss)	(83,231)	89,302	6,071
Non-operating revenues (expenses)			
Investment income	1,523	2,429	3,952
Interest expense	(120,661)	0	(120,661)
Debt issuance cost	(37,500)	0	(37,500)
Total non-operating revenues (expenses)	(156,638)	2,429	(154,209)
Income (loss) before capital contributions and transfers	(239,869)	91,731	(148,138)
Capital contributions			
Intergovernmental	8,637	0	8,637
Income (loss) before transfers	(231,232)	91,731	(139,501)
Transfers in (out)			
Transfers in	293,698	113,243	406,941
Change in net position	62,466	204,974	267,440
Net position, July 1	21,832,518	0	21,832,518
Net position, June 30	$ 21,894,984	$ 204,974	$ 22,099,958

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2025

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
Cash flows from operating activities:			
Receipts from customers	$ 3,437,069	$ 193,219	$ 3,630,288
Payments to suppliers	(2,434,848)	(66,260)	(2,501,108)
Payments to employees	(328,497)	(48,990)	(377,487)
Other receipts	125,620	0	125,620
Net cash provided (used) by operating activities	799,344	77,969	877,313
Cash flows from non-capital financing activities:			
Receipts from other funds	327,642	113,243	440,885
Cash flows from capital and related financing activities:			
Receipts from other funds	293,698	0	293,698
Receipts from other governments	117,557	0	117,557
Acquisition of capital assets	(394,353)	0	(394,353)
Payment of capital related accounts payable	(67,544)	0	(67,544)
Payment of capital related retainages payable	(6,128)	0	(6,128)
Payment of debt issuance costs	(37,500)	0	(37,500)
Proceeds from notes payable	8,637	0	8,637
Principal payments - notes payable	(213,428)	0	(213,428)
Principal payments - bonds payable	(37,643)	0	(37,643)
Interest paid	(120,698)	0	(120,698)
Net cash provided (used) by capital and related financing activities	(457,402)	0	(457,402)
Cash flows from investing activities:			
Interest received	1,523	2,429	3,952
Net increase (decrease) in cash and cash equivalents	671,107	193,641	864,748
Cash and cash equivalents, July 1	1,143,204	396,085	1,539,289
Cash and cash equivalents, June 30	$ 1,814,311	$ 589,726	$ 2,404,037

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2025

	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)	$ (83,231)	$ 89,302	$ 6,071
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	827,602	0	827,602
Landfill closure/postclosure costs	0	(24,381)	(24,381)
(Increase) decrease in accounts receivable	16,611	12,912	29,523
(Increase) decrease in inventories	(6,716)	0	(6,716)
(Increase) decrease in deferred outflows of resources - pension	11,743	0	11,743
Increase (decrease) in accounts payable	34,043	0	34,043
Increase (decrease) in accrued payroll liabilities	106	136	242
Increase (decrease) in deferred inflows of resources - pension	4,028	0	4,028
Increase (decrease) in net pension liability	(4,842)	0	(4,842)
Total adjustments	882,575	(11,333)	871,242
Net cash provided (used) by operating activities	$ 799,344	$ 77,969	$ 877,313
Cash and cash equivalents reconciliation:			
Cash and cash equivalents	$ 1,726,026	$ 589,726	$ 2,315,752
Restricted cash and cash equivalents	88,285	0	88,285
Total cash and cash equivalents	$ 1,814,311	$ 589,726	$ 2,404,037

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

FRANKLIN COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	Custodial Funds
ASSETS	
Cash	$ 1,171,022
Taxes receivable, net	194,420
Total assets	1,365,442
LIABILITIES	
Due to other agencies	825,262
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 540,180

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, 2025

	Custodial Funds
ADDITIONS	
Taxes collected for other agencies	$ 23,063,411
Court fees collected for other agencies	1,485,338
Court individual cases	123,707
Sheriff fees collected	399,221
Sheriff inmate account deposits	339,108
Total additions	25,410,785
DEDUCTIONS	
Taxes distributed to other agencies	23,063,411
Court fees distributed to other agencies	1,502,785
Payments to others	23,703
Sheriff fees distributed to other agencies	339,649
Payments from inmates to others	399,184
Total deductions	25,328,732
Change in net position	82,053
Net position, July 1	458,127
Net position, June 30	$ 540,180

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

FRANKLIN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
June 30, 2025

	Franklin County Industrial Building Authority	Franklin County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,649,435	$ 791,682	$ 2,441,117
Receivable (net)			
Accounts	0	38,405	38,405
Taxes	2,992	0	2,992
Intergovernmental	1,151	0	1,151
Prepaid items	6,500	0	6,500
Total current assets	1,660,078	830,087	2,490,165
Noncurrent assets			
Property held for development	5,392,959	0	5,392,959
Proportionate share of net OPEB Asset	0	173,364	173,364
Capital assets			
Depreciable (net)	8,539	0	8,539
Total noncurrent assets	5,401,498	173,364	5,574,862
Total assets	7,061,576	1,003,451	8,065,027
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	0	174,386	174,386
Deferred outflows of resources - OPEB	0	77,596	77,596
Total deferred outflows of resources	0	251,982	251,982
LIABILITIES			
Current liabilities			
Accounts payable	13,683	15,812	29,495
Compensated absences	0	67,200	67,200
Total current liabilities	13,683	83,012	96,695
Noncurrent liabilities			
Compensated absences	0	47,435	47,435
Proportionate share of net pension liability	0	771,394	771,394
Total noncurrent liabilities	0	818,829	818,829
Total liabilities	13,683	901,841	915,524
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	0	113,530	113,530
Deferred inflows of resources - OPEB	0	59,964	59,964
Total deferred inflows of resources	0	173,494	173,494
NET POSITION			
Investment in capital assets	8,539	0	8,539
Restricted for OPEB	0	173,364	173,364
Unrestricted	7,039,354	6,734	7,046,088
Total net position	$ 7,047,893	$ 180,098	$ 7,227,991

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

FRANKLIN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2025

	Franklin County Industrial Building Authority	Franklin County Health Department	Totals
Expenses			
Health and Welfare	$ 0	$ 1,067,965	$ 1,067,965
Housing and Development	308,323	0	308,323
Total expenses	308,323	1,067,965	1,376,288
Program revenues			
Charges for services	0	412,381	412,381
Operating grants and contributions	0	667,111	667,111
Gain on sale of property held for development	49,515	0	49,515
Total program revenues	49,515	1,079,492	1,129,007
Net (expense) revenue	(258,808)	11,527	(247,281)
General revenues			
Property taxes	287,126	0	287,126
Payments from Franklin County	258,937	101,431	360,368
Total general revenues	546,063	101,431	647,494
Change in net position	287,255	112,958	400,213
Net position, July 1	6,760,638	67,140	6,827,778
Net position, June 30	$ 7,047,893	$ 180,098	$ 7,227,991

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.

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

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

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.

SPLOST VI 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 2022 referendum.

