

***FRANKLIN COUNTY, GEORGIA***

***Annual Financial Report***

***For the fiscal year ended June 30, 2022***

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**FRANKLIN COUNTY, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
*For the fiscal year ended June 30, 2022*

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Georgia, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise Franklin County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Georgia, as of June 30, 2022 and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund and ARPA Grant Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Franklin County Health Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Franklin County Health Department, is based solely on the report of the other auditors.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Franklin County Health Department, a component unit of Franklin County, Georgia, which represents 18.66 percent, 9.54 percent, and 77.13 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Franklin County Health Department, is based solely on the report of the other auditors.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 64 through 69, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Franklin County, Georgia's basic financial statements for the year ended June 30, 2021, which are not presented with the accompanying financial statements. In our report dated November 22, 2021, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County, Georgia's basic financial statements as a whole. The individual fund financial statements and schedules related to the 2021 basic financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2021 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 2021 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of Franklin County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin County, Georgia's internal control over financial reporting and compliance.

*Rushton, LLC*

Gainesville, Georgia  
November 28, 2022

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***BASIC FINANCIAL STATEMENTS***

**FRANKLIN COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 25,037,809	\$ 1,342,288	\$ 26,380,097	\$ 1,800,321
Restricted assets				
Cash and cash equivalents	1,591,373	55,050	1,646,423	0
Receivables (net)				
Accounts	238,600	282,898	521,498	56,478
Intergovernmental	110,643	200,000	310,643	4,539
Taxes	932,671	0	932,671	2,756
Inventory	0	102,306	102,306	0
Net OPEB asset	0	0	0	65,923
Prepaid items	127,912	0	127,912	5,968
Internal balances	1,569,938	(1,569,938)	0	0
Total current assets	<u>29,608,946</u>	<u>412,604</u>	<u>30,021,550</u>	<u>1,935,985</u>
<b>Noncurrent assets</b>				
Property held for development	0	0	0	4,280,423
Net pension asset	825,282	26,226	851,508	0
Capital assets				
Non-depreciable	5,055,458	518,673	5,574,131	0
Right to use leased assets (net)	280,220	0	280,220	0
Depreciable (net)	25,324,991	26,106,138	51,431,129	10,837
Total noncurrent assets	<u>31,485,951</u>	<u>26,651,037</u>	<u>58,136,988</u>	<u>4,291,260</u>
<b>Total assets</b>	<u>61,094,897</u>	<u>27,063,641</u>	<u>88,158,538</u>	<u>6,227,245</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pension	65,414	2,079	67,493	232,051
Deferred outflows of resources - OPEB	0	0	0	87,262
Deferred charge on refunding	395,803	0	395,803	0
<b>Total deferred outflows of resources</b>	<u>461,217</u>	<u>2,079</u>	<u>463,296</u>	<u>319,313</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	375,839	204,382	580,221	34,925
Intergovernmental	273,802	0	273,802	21,196
Interest	0	6,298	6,298	0
Unearned revenue	4,535,255	0	4,535,255	0
Accrued salaries and expenses	149,835	5,925	155,760	0
Compensated absences	677,755	13,291	691,046	38,700
Due to other agencies	575,882	0	575,882	0
Lease payable	77,953	0	77,953	0
Notes payable	0	334,844	334,844	0
Bonds payable	388,758	390,816	779,574	0
Total current liabilities	<u>7,055,079</u>	<u>955,556</u>	<u>8,010,635</u>	<u>94,821</u>

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

*Exhibit A-1, continued*

**FRANKLIN COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Noncurrent liabilities</b>				
Compensated absences	\$ 75,306	\$ 1,452	\$ 76,758	\$ 58,416
Proportionate share of net pension liability	0	0	0	324,055
Lease payable	250,002	0	250,002	0
Notes payable	0	3,691,444	3,691,444	0
Bonds payable	8,580,100	2,104,286	10,684,386	0
Post-closure care costs	0	953,511	953,511	0
	<u>8,905,408</u>	<u>6,750,693</u>	<u>15,656,101</u>	<u>382,471</u>
<b>Total noncurrent liabilities</b>	<b>8,905,408</b>	<b>6,750,693</b>	<b>15,656,101</b>	<b>382,471</b>
<b>Total liabilities</b>	<b>15,960,487</b>	<b>7,706,249</b>	<b>23,666,736</b>	<b>477,292</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	1,847,315	58,705	1,906,020	299,504
Deferred inflows of resources - OPEB	0	0	0	177,229
	<u>1,847,315</u>	<u>58,705</u>	<u>1,906,020</u>	<u>476,733</u>
<b>Total deferred inflows of resources</b>	<b>1,847,315</b>	<b>58,705</b>	<b>1,906,020</b>	<b>476,733</b>
<b>NET POSITION</b>				
Net investment in capital assets	30,221,580	20,145,721	50,367,301	10,837
Restricted for:				
Judicial	115,591	0	115,591	0
Public safety	1,222,489	0	1,222,489	0
Health and welfare	0	0	0	111,806
Housing and Development	19,255	0	19,255	0
Capital outlay	8,660,462	0	8,660,462	0
Unrestricted	3,508,935	(844,955)	2,663,980	5,469,890
	<u>3,508,935</u>	<u>(844,955)</u>	<u>2,663,980</u>	<u>5,469,890</u>
<b>Total net position</b>	<b>\$ 43,748,312</b>	<b>\$ 19,300,766</b>	<b>\$ 63,049,078</b>	<b>\$ 5,592,533</b>

**FRANKLIN COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the fiscal year ended June 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities					
General Government	\$ 2,549,947	\$ 1,831,624	\$ 168,802	\$ 1,929,891	\$ 1,380,370
Judicial	1,304,028	254,643	0	0	(1,049,385)
Public Safety	11,131,617	1,981,311	161,527	923,919	(8,064,860)
Public Works	4,509,922	189,282	0	2,674,793	(1,645,847)
Health and Welfare	385,656	0	6,492	0	(379,164)
Culture and Recreation	557,208	94,167	0	147,236	(315,805)
Housing and Development	474,165	0	0	276,067	(198,098)
Interest on long-term debt	282,033	0	0	0	(282,033)
Total governmental activities	<u>21,194,576</u>	<u>4,351,027</u>	<u>336,821</u>	<u>5,951,906</u>	<u>(10,554,822)</u>
Business-type activities					
Water and Sewer	2,878,533	2,845,934	0	18,325	(14,274)
Solid Waste	95,961	150,483	0	0	54,522
Total business-type activities	<u>2,974,494</u>	<u>2,996,417</u>	<u>0</u>	<u>18,325</u>	<u>40,248</u>
Total primary government	<u>24,169,070</u>	<u>7,347,444</u>	<u>336,821</u>	<u>5,970,231</u>	<u>(10,514,574)</u>
<b>Component Units</b>					
Franklin County Industrial Building Authority					
Housing and Development	136,611	0	0	0	(136,611)
Franklin County Health Department					
Health and Welfare	930,164	367,417	529,665	0	(33,082)
Total component units	<u>1,066,775</u>	<u>367,417</u>	<u>529,665</u>	<u>0</u>	<u>(169,693)</u>
<b>Primary Government</b>					
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>	
<b>Change in net position</b>					
Net (expense) revenue	\$ (10,554,822)	\$ 40,248	\$ (10,514,574)	\$ (169,693)	
General revenues					
Taxes					
Property	9,746,667	0	9,746,667	203,948	
Sales	3,307,248	0	3,307,248	0	
Intangible	229,767	0	229,767	0	
Insurance premium	1,202,131	0	1,202,131	0	
Other	208,691	0	208,691	0	
Interest and investment earnings	43,559	1,398	44,957	0	
Payments from Franklin County	0	0	0	101,431	
Gain on sale of property held for resale	0	0	0	92,166	
Other	380,585	21,791	402,376	0	
Total general revenues and transfers	<u>15,118,648</u>	<u>23,189</u>	<u>15,141,837</u>	<u>397,545</u>	
Change in net position	<u>4,563,826</u>	<u>63,437</u>	<u>4,627,263</u>	<u>227,852</u>	
Net position - beginning (original)	39,064,486	19,237,329	58,301,815	5,364,681	
Prior period adjustment	120,000	0	120,000	0	
Net position - beginning (restated)	<u>39,184,486</u>	<u>19,237,329</u>	<u>58,421,815</u>	<u>5,364,681</u>	
Net position - ending	<u>\$ 43,748,312</u>	<u>\$ 19,300,766</u>	<u>\$ 63,049,078</u>	<u>\$ 5,592,533</u>	