2. Summary of Significant Accounting Policies (continued)

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

The County reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund types:

Governmental Fund Types

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

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

Fiduciary Fund Types

Custodial Funds – Custodial Funds are fiduciary in nature and are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others. Liabilities are recognized when an event compels a government to disburse fiduciary resources, with the exception of taxes collected for other governments, in which case a government collecting taxes would incur a liability as soon as it takes control of resources since the other governments do not need to take further action to compel the government to disburse the resources.

2. Summary of Significant Accounting Policies (continued)

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

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).

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.

2. Summary of Significant Accounting Policies (continued)

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation/amortization 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.

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting, continued

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

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

The County does not use the encumbrance system of accounting.

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.

2. Summary of Significant Accounting Policies (continued)

G. Intergovernmental Receivables

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

H. Inventories

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond 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/Amortization 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
Software	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 and subscribed assets as a result of implementing GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any lease or subscription payments made prior to the lease or subscription term, less lease or subscription incentives, and plus ancillary charges necessary to place the lease or subscription into service. The right to use leased or subscribed assets are amortized on a straight-line basis over the shorter of the estimated useful life of the leased or subscribed asset or life of the related lease or subscription.

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

The County provides paid time off (PTO) benefits to its employees. Under the current policy, employees accrue PTO throughout the year and may carry forward unused amounts, subject to a maximum cap of 480 hours. Upon termination of employment, employees are entitled to receive payment for unused PTO up to the established cap. Certain employees were grandfathered under a previous policy that allowed unlimited PTO. Upon termination of employees, those employees are entitled to receive payment for all unused PTO. In accordance with GASB Statement No. 101, *Compensated Absences*, the County recognizes a liability for PTO that is (1) attributable to services already rendered, (2) accumulated and may be carried forward to future periods, and (3) is more likely than not to be used for time off or paid upon termination.

2. Summary of Significant Accounting Policies (continued)

P. Compensation for Future Absences, continued

The liability is measured using the pay rates in effect at fiscal year-end and includes salary related payments (such as employer payroll taxes and contributions to retirement plans) that are directly associated with the payment of compensated absences. Because the County's PTO policy includes a cap on payouts and no reliable estimate of leave usage beyond the cap can be made, the liability recorded reflects only the amount expected to be paid under the capped policy. Accumulated unpaid leave pay amounts are accrued when incurred by the County in the government-wide, proprietary, and fiduciary fund financial statements.

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.

2. Summary of Significant Accounting Policies (continued)

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.

3. Deposit and Investment Risk (continued)

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	$ 355,866	
Less: Allowance for Uncollectibles	(185,947)	$ 169,919
Opioid Settlement Fund		1,124,459
Enterprise Funds		
Water and Sewer Fund	310,305	
Less: Allowance for Uncollectibles	(57,668)	252,637
Total primary government		$ 1,547,015
Component Units		
Franklin County Health Department		$ 38,405

5. Intergovernmental Receivables

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

Major Funds	
General Fund	$ 25,397
Emergency 911 Fund	40,368
Water and Sewer Enterprise Fund	200,000
Nonmajor Funds	
Probation Service Special Revenue Fund	55,329
Total primary government	$ 321,094
Component Units	
Franklin County Industrial Building Authority	$ 1,151

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 2025, based upon the assessments of January 1, 2024, were levied on August 1, 2024, billed on September 14, 2024, and due on November 15, 2024. Tax liens may be issued 90 days after the due date.

Taxes receivable for the primary government at the end of the current fiscal year consist of property taxes for seven years as follows:

Year of Levy		
2025	$	19,007
2024		41,936
2023		17,746
2022		8,265
2021		6,990
2020		6,205
2019 and older		16,495
		116,644
Less allowance for uncollectible		(55,701)
Total	$	60,943

$866,700 of sales taxes and $9,153 of hotel/motel taxes are also included in taxes receivable for the primary government.

Taxes receivable for the Industrial Building Authority Component Unit at the end of the current fiscal year consist of property taxes for seven years as follows:

Year of Levy		
2025	$	1,796
2024		1,196
2023		479
2022		201
2021		165
2020		143
2019 and older		365
		4,345
Less allowance for uncollectible		(1,353)
Total	$	2,992

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	$ 692,595
	ARPA Grant	1,618,605
	Emergency 911	1,478,216
	SPLOST V	151,141
	Nonmajor Governmental	38,468
Opioid Settlement	General	173,846
	Nonmajor Governmental	12,064
Nonmajor Governmental	General	34,485
SPLOST V	SPLOST VI	41,262
Solid Waste	Water and Sewer	110,978
Total		$ 4,351,660

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.

In the prior fiscal year, the County inadvertently disbursed amounts owed to the municipalities under the SPLOST VI referendum from the remaining balance of the previous SPLOST V Fund rather than from the newly established SPLOST V Fund. This misallocation did not affect the total amounts distributed to the municipalities. However, it resulted in the SPLOST V fund being depleted earlier than anticipated. As a result, the SPLOST V Fund shows a Due from the SPLOST VI fund. This will be reimbursed with future SPLOST VI collections. The County has reviewed its procedures and implemented additional controls to ensure that future distributions are made from the appropriate SPLOST fund in accordance with referendum requirements.

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

7. Interfund Receivables, Payables, and Transfers (continued)

A summary of interfund transfers is as follows:

Transfer out Fund	Transfer in Fund	Amount
General	Emergency 911	$ 482,347
	Water and Sewer	67,543
	Solid Waste	113,243
SPLOST V	Water and Sewer	226,155
Nonmajor governmental	General	116,829
		$ 1,006,117

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	$ 5,232,159	$ 0	$ 0	$ 5,232,159
Construction in progress	0	2,589,768	0	2,589,768
Total nondepreciable assets	5,232,159	2,589,768	0	7,821,927
Depreciable/amortizable assets				
Land improvements	1,317,885	0	0	1,317,885
Infrastructure	43,884,478	0	0	43,884,478
Buildings	14,067,249	0	0	14,067,249
Machinery and equipment	4,440,857	583,230	0	5,024,087
Vehicles	8,438,794	854,101	(221,768)	9,071,127
Intangible right-to-use assets				
Vehicles	1,213,716	203,076	(38,455)	1,378,337
Software	310,596	0	0	310,596
Total depreciable/amortizable assets	73,673,575	1,640,407	(260,223)	75,053,759
Accumulated Depreciation/Amortization				
Land improvements	(1,161,453)	(29,679)	0	(1,191,132)
Infrastructure	(27,227,174)	(892,662)	0	(28,119,836)
Buildings	(6,779,475)	(429,145)	0	(7,208,620)
Machinery and equipment	(3,345,155)	(247,775)	0	(3,592,930)
Vehicles	(6,597,168)	(361,946)	211,848	(6,747,266)
Intangible right-to-use assets				
Vehicles	(590,458)	(310,679)	28,841	(872,296)
Software	(40,673)	(44,371)	0	(85,044)
Total accumulated depreciation/amortization	(45,741,556)	(2,316,257)	240,689	(47,817,124)
Total depreciable/amortizable assets, net	27,932,019	(675,850)	(19,534)	27,236,635
Governmental Activities capital assets, net	$ 33,164,178	$ 1,913,918	$ (19,534)	$ 35,058,562

Beginning balances of the Governmental activities have been restated to correct intangible right-to-use software assets in the amount of $310,596 and the associated accumulated amortization in the amount of $40,673. The net effect of this restatement was an increase in beginning capital assets, net in the amount of $269,923.

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	618,726	257,968	(304,825)	571,869
Total non-depreciable assets	1,111,649	257,968	(304,825)	1,064,792
Depreciable assets				
Land improvements	29,382	0	0	29,382
Distribution system	35,803,390	304,825	0	36,108,215
Buildings	58,840	0	0	58,840
Machinery and equipment	729,240	136,385	0	865,625
Vehicles	362,315	0	0	362,315
Total depreciable assets	36,983,167	441,210	0	37,424,377
Accumulated Depreciation				
Land improvements	(29,382)	0	0	(29,382)
Distribution system	(10,597,184)	(791,657)	0	(11,388,841)
Buildings	(19,832)	(2,133)	0	(21,965)
Machinery and equipment	(401,961)	(25,474)	0	(427,435)
Vehicles	(341,405)	(8,338)	0	(349,743)
Total accumulated depreciation	(11,389,764)	(827,602)	0	(12,217,366)
Total depreciable assets, net	25,593,403	(386,392)	0	25,207,011
Business-type Activities capital assets, net	$ 26,705,052	$ (128,424)	$ (304,825)	$ 26,271,803

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	(1,061)	(489)	0	(1,550)
Furniture and fixtures	(867)	(400)	0	(1,267)
Total accumulated depreciation	(1,928)	(889)	0	(2,817)
Industrial Building Authority Component Unit capital assets, net	$ 9,428	$ (889)	$ 0	$ 8,539

8. Capital Assets, continued

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

Primary Government	
Governmental activities	
General Government	$ 132,656
Judicial	11,482
Public Safety	974,309
Public Works	1,007,349
Health and Welfare	64,454
Culture and Recreation	114,656
Housing and Development	11,351
Total depreciation/amortization expense for governmental activities	$ 2,316,257
Business-type activities	
Water and Sewer	$ 827,602
Industrial Building Authority Component Unit	$ 889

9. Long-Term Debt

Governmental Activities

Leases

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. Lease payables are comprised of the following individual leases at the end of the current fiscal year:

- Thirty-four vehicle leases (original issuance ranging from $28,430 to $62,822) due in monthly installments ranging from $524 to $1,344 through June 2029, interest ranging from 0.270% to 5.758%, $717,778 outstanding.

9. Long-Term Debt (continued)

Governmental Activities, continued

Leases, continued

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
2026	$ 302,870	$ 17,021	$ 319,891
2027	258,334	10,616	268,950
2028	101,313	4,293	105,606
2029	37,495	1,339	38,834
2030	17,766	261	18,027
Totals	$ 717,778	$ 33,530	$ 751,308

Subscriptions

The County entered into an agreement to subscribe to certain software. The subscription agreement qualifies as other than short-term subscriptions under GASB Statement No. 96, *Subscription Based Information Technology Arrangements*, and, therefore, have been recorded at the present value of the future minimum subscription payments at their inception. Subscriptions payables are comprised of the following individual leases at the end of the current fiscal year:

- Traffic camera software subscription (original issuance of $310,596) due in annual installments ranging of $48,000 through August 2029, interest of 2.671%, $221,696 outstanding.

9. Long-Term Debt (continued)

Governmental Activities, continued

Subscriptions, continued

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

Year Ending June 30,	Principal	Interest	Total
2026	$ 42,005	$ 5,995	$ 48,000
2027	43,141	4,859	48,000
2028	44,308	3,692	48,000
2029	45,506	2,494	48,000
2030	46,736	1,264	48,000
Totals	$ 221,696	$ 18,304	$ 240,000

Notes from Direct Borrowings

The County has entered into an agreement with a vendor to finance the purchase of certain equipment in the original amount of $137,559. Annual installments ranging from $17,476 to $32,039 principal are due through December 2027; interest at 2.59% ($91,285 outstanding). The note is secured by the equipment.

Annual debt service requirements for notes from direct borrowings in the governmental activities are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 29,644	$ 2,395	$ 32,039
2027	30,422	1,617	32,039
2028	31,219	819	32,038
Totals	$ 91,285	$ 4,831	$ 96,116

9. Long-Term Debt (continued)

Governmental Activities, continued

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.

$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% ($6,700,000 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
2026	$ 560,000	$ 268,000	$ 828,000
2027	580,000	245,600	825,600
2028	605,000	222,400	827,400
2029	625,000	198,200	823,200
2030	650,000	173,200	823,200
2031-2035	3,680,000	453,200	4,133,200
Totals	$ 6,700,000	$ 1,560,600	$ 8,260,600

9. Long-Term Debt (continued)

Business-type Activities

Bonds from Direct Placements

$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% ($2,029,914 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.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 38,602	$ 50,306	$ 88,908
2027	39,578	49,330	88,908
2028	40,579	48,329	88,908
2029	41,605	47,303	88,908
2030	42,658	46,251	88,909
2031-2035	230,025	214,515	444,540
2036-2040	260,618	183,922	444,540
2041-2045	295,281	149,259	444,540
2046-2050	334,554	109,987	444,541
2051-2055	379,049	65,491	444,540
2056-2059	327,365	16,413	343,778
Totals	$ 2,029,914	$ 981,106	$ 3,011,020

9. Long-Term Debt (continued)

Business-type Activities, 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 $1,600,000. At the end of the current fiscal year, the balance of this note is $871,581. 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 $220,785. 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.

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 $2,143,882. 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)

Business-type Activities

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 $2,500,000. GEFA agrees to forgive $1,250,000 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 2.34%. The County has drawn $108,920 on this agreement and recognized $54,460 in principal forgiveness. As of the end of the current fiscal year, the note is still in the drawdown phase ($63,097 outstanding) and is not included in the amortization schedule below. 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 in the business-type activities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 217,534	$ 64,911	282,445
2027	221,719	60,726	282,445
2028	225,997	56,448	282,445
2029	230,370	52,075	282,445
2030	234,840	47,605	282,445
2031-2035	1,158,074	167,430	1,325,504
2036-2040	706,805	68,266	775,071
2041-2042	240,909	4,542	245,451
Totals	$ 3,236,248	$ 522,003	$ 3,758,251

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	$ 7,235,000	$ 0	$ (535,000)	$ 6,700,000	$ 560,000
Unamortized bond premium	756,342	0	(68,758)	687,584	68,758
Total bonds payable	7,991,342	0	(603,758)	7,387,584	628,758
Notes from direct borrowings	120,171	0	(28,886)	91,285	29,644
Lease payable	814,761	203,076	(300,059)	717,778	302,870
Subscriptions payable	262,596	0	(40,900)	221,696	42,005
Compensated absences	994,871	0	(176,577)	818,294	736,464
Total governmental activities	$ 10,183,741	$ 203,076	$ (1,150,180)	$ 9,236,637	$ 1,739,741
Business-type activities					
Notes from direct borrowings	$ 3,504,136	$ 8,637	$ (213,428)	$ 3,299,345	$ 217,534
Bonds from direct placements	2,067,564	0	(37,643)	2,029,921	38,602
Post-closure care costs	897,864	0	(24,381)	873,483	24,381
Compensated absences	3,510	0	(843)	2,667	2,400
Total business-type activities	$ 6,473,074	$ 8,637	$ (276,295)	$ 6,205,416	$ 282,917
Component Units					
Franklin County Health Department					
Compensated absences	$ 114,023	$ 612	$ 0	$ 114,635	$ 67,200

Beginning long-term liabilities in the Governmental activities balances have been restated to correct subscriptions payable in the amount of $262,596.