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

**FRANKLIN COUNTY, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2022**

	General	ARPA Grant	SPLOST V	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 11,347,349	\$ 4,535,255	\$ 8,100,595	\$ 1,054,610	\$ 25,037,809
Restricted assets					
Cash and cash equivalents	1,261,793	0	329,580	0	1,591,373
Receivables (net)					
Accounts	238,600	0	0	0	238,600
Intergovernmental	21,661	0	0	88,982	110,643
Taxes	440,119	0	492,552	0	932,671
Prepaid items	127,912	0	0	0	127,912
Due from other funds	1,772,178	0	0	48,138	1,820,316
<b>Total assets</b>	<b>\$ 15,209,612</b>	<b>\$ 4,535,255</b>	<b>\$ 8,922,727</b>	<b>\$ 1,191,730</b>	<b>\$ 29,859,324</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Payables					
Accounts	\$ 280,751	\$ 0	\$ 29,319	\$ 65,769	\$ 375,839
Intergovernmental	7,173	0	266,629	0	273,802
Accrued salaries and expenses	131,160	0	0	18,675	149,835
Unearned revenue	0	4,535,255	0	0	4,535,255
Due to other agencies	235,514	0	0	340,368	575,882
Due to other funds	132,790	0	0	117,588	250,378
Total liabilities	787,388	4,535,255	295,948	542,400	6,160,991
<b>Deferred inflows of resources</b>					
Unavailable revenue - taxes	65,423	0	0	0	65,423
<b>Fund balances</b>					
Nonspendable:					
Prepaid items	127,912	0	0	0	127,912
Restricted for:					
Judicial	0	0	0	115,591	115,591
Public Safety	1,026,279	0	0	196,210	1,222,489
Housing and Development	0	0	0	19,255	19,255
Capital outlay	0	0	8,626,779	33,683	8,660,462
Assigned for:					
Public Safety	0	0	0	255,708	255,708
Housing and Development	0	0	0	28,883	28,883
Unassigned	13,202,610	0	0	0	13,202,610
Total fund balances	14,356,801	0	8,626,779	649,330	23,632,910
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,209,612</b>	<b>\$ 4,535,255</b>	<b>\$ 8,922,727</b>	<b>\$ 1,191,730</b>	<b>\$ 29,859,324</b>

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

**FRANKLIN COUNTY, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

**Total fund balance - total governmental funds** \$ 23,632,910

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	\$ 30,380,449	
Right to use leased assets, net of accumulated depreciation	280,220	
Net pension asset	825,282	31,485,951

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. 65,423

Deferred outflows of resources related to pensions and debt refunding are applicable to future periods and, therefore, are not reported in the funds. 461,217

Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (1,847,315)

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

These are:

Bonds payable	8,968,858	
Lease payable	327,955	
Compensated absences	753,061	(10,049,874)

Net position of governmental activities \$ 43,748,312

**FRANKLIN COUNTY, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2022**

	General	ARPA Grant	SPLOST V	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>					
Taxes	\$ 14,619,286	\$ 0	\$ 5,283,152	\$ 42,992	\$ 19,945,430
Licenses and permits	180,257	0	0	0	180,257
Fines, fees and forfeitures	1,046,544	0	0	728,014	1,774,558
Charges for services	1,951,887	0	0	542,482	2,494,369
Intergovernmental	1,007,295	15	0	0	1,007,310
Investment	43,302	0	31	276	43,609
Contributions	6,492	0	0	0	6,492
Other	380,585	0	0	0	380,585
<b>Total revenues</b>	<b>19,235,648</b>	<b>15</b>	<b>5,283,183</b>	<b>1,313,764</b>	<b>25,832,610</b>
<b>EXPENDITURES</b>					
Current					
General government	3,009,804	15	0	0	3,009,819
Judicial	1,303,905	0	0	12,224	1,316,129
Public safety	9,439,667	0	0	1,657,144	11,096,811
Public works	2,223,512	0	0	0	2,223,512
Health and welfare	379,787	0	0	0	379,787
Culture and recreation	443,722	0	0	0	443,722
Housing and development	470,372	0	0	0	470,372
Capital outlay	0	0	195,783	189,244	385,027
Intergovernmental	0	0	1,418,163	0	1,418,163
Debt service	36,059	0	632,700	0	668,759
<b>Total expenditures</b>	<b>17,306,828</b>	<b>15</b>	<b>2,246,646</b>	<b>1,858,612</b>	<b>21,412,101</b>
Excess (deficiency) of revenues over (under) expenditures	1,928,820	0	3,036,537	(544,848)	4,420,509
Other financing sources (uses)					
Transfers in	0	0	0	427,376	427,376
Transfers out	(427,376)	0	0	0	(427,376)
Proceeds from inception of leases	361,369	0	0	0	361,369
<b>Total other financing sources (uses)</b>	<b>(66,007)</b>	<b>0</b>	<b>0</b>	<b>427,376</b>	<b>361,369</b>
Net change in fund balance	1,862,813	0	3,036,537	(117,472)	4,781,878
Fund balances, July 1	12,493,988	0	5,590,242	766,802	18,851,032
<b>Fund balances, June 30</b>	<b>\$ 14,356,801</b>	<b>\$ 0</b>	<b>\$ 8,626,779</b>	<b>\$ 649,330</b>	<b>\$ 23,632,910</b>

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

**FRANKLIN COUNTY, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the fiscal year ended June 30, 2022**

**Net change in fund balances - total governmental funds** \$ 4,781,878

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 743,962	
Depreciation	(1,573,596)	
Amortization	<u>(81,149)</u>	(910,783)

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 property taxes. 32,227

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	315,000	
Net change in unamortized bond premium	68,758	
Net change in deferred debt refunding	(30,446)	
Lease proceeds	(361,369)	
Lease principal payments	<u>33,414</u>	25,357

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	709,770	
Cost of benefits earned net of employee contributions	<u>(37,062)</u>	672,708

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		<u>(37,561)</u>
Change in net position of governmental activities		<u><u>\$ 4,563,826</u></u>



**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, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 11,557,170	\$ 13,477,120	\$ 14,619,286	\$ 1,142,166
Licenses and permits	12,000	12,000	180,257	168,257
Fines, fees and forfeitures	866,000	866,000	1,046,544	180,544
Charges for services	2,026,000	2,026,000	1,951,887	(74,113)
Intergovernmental	610,500	610,500	1,007,295	396,795
Investment	1,000	1,000	43,302	42,302
Contributions	0	0	6,492	6,492
Other	217,500	217,500	380,585	163,085
<b>Total revenues</b>	<b>15,290,170</b>	<b>17,210,120</b>	<b>19,235,648</b>	<b>2,025,528</b>
<b>EXPENDITURES</b>				
Current				
General Government				
Administration	1,614,450	1,095,450	1,096,140	(690)
Commission Board	253,789	202,789	192,727	10,062
County Manager	666,902	496,902	444,926	51,976
Elections	182,025	198,025	197,502	523
Tax Commissioner	470,085	493,085	488,880	4,205
Tax Assessor	419,274	446,474	446,073	401
Board of Equalization	4,500	4,500	3,679	821
County Engineer	132,916	140,916	139,877	1,039
Judicial				
Probate Court	280,535	287,135	287,542	(407)
Magistrate Court	187,135	187,135	187,512	(377)
Clerk of Superior Court	418,599	418,599	419,954	(1,355)
Superior Court	227,949	227,949	203,068	24,881
District Attorney	99,800	99,800	90,471	9,329
Public Defender	115,000	115,900	115,358	542
Public Safety				
Fire Departments	332,300	568,700	564,342	4,358
Coroner	128,712	176,112	175,271	841
Emergency Medical Service	2,729,450	2,729,450	2,737,158	(7,708)
Emergency Management	41,872	41,872	11,674	30,198
County Marshall	89,743	89,743	78,975	10,768
Sheriff Department	3,160,350	3,975,450	3,983,807	(8,357)
Detention Center	1,528,100	1,892,100	1,888,440	3,660
Public Works				
Highways and Streets	1,343,761	2,220,161	2,223,512	(3,351)
Health and Welfare				
Senior Center	222,473	233,873	233,734	139
Foster Care Services	31,500	31,500	29,639	1,861
Health Department	106,400	118,900	116,414	2,486
Culture and Recreation				
Recreation	404,550	451,850	443,722	8,128
Housing and Development				
County Agent	83,090	113,590	113,733	(143)
Forestry	6,500	6,500	6,386	114
Planning and Zoning	134,840	235,940	234,878	1,062
Economic Development	123,570	123,570	115,375	8,195
Debt Service	0	36,150	36,059	91
<b>Total expenditures</b>	<b>15,540,170</b>	<b>17,460,120</b>	<b>17,306,828</b>	<b>153,292</b>