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method.

The additions and deductions for compensated absences reflect the net change for the period.

The total interest incurred and charged to expense for the current fiscal year was $283,749 for governmental activities and $120,661 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 $799,509. 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 $873,483 and is reflected as a liability in the Solid Waste Enterprise Fund. Because of future changes in technology, laws, or regulations, these costs may change.

13. 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.

13. 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, 2024, the date of the most recent actuarial valuation, participants consisted of the following:

Retirees, beneficiaries and disables currently receiving benefits	60
Terminated vested participants entitled to but not yet receiving benefits	77
Active participants	54
Total number of participants	191

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.

13. 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 17.92% 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, 2025, the County reported a net pension liability of $650,481. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. For the current fiscal year, the County recognized pension expense of $604,514. For governmental activities, the net pension liability (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	$ 0	$ (149,576)
Net difference between projected and actual earnings on pension plan investments	48,152	0
Changes of assumptions	164,854	0
	$ 213,006	$ (149,576)

13. 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		
2026	$	177,032
2027		332,187
2028		(334,205)
2029		(111,584)
Totals	$	63,430

Actuarial Assumptions. The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Projected salary increases	4.50% 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 percent of payroll
Remaining amortization period	14 years

Healthy mortality rates were based on the Pub-2010 Amount weighted Mortality Table with Scale AA to 2024. 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, 2024 valuation were based on the results of a February 2024 experience study.

13. 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, 2024 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.

13. 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 December 31, 2023	$ 17,955,309	$ 16,303,289	$ 1,652,020
Changes for the year:			
Service cost	194,496	0	194,496
Interest	1,238,050	0	1,238,050
Differences between expected and actual experience	(201,082)	0	(201,082)
Changes of assumptions	34,359	0	34,359
Contributions—employer	0	634,203	(634,203)
Net investment income	0	1,750,476	(1,750,476)
Benefit payments, including refunds of employee contributions	(537,758)	(537,758)	0
Administrative expense	0	(38,172)	38,172
Other changes	0	(79,145)	79,145
Net changes	728,065	1,729,604	(1,001,539)
Balances at December 31, 2024	$ 18,683,374	$ 18,032,893	$ 650,481

Plan's fiduciary net position as a percentage of the total pension liability	96.52%
Covered payroll	$ 3,258,295
Net pension liability as a percentage of covered payroll	19.96%

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 Liability (Asset)
1% decrease	6.00%	$ 3,266,541
Current discount rate	7.00%	650,481
1% increase	8.00%	(1,523,539)

13. 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 $148,023. At the end of the current fiscal year, the Department reported a liability in the amount of $771,394 for its proportionate share (0.0171357%) of the net pension liability. The Department recognized pension expense (income) of ($93,231) 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.

14. 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 $346,562 to the Plans, based on covered salaries of $11,147,454. Total payroll was $11,412,735. Plan members made voluntary contributions of $262,649.

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.

15. 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 $26,792. At the end of the current fiscal year, the Department reported a net OPEB liability (asset) in the amount of ($173,364) for its proportionate share of 0.016072% for the State of Georgia OPEB Fund and 0.023670% for the SEAD-OPEB Fund. The Department recognized OPEB expense (income) of ($32,931) 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.

16. 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	Emergency 911	Opioid Settlement	SPLOST V	SPLOST VI	Nonmajor Governmental	Total Governmental Funds
Restricted for:							
Judicial							
Law library operations	$ 0	$ 0	$ 0	$ 0	$ 0	$ 123,015	$ 123,015
Public Safety							
Construction, operation, and staffing of detention facilities	0	0	0	0	0	741,586	741,586
Drug abuse treatment and education programs	0	0	0	0	0	349,045	349,045
Opioid remediation efforts	0	0	254,367	0	0	0	254,367
Sheriff facilities and equipment	0	0	0	0	0	159,500	159,500
Public Works							
Benefit of public roads	32,905	0	0	0	0	0	32,905
Culture and Recreation							
Construction, operation, and maintenance of veterans' memorial	23,827	0	0	0	0	0	23,827
Housing and Development							
Trade and tourism	1,478,044	0	0	0	0	39,982	1,518,026
Capital projects	0	0	0	2,960,379	7,118,334	0	10,078,713
	$ 1,534,776	$ 0	$ 254,367	$ 2,960,379	$ 7,118,334	$ 1,413,128	$ 13,280,984
Assigned for:							
Public safety							
Emergency 911 system operations	$ 0	$ 296,769	$ 0	$ 0	$ 0	$ 0	$ 296,769

17. 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	$ 35,058,562	$ 26,271,803	$ 8,539
Capital-related accounts payable	(259,900)	0	0
Leases payable	(717,778)	0	0
Subscriptions payable	(221,696)	0	0
Bonds payable	0	(2,029,921)	0
Notes payable	(91,285)	(3,299,345)	0
Unspent debt proceeds	0	88,285	0
Net investment in capital assets	$ 33,767,903	$ 21,030,822	$ 8,539

18. Joint Ventures

Franklin County participates jointly with Hart County, Georgia in the Franklin-Hart Airport. Both Franklin and Hart County have agreed to allocate funds as part of their respective budget toward the venture. The Airport is a separate entity that maintains and accumulates assets of its individual ownership. The Airport entity will apply for grants and seek other outside revenue needed to supplement the entity's budget. Franklin County did not contribute funds to the Airport during the current fiscal year. Grant funds awarded by the Georgia Department of Natural Resources in the amount of $600,000 passed through the County 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 $21,865 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.

19. Risk Financing Activities

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

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against the members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

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

20. Commitments and Contingencies

Commitments

The County has active construction projects at the end of the current fiscal year. At fiscal year end, the County's had $5,010,232 in outstanding commitments with contractors.

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.

21. 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	$	75,513	
Disbursements for tourism and trade	$	30,188	40% of tax receipts
Transfers to General Fund	$	45,308	60% of tax receipts

22. Changes in Beginning Balances

Correction of an Error

Governmental Activities

A restatement has been made to correct intangible right-to-use subscribed assets, the associated accumulated amortization, and the associated subscriptions payable as of June 30, 2023. This restatement increased beginning net position by $7,327.