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, 2022**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over (under) expenditures	\$ (250,000)	\$ (250,000)	\$ 1,928,820	\$ 2,178,820
Other financing sources (uses)				
Transfers (out)	0	0	(427,376)	(427,376)
Proceeds from inception of leases	0	0	361,369	361,369
Total other financing sources (uses)	0	0	(66,007)	(66,007)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(250,000)	(250,000)	1,862,813	2,112,813
Fund balances, July 1	250,000	250,000	12,493,988	12,243,988
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 14,356,801</b>	<b>\$ 14,356,801</b>

**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, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 0	\$ 15	\$ 15	\$ 0
<b>EXPENDITURES</b>				
Current				
General Government				
Contract services	0	15	15	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
Fund balances, July 1	0	0	0	0
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**FRANKLIN COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2022**

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,250,577	\$ 91,711	\$ 1,342,288
Receivables			
Accounts (net)	282,898	0	282,898
Intergovernmental	200,000	0	200,000
Due from other funds	545	84,652	85,197
Inventories	102,306	0	102,306
Restricted assets			
Cash and cash equivalents	55,050	0	55,050
Total current assets	<u>1,891,376</u>	<u>176,363</u>	<u>2,067,739</u>
<b>Noncurrent assets</b>			
Net pension asset	26,226	0	26,226
Capital assets			
Non-depreciable	139,697	378,976	518,673
Depreciable (net)	26,106,138	0	26,106,138
Total noncurrent assets	<u>26,272,061</u>	<u>378,976</u>	<u>26,651,037</u>
<b>Total assets</b>	<u>28,163,437</u>	<u>555,339</u>	<u>28,718,776</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - pension	2,079	0	2,079
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables			
Accounts	203,902	480	204,382
Interest	6,298	0	6,298
Accrued salaries	4,821	1,104	5,925
Compensated absences	13,069	222	13,291
Due to other funds	1,403,321	251,814	1,655,135
Notes payable	334,844	0	334,844
Bonds payable	390,816	0	390,816
Total current liabilities	<u>2,357,071</u>	<u>253,620</u>	<u>2,610,691</u>
<b>Noncurrent liabilities</b>			
Compensated absences	1,452	0	1,452
Notes payable	3,691,444	0	3,691,444
Bonds payable	2,104,286	0	2,104,286
Postclosure care	0	953,511	953,511
Total noncurrent liabilities	<u>5,797,182</u>	<u>953,511</u>	<u>6,750,693</u>
<b>Total liabilities</b>	<u>8,154,253</u>	<u>1,207,131</u>	<u>9,361,384</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	58,705	0	58,705
<b>NET POSITION</b>			
Net investment in capital assets	19,766,745	378,976	20,145,721
Unrestricted	185,813	(1,030,768)	(844,955)
<b>Total net position</b>	<u>\$ 19,952,558</u>	<u>\$ (651,792)</u>	<u>\$ 19,300,766</u>

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

**FRANKLIN COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2022**

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 2,845,934	\$ 150,483	\$ 2,996,417
Other	21,791	0	21,791
<b>Total operating revenues</b>	<u>2,867,725</u>	<u>150,483</u>	<u>3,018,208</u>
<b>OPERATING EXPENSES</b>			
Costs of sales and services	1,647,899	38,787	1,686,686
Personal services	281,294	57,174	338,468
Depreciation	795,116	0	795,116
<b>Total operating expenses</b>	<u>2,724,309</u>	<u>95,961</u>	<u>2,820,270</u>
Operating income (loss)	<u>143,416</u>	<u>54,522</u>	<u>197,938</u>
Non-operating revenues (expenses)			
Investment income	1,035	363	1,398
Interest expense	(154,224)	0	(154,224)
<b>Total non-operating revenues (expenses)</b>	<u>(153,189)</u>	<u>363</u>	<u>(152,826)</u>
Income (loss) before capital contributions and transfers	(9,773)	54,885	45,112
Capital contributions			
Intergovernmental revenue	18,325	0	18,325
Change in net position	8,552	54,885	63,437
Net position, July 1	<u>19,944,006</u>	<u>(706,677)</u>	<u>19,237,329</u>
<b>Net position, June 30</b>	<u>\$ 19,952,558</u>	<u>\$ (651,792)</u>	<u>\$ 19,300,766</u>

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, 2022

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 2,799,397	\$ 152,247	\$ 2,951,644
Payments to suppliers	(1,568,621)	(62,368)	(1,630,989)
Payments to employees	(304,452)	(58,316)	(362,768)
Other receipts	21,791	0	21,791
	<u>948,115</u>	<u>31,563</u>	<u>979,678</u>
Net cash provided (used) by operating activities			
<b>Cash flows from non-capital financing activities:</b>			
Receipts from other funds	19,593	0	19,593
Payments to other funds	(4,039,744)	(365,454)	(4,405,198)
	<u>(4,020,151)</u>	<u>(365,454)</u>	<u>(4,385,605)</u>
Net cash provided (used) by non-capital financing activities			
<b>Cash flows from capital and related financing activities:</b>			
Receipts from other governments	48,950	0	48,950
Acquisition of capital assets	(131,199)	0	(131,199)
Payment of capital related accounts payable	(28,575)	0	(28,575)
Proceeds from notes payable	109,949	0	109,949
Principal payments - notes payable	(273,760)	0	(273,760)
Principal payments - bonds payable	(379,931)	0	(379,931)
Interest paid	(157,194)	0	(157,194)
	<u>(811,760)</u>	<u>0</u>	<u>(811,760)</u>
Net cash provided (used) by capital and related financing activities			
<b>Cash flows from investing activities:</b>			
Interest received	1,035	363	1,398
	<u>1,035</u>	<u>363</u>	<u>1,398</u>
Net increase (decrease) in cash and cash equivalents	(3,882,761)	(333,528)	(4,216,289)
Cash and cash equivalents, July 1	5,188,388	425,239	5,613,627
<b>Cash and cash equivalents, June 30</b>	<u>\$ 1,305,627</u>	<u>\$ 91,711</u>	<u>\$ 1,397,338</u>

**FRANKLIN COUNTY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the fiscal year ended June 30, 2022

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 143,416	\$ 54,522	\$ 197,938
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>			
Depreciation expense	795,116	0	795,116
Landfill closure/postclosure costs	0	(24,061)	(24,061)
(Increase) decrease in accounts receivable	(46,537)	1,764	(44,773)
(Increase) decrease in inventories	2,792	0	2,792
(Increase) decrease in net pension asset	(26,226)	0	(26,226)
(Increase) decrease in deferred outflows of resources - pension	10,574	0	10,574
Increase (decrease) in accounts payable	76,486	480	76,966
Increase (decrease) in accrued payroll liabilities	(8,919)	(1,142)	(10,061)
Increase (decrease) in deferred inflows of resources - pension	24,083	0	24,083
Increase (decrease) in net pension liability	(22,670)	0	(22,670)
Total adjustments	804,699	(22,959)	781,740
Net cash provided (used) by operating activities	\$ 948,115	\$ 31,563	\$ 979,678
<b>Cash and cash equivalents reconciliation:</b>			
Cash and cash equivalents	\$ 1,250,577	\$ 91,711	\$ 1,342,288
Restricted cash and cash equivalents	55,050	0	55,050
Total cash and cash equivalents	\$ 1,305,627	\$ 91,711	\$ 1,397,338
<b>Noncash capital and related financing activities:</b>			
Acquisition of capital assets through accounts payable totaled \$12,750.			