A summary of the changes in beginning balances is presented below:

	Beginning as Previously Reported	Error Correction	Beginning as Restated
Government-Wide			
Governmental Activities	$ 47,189,488	$ 7,327	$ 47,196,815
Business-type Activities	21,832,518	0	21,832,518
	$ 69,022,006	$ 7,327	$ 69,029,333

23. New Accounting Pronouncements

The County implemented GASB Statement No. 101, *Compensated Absences,* effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2024. The implementation of this standard had no impact on beginning net position of the County.

The County implemented GASB Statement No. 102, *Certain Risk Disclosures,* effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2024. The implementation of this standard had no impact on beginning net position of the County.

24. Subsequent Events

In July 2025, the County entered into a contract for cloud-based public safety software. In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the County will recognize a subscription asset and a corresponding subscription liability in fiscal year 2026 in the amount of $103,733.

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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, 2025
(Unaudited)

	Fiscal Year End		
	2025	**2024**	**2023**
Total pension liability			
Service cost	$ 194,496	$ 160,142	$ 159,541
Interest	1,238,050	1,148,843	1,060,396
Differences between expected and actual expenses	(201,082)	(139,874)	531,666
Changes of assumptions	34,359	627,515	29,348
Benefit payments, including refunds of employee contributions	(537,758)	(506,731)	(528,096)
Net change in total pension liability	728,065	1,289,895	1,252,855
Total pension liability - beginning	17,955,309	16,665,414	15,412,559
Total pension liability - ending (a)	$ 18,683,374	$ 17,955,309	$ 16,665,414
Plan fiduciary net position			
Contributions - employer	$ 634,203	$ 763,992	$ 771,755
Net investment income	1,750,476	2,141,820	(2,294,768)
Benefit payments, including refunds of employee contributions	(537,758)	(506,731)	(528,096)
Administrative expense	(38,172)	(37,557)	(35,679)
Other	(79,145)	(121,758)	(113,756)
Net change in plan fiduciary net position	1,729,604	2,239,766	(2,200,544)
Plan fiduciary net position - beginning	16,303,289	14,063,523	16,264,067
Plan fiduciary net position - ending (b)	$ 18,032,893	$ 16,303,289	$ 14,063,523
Net pension liability (asset) - ending: (a) - (b)	$ 650,481	$ 1,652,020	$ 2,601,891
Plan's fiduciary net position as a percentage of the total pension liability	96.52%	90.80%	84.39%
Covered payroll	$ 3,258,295	$ 3,286,748	$ 3,328,696
Net pension liability as a percentage of covered payroll	19.96%	50.26%	78.17%

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

Fiscal Year End							
2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
$ 163,369	$ 194,691	$ 189,934	$ 240,421	$ 262,592	$ 262,245	$ 260,613
1,025,947	996,857	893,759	859,976	800,312	750,611	691,116
(215,370)	(312,194)	203,321	578,860	105,406	(56,481)	(272,691)
44,119	26,792	681,396	(116,950)	28,077	396,254	426,313
(523,782)	(457,374)	(533,787)	(389,168)	(373,431)	(321,996)	(312,075)
494,283	448,772	1,434,623	1,173,139	822,956	1,030,633	793,276
14,918,276	14,469,504	13,034,881	11,861,742	11,038,786	10,008,153	9,214,877
$ 15,412,559	$ 14,918,276	$ 14,469,504	$ 13,034,881	$ 11,861,742	$ 11,038,786	$ 10,008,153
$ 725,187	$ 756,445	$ 710,570	$ 693,691	$ 660,216	$ 615,713	$ 608,046
2,157,154	1,646,157	2,108,160	(491,068)	1,383,884	557,257	66,325
(523,782)	(457,374)	(533,787)	(375,554)	(360,368)	(310,358)	(300,795)
(33,521)	(34,450)	(34,291)	(25,309)	(22,933)	(27,342)	(25,282)
(129,135)	(92,933)	(66,081)	(71,180)	(78,555)	(72,403)	(57,322)
2,195,903	1,817,845	2,184,571	(269,420)	1,582,244	762,867	290,972
14,068,164	12,250,319	10,065,748	10,335,168	8,752,924	7,990,057	7,699,085
$ 16,264,067	$ 14,068,164	$ 12,250,319	$ 10,065,748	$ 10,335,168	$ 8,752,924	$ 7,990,057
$ (851,508)	$ 850,112	$ 2,219,185	$ 2,969,133	$ 1,526,574	$ 2,285,862	$ 2,018,096
105.52%	94.30%	84.66%	77.22%	87.13%	79.29%	79.84%
$ 3,298,841	$ 3,591,519	$ 3,685,654	$ 4,160,058	$ 4,101,353	$ 4,285,613	$ 4,484,980
-25.81%	23.67%	60.21%	71.37%	37.22%	53.34%	45.00%

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, 2025
(Unaudited)

	Fiscal Year End		
	2025	**2024**	**2023**
Actuarially determined contribution	$ 634,203	$ 359,012	$ 664,345
Contributions in relation to the actuarially determined contribution	(634,203)	(763,992)	(771,755)
Contribution deficiency (excess)	$ 0	$ (404,980)	$ (107,410)
Covered payroll	$ 3,539,550	$ 3,491,151	$ 3,572,071
Contributions as a percentage of covered payroll	17.92%	21.88%	21.61%

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

Fiscal Year End							
2022	2021	2020	2019	2018	2017	2016
$ 639,084	$ 682,411	$ 643,596	$ 642,399	$ 638,474	$ 579,622	$ 584,000
(725,187)	(756,445)	(710,570)	(693,691)	(660,216)	(615,713)	(608,046)
$ (86,103)	$ (74,034)	$ (66,974)	$ (51,292)	$ (21,742)	$ (36,091)	$ (24,046)
$ 3,284,018	$ 3,589,105	$ 3,581,698	$ 3,780,707	$ 3,976,158	$ 4,285,613	$ 4,484,980
22.08%	21.08%	19.84%	18.35%	16.60%	14.37%	13.56%

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, 2025, 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, 2026.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age normal

Amortization method = Closed level percent of payroll for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 12 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 projected to 2024 with Scale AA. 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

The mortality improvements for the Pub-2010 Amt-Weighted mortality table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees Table is projected to 2024 with Scale AA instead of 2023 with Scale AA.

The adjustment to the base salary increase rate was increased from 1.0% to 1.5% for participants under age 30.

The base salary scale was changed from 3.00% to 4.50%.

The turnover table was extended to age 60.

The disability table was changed to reflect actual disabilities.

The retirement rates were updated to reflect actual retirement rates over the past 5 years.

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SPECIAL REVENUE FUNDS

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

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.

Jail Fund – This fund is used to account for monies collected as a result of a 10% penalty on certain court cases. These funds are legally restricted for the construction, operation, and staffing of the County detention facilities.