**FRANKLIN COUNTY, GEORGIA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2022**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash	\$ 795,080
Taxes receivable, net	180,777
Total assets	975,857
<b>LIABILITIES</b>	
Due to other agencies	548,538
<b>NET POSITION</b>	
Restricted for individuals, organizations, and other governments	\$ 427,319



**FRANKLIN COUNTY, GEORGIA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the fiscal year ended June 30, 2022**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Taxes collected for other agencies	\$ 18,840,152
Court fees collected for other agencies	1,246,103
Court individual cases	69,361
Sheriff fees collected	280,929
Sheriff inmate account deposits	257,922
	<b>20,694,467</b>
<b>DEDUCTIONS</b>	
Taxes distributed to other agencies	18,840,152
Court fees distributed to other agencies	1,096,962
Payments to others	179,716
Sheriff fees distributed to other agencies	266,664
Payments from inmates to others	278,187
	<b>20,661,681</b>
Change in net position	32,786
Net position, July 1	394,533
<b>Net position, June 30</b>	<b>\$ 427,319</b>

**FRANKLIN COUNTY, GEORGIA**  
**COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**  
**June 30, 2022**

	<b>Franklin County Industrial Building Authority</b>	<b>Franklin County Health Department</b>	<b>Totals</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 741,453	\$ 1,058,868	\$ 1,800,321
Receivable (net)			
Accounts	19,413	37,065	56,478
Taxes	2,756	0	2,756
Intergovernmental	4,539	0	4,539
Net OPEB Asset	0	65,923	65,923
Prepaid Items	5,968	0	5,968
	<u>774,129</u>	<u>1,161,856</u>	<u>1,935,985</u>
<b>Noncurrent assets</b>			
Property held for development	4,280,423	0	4,280,423
Capital assets			
Depreciable (net)	10,837	0	10,837
	<u>4,291,260</u>	<u>0</u>	<u>4,291,260</u>
<b>Total assets</b>	<u>5,065,389</u>	<u>1,161,856</u>	<u>6,227,245</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources - pension	0	232,051	232,051
Deferred outflows of resources - OPEB	0	87,262	87,262
	<u>0</u>	<u>319,313</u>	<u>319,313</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	6,435	28,490	34,925
Intergovernmental payable	0	21,196	21,196
Compensated absences	0	38,700	38,700
	<u>6,435</u>	<u>88,386</u>	<u>94,821</u>
<b>Noncurrent liabilities</b>			
Compensated absences	0	58,416	58,416
Proportionate share of net pension liability	0	324,055	324,055
	<u>0</u>	<u>382,471</u>	<u>382,471</u>
<b>Total liabilities</b>	<u>6,435</u>	<u>470,857</u>	<u>477,292</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	0	299,504	299,504
Deferred inflows of resources - OPEB	0	177,229	177,229
	<u>0</u>	<u>476,733</u>	<u>476,733</u>
<b>NET POSITION</b>			
Investment in capital assets	10,837	0	10,837
Restricted for health and welfare	0	111,806	111,806
Unrestricted	5,048,117	421,773	5,469,890
<b>Total net position</b>	<u>\$ 5,058,954</u>	<u>\$ 533,579</u>	<u>\$ 5,592,533</u>

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, 2022*

	<b>Franklin County Industrial Building Authority</b>	<b>Franklin County Health Department</b>	<b>Totals</b>
<b>Expenses</b>			
Health and Welfare	\$ 0	\$ 930,164	\$ 930,164
Housing and Development	136,611	0	136,611
<b>Total expenses</b>	<u>136,611</u>	<u>930,164</u>	<u>1,066,775</u>
<b>Program revenues</b>			
Charges for services	0	367,417	367,417
Operating grants and contributions	0	529,665	529,665
<b>Total program revenues</b>	<u>0</u>	<u>897,082</u>	<u>897,082</u>
<b>Net (expense) revenue</b>	<u>(136,611)</u>	<u>(33,082)</u>	<u>(169,693)</u>
<b>General revenues</b>			
Property taxes	203,948	0	203,948
Payments from Franklin County	0	101,431	101,431
Gain on sale of properties held for resale	92,166	0	92,166
<b>Total general revenues</b>	<u>296,114</u>	<u>101,431</u>	<u>397,545</u>
Change in net position	159,503	68,349	227,852
Net position, July 1	<u>4,899,451</u>	<u>465,230</u>	<u>5,364,681</u>
<b>Net position, June 30</b>	<u><u>\$ 5,058,954</u></u>	<u><u>\$ 533,579</u></u>	<u><u>\$ 5,592,533</u></u>

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**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.



**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**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 also are recognized as revenue. The County considers property taxes as available in the period for which they were levied if they are collected within 60 days subsequent to year-end. A 60-day availability period is also used for revenue recognition for all other governmental fund revenue.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**2. Summary of Significant Accounting Policies (continued)**

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

The County reports the following major governmental funds:

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

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

**SPLOST V Capital Projects Fund** – This fund is used to account for financial resources to be used for the acquisition or construction of capital facilities financed by special purpose local option sales taxes passed by the 2015 referendum.

The County reports the following major proprietary funds:

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

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

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).

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**2. Summary of Significant Accounting Policies (continued)**

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

**Fiduciary Fund Types**

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

**Component Units**

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

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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**2. Summary of Significant Accounting Policies (continued)**

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

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

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

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

**E. Budgets and Budgetary Accounting**

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

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**2. Summary of Significant Accounting Policies (continued)**

**E. Budgets and Budgetary Accounting, continued**

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

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

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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**2. Summary of Significant Accounting Policies (continued)**

**F. Cash and Investments**

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

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

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

**G. Intergovernmental Receivables**

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

**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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**2. Summary of Significant Accounting Policies (continued)**

**J. Right to Use Leased Assets**

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

**K. Capital Assets**

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

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

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**2. Summary of Significant Accounting Policies (continued)**

**K. Capital Assets, continued**

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	<b>Useful Life in Years</b>	<b>Capitalization Threshold</b>
Land	N/A	\$ 1
Land Improvements	15	\$ 5,000
Buildings	40	\$ 5,000
Machinery and Equipment	5-10	\$ 5,000
Furniture and Fixtures	5	\$ 5,000
Vehicles	5-10	\$ 5,000
Computer Hardware and Software	3-5	\$ 5,000
Infrastructure	15-50	\$20,000 - \$100,000

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

**L. 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.



**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**2. Summary of Significant Accounting Policies (continued)**

**L. Fund Balances – Governmental Funds, continued**

**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.

**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.

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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**2. Summary of Significant Accounting Policies (continued)**

**M. 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 position 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.

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 position 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.

**N. 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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**2. Summary of Significant Accounting Policies (continued)**

**O. 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.

**P. 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.

**Q. Compensation for Future Absences**

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

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**2. Summary of Significant Accounting Policies (continued)**

**R. 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.

**S. 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.

**T. 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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**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 County has no formal policy but follows State of Georgia requirements that all deposits be federally insured or fully collateralized.

**Interest Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Foreign Currency Risk**

The County has no investments denominated in a foreign currency.

**Investments**

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

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**4. Accounts Receivable**

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

**Primary Government:**

**Major Funds**

General Fund	\$ 425,712	
Less: Allowance for Uncollectibles	<u>(187,112)</u>	\$ 238,600

Enterprise Funds

Water and Sewer	329,178	
Less: Allowance for Uncollectibles	<u>(46,280)</u>	<u>282,898</u>

<b>Total primary government</b>		<b><u><u>\$ 521,498</u></u></b>
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**Component Units**

Franklin County Industrial Building Authority	\$ 19,413	
Franklin County Health Department	<u>37,065</u>	<b><u><u>\$ 56,478</u></u></b>

**5. Intergovernmental Receivables**

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

**Major Funds**

General Fund	\$ 21,661
Water and Sewer Enterprise Fund	200,000

**Nonmajor Funds**

Emergency 911 Special Revenue Fund	39,457
Probation Service Special Revenue Fund	<u>49,525</u>

Total primary government	<b><u><u>\$ 310,643</u></u></b>
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**Component Unit**

Franklin County Industrial Building Authority	<b><u><u>\$ 4,539</u></u></b>
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**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 1<sup>st</sup> each year. Property taxes for fiscal year 2022, based upon the assessments of January 1, 2021, were levied on August 12, 2021, billed on August 27, 2021, and due on November 15, 2021. Tax liens may be issued 90 days after the due date.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**7. Interfund Receivables, Payables, and Transfers**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water and Sewer	\$ 1,403,321
	Nonmajor Governmental	117,588
	Solid Waste	251,269
Nonmajor Governmental	General	48,138
Water and Sewer	Solid Waste	545
Solid Waste	General	<u>84,652</u>
Total		<u><u>\$ 1,905,513</u></u>

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

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

A summary of interfund transfers is as follows:

<u>Transfer out Fund</u>	<u>Transfer in Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	<u><u>\$ 427,376</u></u>

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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**8. Right to Use Leased Assets**

Right to use leased assets activities for the primary government for the current fiscal year follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Amortizable assets				
Vehicles	\$ 0	\$ 361,369	\$ 0	\$ 361,369
Less accumulated amortization				
Vehicles	<u>0</u>	<u>(81,149)</u>	<u>0</u>	<u>(81,149)</u>
Total governmental activities				
right of use leased assets, net	<u>\$ 0</u>	<u>\$ 280,220</u>	<u>\$ 0</u>	<u>\$ 280,220</u>

Amortization expense was charged to functions/programs as follows:

<b>Governmental activities</b>		
Public Safety		\$ 53,458
Public Works		22,005
Health and Welfare		<u>5,686</u>
Total amortization expense for governmental activities		<u>\$ 81,149</u>

**9. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Nondepreciable assets				
Land	\$ 5,055,458	\$ 0	\$ 0	\$ 5,055,458
Depreciable assets				
Land improvements	1,317,885	0	0	1,317,885
Infrastructure	43,562,488	0	0	43,562,488
Buildings	11,365,970	0	0	11,365,970
Machinery and equipment	3,653,810	164,901	0	3,818,711
Vehicles	7,295,980	217,692	(25,765)	7,487,907
Total depreciable assets	<u>67,196,133</u>	<u>382,593</u>	<u>(25,765)</u>	<u>67,552,961</u>
Accumulated Depreciation				
Land improvements	(1,038,278)	(41,917)		(1,080,195)
Infrastructure	(24,584,604)	(879,784)	0	(25,464,388)
Buildings	(5,900,863)	(290,889)	0	(6,191,752)
Machinery and equipment	(2,989,131)	(158,459)	0	(3,147,590)
Vehicles	(6,167,263)	(202,547)	25,765	(6,344,045)
Total accumulated depreciation	<u>(40,680,139)</u>	<u>(1,573,596)</u>	<u>25,765</u>	<u>(42,227,970)</u>
Total depreciable assets, net	<u>26,515,994</u>	<u>(1,191,003)</u>	<u>0</u>	<u>25,324,991</u>
Governmental Activities				
capital assets, net	<u>\$ 31,571,452</u>	<u>\$ (1,191,003)</u>	<u>\$ 0</u>	<u>\$ 30,380,449</u>



**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**9. Capital Assets, continued**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type Activities</b>				
Nondepreciable assets				
Land	\$ 492,923	\$ 0	\$ 0	\$ 492,923
Construction in progress	3,576,316	143,949	(3,694,515)	25,750
Total non-depreciable assets	<u>4,069,239</u>	<u>143,949</u>	<u>(3,694,515)</u>	<u>518,673</u>
Depreciable assets				
Land improvements	29,382	0	0	29,382
Distribution system	31,059,648	3,694,515	0	34,754,163
Buildings	40,380	0	0	40,380
Machinery and equipment	719,855	0	0	719,855
Vehicles	362,315	0	0	362,315
Total depreciable assets	<u>32,211,580</u>	<u>3,694,515</u>	<u>0</u>	<u>35,906,095</u>
Accumulated Depreciation				
Land improvements	(29,382)	0	0	(29,382)
Distribution system	(8,311,907)	(760,775)	0	(9,072,682)
Buildings	(15,818)	(1,210)	0	(17,028)
Machinery and equipment	(333,341)	(22,795)	0	(356,136)
Vehicles	(314,392)	(10,337)	0	(324,729)
Total accumulated depreciation	<u>(9,004,840)</u>	<u>(795,117)</u>	<u>0</u>	<u>(9,799,957)</u>
Total depreciable assets, net	<u>23,206,740</u>	<u>2,899,398</u>	<u>0</u>	<u>26,106,138</u>
Business-type Activities capital assets, net	<u>\$ 27,275,979</u>	<u>\$ 3,043,347</u>	<u>\$ (3,694,515)</u>	<u>\$ 26,624,811</u>

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

<b>Industrial Building Authority Component Unit</b>				
Depreciable assets				
Land improvements	\$ 0	\$ 7,356	\$ 0	\$ 7,356
Furniture and fixtures	0	4,000	0	4,000
Total depreciable assets	<u>0</u>	<u>11,356</u>	<u>0</u>	<u>11,356</u>
Accumulated Depreciation				
Land improvements	0	(286)	0	(286)
Furniture and fixtures	0	(233)	0	(233)
Total accumulated depreciation	<u>0</u>	<u>(519)</u>	<u>0</u>	<u>(519)</u>
Industrial Building Authority Component Unit capital assets, net	<u>\$ 0</u>	<u>\$ 10,837</u>	<u>\$ 0</u>	<u>\$ 10,837</u>

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**9. Capital Assets (continued)**

Depreciation expense was charged to functions/programs as follows:

**Primary Government**

**Governmental activities**

General Government	\$ 164,355
Public Safety	341,513
Public Works	936,923
Health and Welfare	28,284
Culture and Recreation	<u>102,521</u>

Total depreciation expense for governmental activities	<u><u>\$ 1,573,596</u></u>
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**Business-type activities**

Water and Sewer	<u><u>\$ 795,117</u></u>
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<b>Industrial Building Authority Component Unit</b>	<u><u>\$ 519</u></u>
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**10. Long-Term Debt**

**Leases**

**Governmental Activities**

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

- \$33,860 vehicle lease due in monthly installments of \$713 through July 2025, interest at 0.535%, \$26,164 outstanding.
- \$33,360 vehicle lease due in monthly installments of \$701 through October 2025, interest at 0.431%, \$27,840 outstanding.
- \$33,360 vehicle lease due in monthly installments of \$701 through October 2025, interest at 0.431%, \$27,840 outstanding.
- \$58,122 vehicle lease due in monthly installments of \$1,117 through March 2027, interest at 5.758%, \$55,595 outstanding.
- \$28,430 vehicle lease due in monthly installments of \$524 through March 2027, interest at 4.049%, \$27,141 outstanding.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**10. Long-Term Debt (continued)**

**Leases, continued**

**Governmental Activities, continued**

- \$51,902 vehicle lease due in monthly installments of \$871 through December 2026, interest at 0.270%, \$46,744 outstanding.
- \$45,425 vehicle lease due in monthly installments of \$861 through February 2027, interest at 5.191%, \$42,749 outstanding.
- \$38,455 vehicle lease due in monthly installments of \$850 through April 2026, interest at 2.946%, \$36,941 outstanding.
- \$38,455 vehicle lease due in monthly installments of \$850 through April 2026, interest at 2.946%, \$36,941 outstanding.