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

Drug Surcharge Fund – This fund is used to account for monies collected under Georgia law related to additional penalties on controlled substances offenses. Such monies are restricted for drug abuse treatment and education programs relating to controlled substances, alcohol, and marijuana.

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
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Special Revenue		
	Drug Enforcement	**Jail**	**Inmate Welfare**
ASSETS			
Cash and cash equivalents	$ 491,864	$ 741,586	$ 159,500
Due from other funds	0	0	0
Taxes receivable	0	0	0
Intergovernmental receivable	0	0	0
Total assets	$ 491,864	$ 741,586	$ 159,500
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 0	$ 0	$ 0
Due to other funds	0	0	0
Due to other agencies	477,585	0	0
Accrued payroll liabilities	0	0	0
Total liabilities	477,585	0	0
Fund balances			
Restricted for:			
Judicial	0	0	0
Public Safety	14,279	741,586	159,500
Housing and Development	0	0	0
Total fund balances	14,279	741,586	159,500
Total liabilities, deferred inflows of resources, and fund balances	$ 491,864	$ 741,586	$ 159,500

Special Revenue				Total Nonmajor Governmental Funds
Drug Surcharge	Law Library	Probation Service	Hotel/Motel Tax	
$ 346,830	$ 123,015	$ 0	$ 0	$ 1,862,795
0	0	0	34,485	34,485
0	0	0	9,153	9,153
0	0	55,329	0	55,329
$ 346,830	$ 123,015	$ 55,329	$ 43,638	$ 1,961,762
$ 0	$ 0	$ 43	$ 3,656	$ 3,699
12,064	0	38,468	0	50,532
0	0	0	0	477,585
0	0	16,818	0	16,818
12,064	0	55,329	3,656	548,634
0	123,015	0	0	123,015
334,766	0	0	0	1,250,131
0	0	0	39,982	39,982
334,766	123,015	0	39,982	1,413,128
$ 346,830	$ 123,015	$ 55,329	$ 43,638	$ 1,961,762

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2025

	Special Revenue		
	Drug Enforcement	**Jail**	**Inmate Welfare**
REVENUES			
Fines, fees, and forfeitures	$ 7,779	$ 82,844	$ 0
Taxes	0	0	0
Charges for services	0	0	122,152
Investment income	5,375	1,041	0
Total revenues	13,154	83,885	122,152
EXPENDITURES			
Current			
Judicial	0	0	0
Public safety	21,754	125,716	128,782
Housing and development	0	0	0
Total expenditures	21,754	125,716	128,782
Excess (deficiency) of revenues over (under) expenditures	(8,600)	(41,831)	(6,630)
Other financing sources (uses)			
Transfers out	0	0	0
Net change in fund balance	(8,600)	(41,831)	(6,630)
Fund balances, July 1	22,879	783,417	166,130
Fund balances, June 30	$ 14,279	$ 741,586	$ 159,500

Special Revenue				
Drug Surcharge	Law Library	Probation Service	Hotel/Motel Tax	Total Nonmajor Governmental Funds
$ 42,991	$ 18,663	$ 0	$ 0	$ 152,277
0	0	0	75,513	75,513
0	0	795,016	0	917,168
0	110	0	0	6,526
42,991	18,773	795,016	75,513	1,151,484
0	16,151	0	0	16,151
62,886	0	723,495	0	1,062,633
0	0	0	30,188	30,188
62,886	16,151	723,495	30,188	1,108,972
(19,895)	2,622	71,521	45,325	42,512
0	0	(71,521)	(45,308)	(116,829)
(19,895)	2,622	0	17	(74,317)
354,661	120,393	0	39,965	1,487,445
$ 334,766	$ 123,015	$ 0	$ 39,982	$ 1,413,128

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, 2025

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 12,000	$ 7,779	$ (4,221)
Investment income	10,000	5,375	(4,625)
Total revenues	22,000	13,154	(8,846)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	9,000	8,979	21
Capital outlay	7,500	7,400	100
Payments to others	5,500	5,375	125
Total expenditures	22,000	21,754	246
Excess (deficiency) of revenues over (under) expenditures	0	(8,600)	(8,600)
Fund balances, July 1	0	22,879	22,879
Fund balances, June 30	$ 0	$ 14,279	$ 14,279

FRANKLIN COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 182,000	$ 82,844	$ (99,156)
Investment income	0	1,041	1,041
Total revenues	182,000	83,885	(98,115)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	63,000	7,116	55,884
Capital outlay	119,000	118,600	400
Total expenditures	182,000	125,716	56,284
Excess (deficiency) of revenues over (under) expenditures	0	(41,831)	(41,831)
Fund balances, July 1	0	783,417	783,417
Fund balances, June 30	$ 0	$ 741,586	$ 741,586

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, 2025

	Final Budget	Actual	Variance
REVENUES			
Charges for service	$ 129,000	$ 122,152	$ (6,848)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	129,000	128,782	218
Total expenditures	129,000	128,782	218
Net change in fund balance	0	(6,630)	(6,630)
Fund balances, July 1	0	166,130	166,130
Fund balances, June 30	$ 0	$ 159,500	$ 159,500

FRANKLIN COUNTY, GEORGIA
DRUG SURCHARGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2025

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 64,000	$ 42,991	$ (21,009)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	14,000	13,586	414
Capital outlay	50,000	49,300	700
Total expenditures	64,000	62,886	1,114
Net change in fund balance	0	(19,895)	(19,895)
Fund balances, July 1	0	354,661	354,661
Fund balances, June 30	$ 0	$ 334,766	$ 334,766

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, 2025

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 16,700	$ 18,663	$ 1,963
Investment income	0	110	110
Total revenues	16,700	18,773	2,073
EXPENDITURES			
Current			
Judicial			
Personal services	1,700	1,680	20
Materials and supplies	15,000	14,471	529
Total expenditures	16,700	16,151	549
Excess (deficiency) of revenues over (under) expenditures	0	2,622	2,622
Fund balances, July 1	0	120,393	120,393
Fund balances, June 30	$ 0	$ 123,015	$ 123,015

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, 2025

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 700,000	$ 795,016	$ 95,016
EXPENDITURES			
Current			
Public Safety			
Personal services	715,180	648,061	67,119
Contract services	60,650	64,268	(3,618)
Materials and supplies	12,000	11,166	834
Capital outlay	2,000	0	2,000
Total expenditures	789,830	723,495	66,335
Excess (deficiency) of revenues over (under) expenditures	(89,830)	71,521	161,351
Other financing sources (uses)			
Transfers in	89,830	0	(89,830)
Transfers out	0	(71,521)	(71,521)
Total other financing sources (uses)	89,830	(71,521)	(161,351)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balances, July 1	0	0	0
Fund balances, June 30	$ 0	$ 0	$ 0

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, 2025

	Final Budget	Actual	Variance
REVENUES			
Taxes	$ 83,250	$ 75,513	$ (7,737)
EXPENDITURES			
Current			
Housing and Development			
Payments to other agencies	33,250	30,188	3,062
Excess (deficiency) of revenues over (under) expenditures	50,000	45,325	(4,675)
Other financing sources (uses)			
Transfers out	(50,000)	(45,308)	4,692
Net change in fund balance	0	17	17
Fund balances, July 1	0	39,965	39,965
Fund balances, June 30	$ 0	$ 39,982	$ 39,982

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, 2025

	Tax Commissioner	Magistrate Court	Probate Court	Clerk of Superior Court	Sheriff Department	Total Custodial Funds
ASSETS						
Cash	$ 33,902	$ 16,156	$ 217,029	$ 625,849	$ 278,086	$ 1,171,022
Taxes receivable, net	194,420	0	0	0	0	194,420
Total assets	228,322	16,156	217,029	625,849	278,086	1,365,442
LIABILITIES						
Due to other agencies	228,322	16,156	36,802	275,672	268,310	825,262
NET POSITION						
Restricted for individuals, organizations, and other governments	$ 0	$ 0	$ 180,227	$ 350,177	$ 9,776	$ 540,180

FRANKLIN COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2025

	Tax Commissioner	Magistrate Court	Probate Court	Clerk of Superior Court	Sheriff Department	Total Custodial Funds
ADDITIONS						
Taxes collected for other agencies	$ 23,063,411	$ 0	$ 0	$ 0	$ 0	$ 23,063,411
Court fees collected for other agencies	0	135,276	458,133	891,929	0	1,485,338
Court individual cases	0	0	0	123,707	0	123,707
Sheriff fees collected	0	0	0	0	399,221	399,221
Sheriff inmate account deposits	0	0	0	0	339,108	339,108
Total additions	23,063,411	135,276	458,133	1,015,636	738,329	25,410,785
DEDUCTIONS						
Taxes distributed to other agencies	23,063,411	0	0	0	0	23,063,411
Court fees distributed to other agencies	0	136,076	463,410	903,299	0	1,502,785
Payments to others	0	0	0	23,703	0	23,703
Sheriff fees distributed to other agencies	0	0	0	0	339,649	339,649
Payments from inmates to others	0	0	0	0	399,184	399,184
Total deductions	23,063,411	136,076	463,410	927,002	738,833	25,328,732
Change in net position	0	(800)	(5,277)	88,634	(504)	82,053
Net position, July 1	0	800	185,504	261,543	10,280	458,127
Net position, June 30	$ 0	$ 0	$ 180,227	$ 350,177	$ 9,776	$ 540,180

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SINGLE AUDIT SECTION

This section contains reports required by Uniform Guidance and grantor agencies.

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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 fiscal year ended June 30, 2025, 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 19, 2025. Our report includes a reference to other auditors who audited the financial statements of 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Franklin County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Franklin County, Georgia's internal control.

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

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2025-001 through 2025-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-003 through 2024-009 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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. We consider the deficiency described in the accompanying schedule of findings and questions costs as items 2025-010 through 2025-011 to be instances of noncompliance or other matters.

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 in the accompanying schedule of findings and questioned costs. 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

Certified Public Accountants

Gainesville, Georgia
December 19, 2025

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Franklin County, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Franklin County, Georgia's major federal programs for the fiscal year ended June 30, 2025. Franklin County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Franklin County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Franklin County, Georgia and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Franklin County, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Franklin County, Georgia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Franklin County, Georgia's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Franklin County, Georgia's compliance with the requirements of each major federal program as a whole.

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

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

- Identify and assess the risks of material noncompliance, 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 Franklin County, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Franklin County, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Franklin County, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
December 19, 2025

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2025

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Number	Total Federal Expenditures
U.S. Department of the Interior			
Payments in Lieu of Taxes	15.226	N/A	$ 9,741
U.S. Department of Justice			
Equitable Sharing Program	16.922	N/A	7,400
U.S. Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,589,768
U.S. Environmental Protection Agency			
Passed through the Georgia Environmental Finance Authority:			
Drinking Water State Revolving Fund	66.468	DW2023013	17,274
U.S. Department of Health and Human Services			
Aging Cluster			
Passed through Legacy Link, Inc.:			
Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	FY2025	20,726
Title III, Part C, Nutrition Services	93.045	FY2025	48,444
COVID-19 CM	93.045	FY2025	1,119
			49,563
Total Aging Cluster of Programs			70,289
Passed through Legacy Link, Inc.:			
Social Services Block Grant	93.667	FY2025	12,627
Total Department of Health and Human Services			82,916
U.S. Department of Homeland Security			
Passed through the Georgia Emergency Management Agency			
Emergency Management Performance Grants	97.042	FEMA-2025-EMPG-GA	8,155
Total Federal Awards			$ 2,715,254

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Franklin County, Georgia, under programs for the federal government for the current fiscal year. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

Franklin County, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Passed Through to Subrecipients

For the current fiscal year, Franklin County, Georgia did not pass federal funds through to subrecipients.

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2025

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant Deficiencie(s) identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant Deficiencie(s) identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported

Identification of major programs:

21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings and Responses

2025-001

Criteria: Generally accepted accounting principles require that accruals be properly calculated and recorded.

Condition: The prior year financial statements were restated for errors and incorrectly reported amounts in the Governmental Activities.

Cause: Staff made various posting and classification errors.

Effect: Failure to properly apply generally accepted accounting principles led to financial statements that were materially misstated.

Recommendation: Management should review their year-end procedures for recording assets and liabilities.

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

2025-002

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.

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

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

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.

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 reporting.

Management Response: Management concurs with this finding. Management will ensure that proper internal controls over the year-end close procedures are designed and implemented. Also, the Finance Department will ensure that account balances are reconciled monthly to the subsidiary ledgers. This action was taken immediately upon receipt of the comment from our auditors.

2. Financial Statement Findings and Responses (continued)

2025-003

Criteria: Proper internal controls require adequate segregation of duties.

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.

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

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

Recommendation: To ensure that sufficient internal controls are in place, the 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.

2025-004

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

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.

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

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

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.

2025-005

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.

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.

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

2. Financial Statement Findings and Responses (continued)

2025-005, continued

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

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.

2025-006

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

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.

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

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

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.

2025-007

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

Condition: While performing audit procedures over cash disbursements, we noted that 45 of 60 (75%) disbursements tested lacked evidence of approval.

Cause: Multiple disbursements lacked evidence of approval.

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

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.

2. Financial Statement Findings and Responses (continued)

2025-008

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

Condition: While performing audit procedures over journal entries, we noted that 25 of 25 (100%) journal entries tested lacked evidence of approval.

Cause: Multiple journal entries lacked evidence of approval.

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

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 journal entries with proper approval. This action was taken immediately upon receipt of the comment from our auditors.

2025-009

Criteria: Proper internal controls require that all employee pay rates are properly approved.

Condition: While performing audit procedures over payroll transactions, we noted that 43 of 60 (72%) employee pay rates tested lacked evidence of approval.

Cause: Multiple employee personnel files lacked evidence of approval.

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

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 journal entries with proper approval. This action was taken immediately upon receipt of the comment from our auditors.