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 77,953	\$ 8,321	\$ 86,274
2024	79,929	6,345	86,274
2025	81,992	4,282	86,274
2026	61,645	2,165	63,810
2027	26,436	452	26,888
Totals	<u>\$ 327,955</u>	<u>\$ 21,565</u>	<u>\$ 349,520</u>

**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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**10. Long-Term Debt (continued)**

**General Obligation Bonds, continued**

\$8,510,000 2016 series A bonds due in annual installments of \$33,023 to \$827,400 through July 1, 2035; interest at 2% to 4% (\$8,075,000 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:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 320,000	\$ 311,400	\$ 631,400
2024	520,000	305,000	825,000
2025	535,000	289,400	824,400
2026	560,000	268,000	828,000
2027	580,000	245,600	825,600
2028-2032	3,265,000	861,000	4,126,000
2033-2036	2,295,000	186,000	2,481,000
Totals	<u>\$ 8,075,000</u>	<u>\$ 2,466,400</u>	<u>\$ 10,541,400</u>

**Bonds from Direct Placements**

**Business-type Activities**

\$2,242,268 2019 Franklin County Water and Sewer Revenue series revenue bonds due in monthly installments of \$7,409 of principal and interest through May 31, 2059; interest at 2.51% (\$2,140,102 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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**10. Long-Term Debt (continued)**

**Bonds from Direct Placements, continued**

**Business-type Activities, continued**

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

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 35,816	\$ 53,092	\$ 88,908
2024	36,721	52,187	88,908
2025	37,650	51,258	88,908
2026	38,602	50,306	88,908
2027	39,578	49,330	88,908
2028-2032	213,421	231,119	444,540
2033-2037	241,806	202,734	444,540
2038-2042	273,966	170,574	444,540
2043-2047	310,404	134,136	444,540
2048-2052	351,688	92,852	444,540
2053-2057	398,463	46,077	444,540
2058-2059	161,987	3,976	165,963
Totals	<u>\$ 2,140,102</u>	<u>\$ 1,137,641</u>	<u>\$ 3,277,743</u>

**Revenue Bonds**

**Business-type Activities**

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

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

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**10. Long-Term Debt (continued)**

**Revenue Bonds, continued**

**Business-type Activities, continued**

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

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 355,000	\$ 12,776	\$ 367,776

**Notes from Direct Borrowings**

The County has entered into a lending agreement with the Georgia Environmental Finance Authority for expansion of the water and sewer system in the original amount of \$2,166,217. At the end of the current fiscal year, the balance of this note is \$161,658. Quarterly installments of \$32,332 principal are due through March 1, 2023; interest at 0%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues of taxes, fees and charges collected by the County.

The County has entered into a lending agreement with the Georgia Environmental Finance Authority for expansion of the water and sewer system in the original amount of \$1,600,000. At the end of the current fiscal year, the balance of this note is \$1,103,142. 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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**10. Long-Term Debt (continued)**

**Notes from Direct Borrowings, continued**

The County has entered into a lending agreement with the Georgia Environmental Finance Authority for expansion of the water and sewer system in the original amount of \$582,290. At the end of the current year, the balance of this note is \$308,128. 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 \$2,453,360. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues of taxes, fees and charges collected by the County.

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

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 334,844	\$ 76,927	411,771
2024	241,768	73,009	314,777
2025	213,440	69,004	282,444
2026	217,534	64,911	282,445
2027	221,719	60,726	282,445
2028-2032	1,174,697	237,527	1,412,224
2033-2037	947,811	122,832	1,070,643
2038-2042	674,475	36,007	710,482
Totals	<u>\$ 4,026,288</u>	<u>\$ 740,943</u>	<u>\$ 4,767,231</u>

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**11. Long-Term Liabilities**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
General obligation bonds	\$ 8,390,000	\$ 0	\$ (315,000)	\$ 8,075,000	\$ 320,000
Unamortized bond premium	962,616	0	(68,758)	893,858	68,758
Lease payable	0	361,369	(33,414)	327,955	77,953
Compensated absences	715,500	379,820	(342,259)	753,061	677,755
Total governmental activities	<u>\$ 10,068,116</u>	<u>\$ 741,189</u>	<u>\$ (759,431)</u>	<u>\$ 10,049,874</u>	<u>\$ 1,144,466</u>
<b>Business-type activities</b>					
Notes from direct borrowings	\$ 4,190,099	\$ 109,949	\$ (273,760)	\$ 4,026,288	\$ 334,844
Bonds payable	700,000	0	(345,000)	355,000	355,000
Bonds from direct placements	2,175,033	0	(34,931)	2,140,102	35,816
Post-closure care costs	977,572	0	(24,061)	953,511	0
Compensated absences	17,124	14,483	(16,864)	14,743	13,291
Total business-type activities	<u>\$ 8,059,828</u>	<u>\$ 124,432</u>	<u>\$ (694,616)</u>	<u>\$ 7,489,644</u>	<u>\$ 738,951</u>

Beginning balance of changes in long-term liabilities schedule was restated by \$120,000 for a prior period adjustment. See Note 23 for further information.

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

The total interest incurred and charged to expense for the fiscal year ended June 30, 2022, was \$282,033 for governmental activities and \$154,224 for business-type activities.



**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**12. 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 \$2,198,475. The original issue amounts totaled \$4,200,000.

**13. 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 \$953,511 and is reflected as a long-term liability in the Solid Waste Enterprise Fund. Because of future changes in technology, laws, or regulations, these costs may change.

**14. Deficit Equity Balances**

At the end of the current fiscal year, the Solid Waste Enterprise Fund has deficit net position of \$651,792. This is due to the estimated cost of post closure care activities. The County plans to liquidate the deficit net position through payment of post closure care costs.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**15. 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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**15. 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, 2021, the date of the most recent actuarial valuation, participants consisted of the following:

Retirees, beneficiaries and disables currently receiving benefits	61
Terminated vested participants entitled to but not yet receiving benefits	76
Active participants	65
Total number of participants	202

*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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**15. 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 22.08% 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, 2022, the County reported a net pension asset of \$851,508. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. For the fiscal year ended June 30, 2022, the County recognized pension expense of \$38,239. For governmental activities, the net pension asset is liquidated in the General Fund and the Emergency 911 Fund Special Revenue Fund.

At the end of the current year, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,560	\$ (258,176)
Net difference between projected and actual earnings on pension plan investments	0	(1,647,844)
Changes of assumptions	60,933	0
	<u>\$ 67,493</u>	<u>\$ (1,906,020)</u>

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**15. Pension Plans (continued)**

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

<b>Year Ending June 30</b>	
2023	\$ (441,816)
2024	(863,268)
2025	(307,441)
2026	<u>(226,002)</u>
Totals	<u>\$ (1,838,527)</u>

*Actuarial Assumptions.* The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The mortality and economic actuarial assumptions used in the December 31, 2021 valuation were based on the results of a February 2019 experience study.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**15. 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, 2021 are summarized in the following table:

	<b><u>Target Allocation</u></b>	<b><u>Range</u></b>
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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**15. Pension Plans (continued)**

*Changes in Net Pension Liability (Asset)*

	<b>Total Pension Liability (Asset)</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability (Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at 12/31/20</b>	\$ 14,918,276	\$ 14,068,164	\$ 850,112
<b>Changes for the year:</b>			
Service cost	163,369	0	163,369
Interest	1,025,947	0	1,025,947
Differences between expected and actual experience	(215,370)	0	(215,370)
Changes of assumptions	44,119	0	44,119
Contributions—employer	0	725,187	(725,187)
Net investment income	0	2,157,154	(2,157,154)
Benefit payments, including refunds of employee contributions	(523,782)	(523,782)	0
Administrative expense	0	(33,521)	33,521
Other changes	0	(129,135)	129,135
<b>Net changes</b>	<b>494,283</b>	<b>2,195,903</b>	<b>(1,701,620)</b>
<b>Balances at 12/31/21</b>	<b>\$ 15,412,559</b>	<b>\$ 16,264,067</b>	<b>\$ (851,508)</b>

Plan's fiduciary net position as a percentage of the total pension liability	105.52%
Covered payroll	\$ 3,298,841
Net pension liability as a percentage of covered payroll	-25.81%

*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:

	<b>Discount Rate</b>	<b>Net Pension Liability (Asset)</b>
1% decrease	6.00%	\$ 1,363,555
Current discount rate	7.00%	(851,508)
1% increase	8.00%	(2,674,530)

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**15. 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 \$101,664. At the end of the current fiscal year, the Department reported a liability in the amount of \$324,055 for its proportionate share (0.013855%) of the net pension liability. The Department recognized pension income of \$5,383 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.