2025-010

Criteria: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, each Special Revenue Fund, and each Debt Service Fund.

Condition: The County did not adopt a budget for the Drug Enforcement Special Revenue Fund, the Inmate Welfare Special Revenue Fund, and the Law Library Special Revenue Fund. As a result, expenditures were made without an established legal spending authority. Material budget amendments were required in these funds in order to bring them in compliance with state law.

Cause: The County did not establish processes to ensure that all departments managing special revenue funds outside of the Finance Department prepared and monitored budgets in accordance with legal requirements. Responsibility for these funds was decentralized, and communication between the Finance Department and the managing departments was insufficient to identify and implement necessary budget amendments.

2. Financial Statement Findings and Responses (continued)

2025-010, continued

Effect: Failure to adopt annual budgets as required by OCGA Code Section 36-81-3 will place the County in violation of state law.

Recommendation: Management should ensure that annual operating budgets are adopted for the General Fund, each Special Revenue Fund, and each Debt Service Fund as required by state law. Budget to actual comparisons should be periodically reviewed by Management and budgets amended as needed to ensure that the County remains in compliance with state law.

Management Response: Management concurs with this finding. Management will ensure that an annual budget is adopted for the General Fund, each Special Revenue Fund, and each Debt Service Fund, and will review the budget to actual comparisons and recommend any necessary budget revisions to the Board of Commissioners. This action was taken immediately upon receipt of the comment from our auditors.

2025-011

Criteria: OCGA Code Section 48-8-11 and the County's SPLOST referendum resolution require that proceeds from each Special Purpose Local Option Sales Tax (SPLOST) be accounted for and disbursed in accordance with the approved project list and funding schedule. Funds from a prior SPLOST must be used for its designated projects before utilizing proceeds from a subsequent SPLOST.

Condition: During the prior fiscal year, the County inadvertently distributed payments to municipalities from the SPLOST VI Fund rather than from the remaining balance of the SPLOST V Fund. This resulted in expenditures being charged to the incorrect SPLOST Fund.

Cause: The error occurred due to inadequate review and reconciliation procedures over SPLOST Fund disbursements. Staff relied on current fund availability without verifying the source fund alignment with the approved project schedule. As a result, the SPLOST V Fund has a Due from the SPLOST VI Fund for the misallocation.

Effect: The misallocation represents material noncompliance with state law and the SPLOST referendum requirements. It could lead to misstated financial reporting, reduced transparency, and potential public trust concerns. While the total dollar impact is limited to the misallocated payments, the qualitative impact is significant because compliance with referendum restrictions is a legal requirement.

Recommendation: Implement stronger internal controls over SPLOST disbursements, including a mandatory reconciliation process to confirm the correct SPLOST Fund before payment, staff training on SPLOST compliance requirements, and periodic supervisory review of fund allocations to ensure adherence to legal and referendum provisions.

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

3. Prior Year Audit Findings Follow-Ups

2024-001

Condition: The prior year financial statements were restated for errors and incorrectly reported amounts in the General Fund.

Not Corrected

2024-002

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

Not Corrected

2024-003

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.

Not Corrected

2024-004

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

Corrected

2024-005

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.

Not Corrected

2024-006

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.

Not Corrected

3. Prior Year Audit Findings Follow-Ups (continued)

2024-007

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.

Not Corrected

2024-008

Condition: While performing audit procedures over cash disbursements, we noted that 25 of 60 (42%) disbursements tested lacked evidence of approval.

Not Corrected

2024-009

Condition: While performing audit procedures over journal entries, we noted that 14 of 16 (88%) journal entries tested lacked evidence of approval.

Not Corrected

2024-010

Condition: While performing audit procedures over payroll transactions, we noted that 18 of 60 (30%) employee pay rates tested lacked evidence of approval.

Not Corrected

2024-011

Condition: The County experienced a material excess of expenditures over appropriations in the Emergency 911 Special Revenue Fund, the Opioid Settlement Special Revenue Fund, the Drug Enforcement Special Revenue Fund, the Jail Special Revenue Fund, the Drug Enforcement Special Revenue Fund, the Inmate Welfare Special Revenue Fund, the Drug Surcharge Fund, and the Law Library Special Revenue Fund. Material budget amendments were required in these funds in order to bring them in compliance with state law.

Not Corrected

4. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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STATE REPORTING SECTION

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

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2025

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST V					
General Obligation Debt	$ 3,800,000	$ 3,800,000	$ 6,660,349	$ 0	$ 6,660,349
Roads, Streets, Bridges	3,550,000	3,550,000	2,507,387	415,390	2,922,777
Public Safety	2,510,000	2,510,000	2,141,219	300,712	2,441,931
Water, Sewer, Utilities	1,800,000	1,800,000	1,581,086	226,155	1,807,241
Courthouse Renovation/ Public Facilities Improvements	1,443,000	1,443,000	3,311,027	0	3,311,027
Industrial Development	750,000	750,000	2,331,880	0	2,331,880
Recreation	400,000	400,000	65,603	4,800	70,403
Airport Improvements	100,000	100,000	55,014	0	55,014
City of Lavonia	1,440,000	1,440,000	1,967,674	0	1,967,674
City of Royston	1,440,000	1,440,000	1,967,674	0	1,967,674
City of Canon	789,000	789,000	1,078,874	0	1,078,874
City of Carnesville	789,000	789,000	1,065,633	0	1,065,633
City of Franklin Springs	789,000	789,000	1,078,874	0	1,078,874
	$ 19,600,000	$ 19,600,000	$ 25,812,294	$ 947,057	$ 26,759,351

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST VI					
General Obligation Debt	$ 3,800,000	$ 3,800,000	$ 827,907	$ 824,400	$ 1,652,307
Roads, Streets, Bridges	4,000,000	4,000,000	0	0	0
Fire Services	2,450,000	2,450,000	523,138	98,563	621,701
Public Safety	2,500,000	2,500,000	0	380,994	380,994
Water, Sewer, Utilities	3,775,000	3,775,000	0	0	0
Public Facilities	1,500,000	1,500,000	8,679	12,042	20,721
Industrial Development	750,000	750,000	0	250,000	250,000
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	548,834	459,215	1,008,049
City of Royston	1,000,000	1,000,000	548,834	459,215	1,008,049
City of Canon	1,000,000	1,000,000	300,929	251,787	552,716
City of Carnesville	1,725,000	1,725,000	300,929	251,787	552,716
City of Franklin Springs	1,725,000	1,725,000	300,929	251,787	552,716
	$ 25,725,000	$ 25,725,000	$ 3,360,179	$ 3,239,790	$ 6,599,969

* 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 SUPPLEMENTAL OFFICIAL INCOME
For the fiscal year ended June 30, 2025

County Constitutional Officer	Supplemental Income Type	Amount Collected	Amount Disbursed	Amount Retained by County Officer
Tax Commissioner	Fee for collection of taxes for other governments	$ 39,251	$ 39,251	$ 0
Probate Judge	Fee for processing vital records	38,600	31,100	7,500

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