**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**16. Deferred Compensation Plans**

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

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

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

During the current fiscal year, the County contributed \$90,654 to the Plans, based on covered salaries of \$5,249,863. Total payroll was \$9,311,421. Plan members made voluntary contributions of \$246,264.

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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**17. 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 \$23,880. At the end of the current fiscal year, the Department reported a net OPEB asset in the amount of \$65,923 for its proportionate share of 0.012794% for the State of Georgia OPEB Fund and 0.016415% for the SEAD-OPEB Fund. The Department recognized OPEB income of \$102,224 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.

**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. A copy of the Airport financial statements can be obtained from Franklin-Hart Airport, 710 Hartwell Street, Royston, Georgia 30662.

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the current fiscal year, the County paid \$5,272 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, Georgia 30501.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**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.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**20. Commitments and Contingencies**

**Contingencies**

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

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	\$ 42,992
Disbursements for tourism	\$ 0 0% of tax receipts

**22. New Accounting Pronouncements**

The County implemented GASB Statement No. 87, *Leases*, effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2021. This implementation had no effect on beginning net position.

**23. Changes in Beginning Balances**

***Governmental Activities***

A prior period adjustment has been made to adjust the beginning balance of bonds payable. This adjustment increased beginning net position by \$120,000.

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2022*

**24. Excess of Expenditures over Appropriations in Individual Governmental Funds**

During the current fiscal year, the County incurred expenditures in the following funds that were materially in excess of the amounts appropriated:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Drug Enforcement Special Revenue Fund	\$ 0	\$ 85,928	\$ (85,928)
Inmate Welfare Special Revenue Fund	0	52,719	(52,719)
Law Library Special Revenue Fund	0	12,224	(12,224)

**25. Subsequent Events**

Subsequent to June 30, 2022, the County contributed \$1,680,300 in SPLOST proceeds and in-kind contributions to the Franklin County Industrial Building Authority to partially fund the purchase of land in Lavonia, Georgia. The total purchase price of the land is \$1,867,946. The difference between the purchase price and the contributions from the County will be paid for by the Authority. The purpose of this purchase is for the Authority to hold the land for the future resale to businesses moving to the area.

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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, 2022**  
**(Unaudited)**

	Fiscal Year End			
	2022	2021	2020	2019
<b>Total pension liability</b>				
Service cost	\$ 163,369	\$ 194,691	\$ 189,934	\$ 240,421
Interest	1,025,947	996,857	893,759	859,976
Differences between expected and actual expenses	(215,370)	(312,194)	203,321	578,860
Changes of assumptions	44,119	26,792	681,396	(116,950)
Benefit payments, including refunds of employee contributions	(523,782)	(457,374)	(533,787)	(389,168)
Net change in total pension liability	494,283	448,772	1,434,623	1,173,139
Total pension liability - beginning	14,918,276	14,469,504	13,034,881	11,861,742
<b>Total pension liability - ending (a)</b>	<b>\$ 15,412,559</b>	<b>\$ 14,918,276</b>	<b>\$ 14,469,504</b>	<b>\$ 13,034,881</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 725,187	\$ 756,445	\$ 710,570	\$ 693,691
Net investment income	2,157,154	1,646,157	2,108,160	(491,068)
Benefit payments, including refunds of employee contributions	(523,782)	(457,374)	(533,787)	(375,554)
Administrative expense	(33,521)	(34,450)	(34,291)	(25,309)
Other	(129,135)	(92,933)	(66,081)	(71,180)
Net change in plan fiduciary net position	2,195,903	1,817,845	2,184,571	(269,420)
Plan fiduciary net position - beginning	14,068,164	12,250,319	10,065,748	10,335,168
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 16,264,067</b>	<b>\$ 14,068,164</b>	<b>\$ 12,250,319</b>	<b>\$ 10,065,748</b>
<b>Net pension liability (asset) - ending: (a) - (b)</b>	<b>\$ (851,508)</b>	<b>\$ 850,112</b>	<b>\$ 2,219,185</b>	<b>\$ 2,969,133</b>
Plan's fiduciary net position as a percentage of the total pension liability	105.52%	94.30%	84.66%	77.22%
Covered payroll	\$ 3,298,841	\$ 3,591,519	\$ 3,685,654	\$ 4,160,058
Net pension liability as a percentage of covered payroll	-25.81%	23.67%	60.21%	71.37%

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



<b>Fiscal Year End</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$	262,592	\$ 262,245	\$ 260,613	\$ 280,360
	800,312	750,611	691,116	640,744
	105,406	(56,481)	(272,691)	0
	28,077	396,254	426,313	0
	(373,431)	(321,996)	(312,075)	(249,481)
	822,956	1,030,633	793,276	671,623
	11,038,786	10,008,153	9,214,877	8,543,254
\$	<u>11,861,742</u>	<u>\$ 11,038,786</u>	<u>\$ 10,008,153</u>	<u>\$ 9,214,877</u>
\$	660,216	\$ 615,713	\$ 608,046	\$ 682,504
	1,383,884	557,257	66,325	496,502
	(360,368)	(310,358)	(300,795)	(240,464)
	(22,933)	(27,342)	(25,282)	(25,509)
	(78,555)	(72,403)	(57,322)	(71,539)
	1,582,244	762,867	290,972	841,494
	8,752,924	7,990,057	7,699,085	6,857,591
\$	<u>10,335,168</u>	<u>\$ 8,752,924</u>	<u>\$ 7,990,057</u>	<u>\$ 7,699,085</u>
\$	<u>1,526,574</u>	<u>\$ 2,285,862</u>	<u>\$ 2,018,096</u>	<u>\$ 1,515,792</u>
	87.13%	79.29%	79.84%	83.55%
\$	4,101,353	\$ 4,285,613	\$ 4,484,980	\$ 4,779,734
	37.22%	53.34%	45.00%	31.71%

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

**FRANKLIN COUNTY, GEORGIA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2022**  
**(Unaudited)**

	<b>Fiscal Year End</b>			
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Actuarially determined contribution	\$ 639,084	\$ 682,411	\$ 643,596	\$ 642,399
Contributions in relation to the actuarially determined contribution	<u>(725,187)</u>	<u>(756,445)</u>	<u>(710,570)</u>	<u>(693,691)</u>
Contribution deficiency (excess)	<u>\$ (86,103)</u>	<u>\$ (74,034)</u>	<u>\$ (66,974)</u>	<u>\$ (51,292)</u>
Covered payroll	\$ 3,284,018	\$ 3,589,105	\$ 3,581,698	\$ 3,780,707
Contributions as a percentage of covered payroll	22.08%	21.08%	19.84%	18.35%

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

<b>Fiscal Year End</b>			
<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 638,474	\$ 579,622	\$ 584,000	\$ 681,542
<u>(660,216)</u>	<u>(615,713)</u>	<u>(608,046)</u>	<u>(681,542)</u>
<u>\$ (21,742)</u>	<u>\$ (36,091)</u>	<u>\$ (24,046)</u>	<u>\$ 0</u>
\$ 3,976,158	\$ 4,285,613	\$ 4,484,980	\$ 4,779,734
16.60%	14.37%	13.56%	14.26%

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

*Exhibit B-2, continued*

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2022**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of December 31, 2021, 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, 2023.

**2. Methods and Assumptions Used to Determine Contribution Rates**

Actuarial cost method = Entry age normal

Amortization method = Closed level dollar for remaining unfunded liability

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

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

Net investment rate of return = 7.00%

Projected salary increases = 3.00% plus service based merit increases

Cost of living adjustments = N/A

Retirement age for inactive vested participants = 65

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

**FRANKLIN COUNTY, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2022**

**3. Changes in Benefits**

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

**4. Changes of Assumptions**

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

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***COMBINING STATEMENTS***

***Nonmajor Governmental Funds***

**FRANKLIN COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2022**

	Special Revenue						Capital Projects	Total Nonmajor Governmental Funds
	Drug Enforcement	Inmate Welfare	Law Library	Emergency 911	Probation Service	Hotel/Motel Tax	SPLOST IV	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 369,774	\$ 150,127	\$ 115,591	\$ 322,455	\$ 0	\$ 0	\$ 96,663	\$ 1,054,610
Due from other funds	0	0	0	0	0	48,138	0	48,138
Intergovernmental receivable	0	0	0	39,457	49,525	0	0	88,982
<b>Total assets</b>	<b>\$ 369,774</b>	<b>\$ 150,127</b>	<b>\$ 115,591</b>	<b>\$ 361,912</b>	<b>\$ 49,525</b>	<b>\$ 48,138</b>	<b>\$ 96,663</b>	<b>\$ 1,191,730</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 2,544	\$ 245	\$ 0	\$ 62,980	\$ 65,769
Due to other agencies	340,368	0	0	0	0	0	0	340,368
Accrued payroll liabilities	0	0	0	10,434	8,241	0	0	18,675
Due to other funds	0	0	0	93,226	24,362	0	0	117,588
<b>Total liabilities</b>	<b>340,368</b>	<b>0</b>	<b>0</b>	<b>106,204</b>	<b>32,848</b>	<b>0</b>	<b>62,980</b>	<b>542,400</b>
<b>Fund balances</b>								
Restricted for:								
Judicial	0	0	115,591	0	0	0	0	115,591
Public safety	29,406	150,127	0	0	16,677	0	0	196,210
Housing and Development	0	0	0	0	0	19,255	0	19,255
Capital outlay	0	0	0	0	0	0	33,683	33,683
Assigned for:								
Public safety	0	0	0	255,708	0	0	0	255,708
Housing and Development	0	0	0	0	0	28,883	0	28,883
<b>Total fund balances</b>	<b>29,406</b>	<b>150,127</b>	<b>115,591</b>	<b>255,708</b>	<b>16,677</b>	<b>48,138</b>	<b>33,683</b>	<b>649,330</b>
<b>Total liabilities and fund balances</b>	<b>\$ 369,774</b>	<b>\$ 150,127</b>	<b>\$ 115,591</b>	<b>\$ 361,912</b>	<b>\$ 49,525</b>	<b>\$ 48,138</b>	<b>\$ 96,663</b>	<b>\$ 1,191,730</b>



**FRANKLIN COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2022**

	Special Revenue						Capital Projects	Total Nonmajor Governmental Funds
	Drug Enforcement	Inmate Welfare	Law Library	Emergency 911	Probation Service	Hotel/Motel Tax	SPLOST IV	
<b>REVENUES</b>								
Fines, fees, and forfeitures	\$ 92,295	\$ 0	\$ 14,141	\$ 0	\$ 621,578	\$ 0	\$ 0	\$ 728,014
Taxes	0	0	0	0	0	42,992	0	42,992
Charges for services	0	72,939	0	469,543	0	0	0	542,482
Investment income	236	0	21	0	0	0	19	276
<b>Total revenues</b>	<b>92,531</b>	<b>72,939</b>	<b>14,162</b>	<b>469,543</b>	<b>621,578</b>	<b>42,992</b>	<b>19</b>	<b>1,313,764</b>
<b>EXPENDITURES</b>								
Current								
Judicial	0	0	12,224	0	0	0	0	12,224
Public safety	85,928	52,719	0	878,445	640,052	0	0	1,657,144
Capital outlay	0	0	0	0	0	0	189,244	189,244
<b>Total expenditures</b>	<b>85,928</b>	<b>52,719</b>	<b>12,224</b>	<b>878,445</b>	<b>640,052</b>	<b>0</b>	<b>189,244</b>	<b>1,858,612</b>
Excess (deficiency) of revenues over (under) expenditures	6,603	20,220	1,938	(408,902)	(18,474)	42,992	(189,225)	(544,848)
Other financing sources (uses)								
Transfers in	0	0	0	408,902	18,474	0	0	427,376
Net change in fund balance	6,603	20,220	1,938	0	0	42,992	(189,225)	(117,472)
Fund balances, July 1	22,803	129,907	113,653	255,708	16,677	5,146	222,908	766,802
<b>Fund balances, June 30</b>	<b>\$ 29,406</b>	<b>\$ 150,127</b>	<b>\$ 115,591</b>	<b>\$ 255,708</b>	<b>\$ 16,677</b>	<b>\$ 48,138</b>	<b>\$ 33,683</b>	<b>\$ 649,330</b>

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## ***GENERAL FUND***

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

**FRANKLIN COUNTY, GEORGIA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2022 and 2021**

<b>ASSETS</b>	<u><b>2022</b></u>	<u><b>2021</b></u>
Cash and cash equivalents	\$ 11,347,349	\$ 6,143,706
Receivables (net)		
Accounts	238,600	172,180
Intergovernmental	21,661	29,460
Taxes	440,119	312,979
Prepaid items	127,912	537,022
Due from other funds	1,772,178	7,148,869
Restricted assets		
Cash and cash equivalents	<u>1,261,793</u>	<u>1,112,336</u>
<b>Total assets</b>	<u><u>\$ 15,209,612</u></u>	<u><u>\$ 15,456,552</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Payables		
Accounts	\$ 280,751	\$ 120,977
Intergovernmental	7,173	9,208
Accrued salaries and expenditures	131,160	315,869
Due to other agencies	235,514	189,930
Due to other funds	<u>132,790</u>	<u>2,293,384</u>
Total liabilities	<u>787,388</u>	<u>2,929,368</u>
<b>Deferred inflows of resources</b>		
Unavailable revenue - property taxes	<u>65,423</u>	<u>33,196</u>
<b>Fund balances</b>		
Nonspendable for prepaid items	127,912	537,022
Restricted for Public Safety	1,026,279	922,406
Unassigned	<u>13,202,610</u>	<u>11,034,560</u>
Total fund balances	<u>14,356,801</u>	<u>12,493,988</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 15,209,612</u></u>	<u><u>\$ 15,456,552</u></u>

**FRANKLIN COUNTY, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Taxes	\$ 14,619,286	\$ 13,750,529
Licenses and permits	180,257	97,357
Fines, fees and forfeitures	1,046,544	1,309,124
Charges for services	1,951,887	2,168,020
Intergovernmental	1,007,295	1,658,930
Investment	43,302	7,079
Contributions	6,492	0
Other	380,585	353,708
<b>Total revenues</b>	<u>19,235,648</u>	<u>19,344,747</u>
<b>EXPENDITURES</b>		
Current		
General Government	3,009,804	2,983,653
Judicial	1,303,905	1,235,011
Public Safety	9,439,667	8,414,236
Public Works	2,223,512	1,233,281
Health and Welfare	379,787	315,642
Culture and Recreation	443,722	431,436
Housing and Development	470,372	365,870
Debt Service	36,059	0
<b>Total expenditures</b>	<u>17,306,828</u>	<u>14,979,129</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,928,820</u>	<u>4,365,618</u>
Other financing sources (uses)		
Transfers out	(427,376)	(3,373,845)
Proceeds from inception of leases	361,369	0
<b>Total other financing sources (uses)</b>	<u>(66,007)</u>	<u>(3,373,845)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,862,813</u>	<u>991,773</u>
Fund balances, July 1 (original)	12,493,988	11,504,885
Prior period adjustment	0	(2,670)
Fund balances, July 1 (restated)	<u>12,493,988</u>	<u>11,502,215</u>
<b>Fund balances, June 30</b>	<u>\$ 14,356,801</u>	<u>\$ 12,493,988</u>

**FRANKLIN COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Current and prior year levies	\$ 7,778,660	\$ 8,065,310	\$ 286,650	\$ 7,890,449
Motor vehicle tax	1,094,950	1,555,240	460,290	1,491,649
Mobile home tax	25,000	58,112	33,112	57,066
Railroad tax	1,000	9,420	8,420	9,201
Timber tax	1,000	3,419	2,419	6,356
Cost, penalties, and interest	20,000	32,360	12,360	38,219
Total general property taxes	<u>8,920,610</u>	<u>9,723,861</u>	<u>803,251</u>	<u>9,492,940</u>
Intangibles tax	118,500	229,767	111,267	192,457
Real estate transfer tax	40,000	91,531	51,531	69,488
Local option sales tax	3,300,500	3,307,248	6,748	2,780,841
Franchise tax	40,000	45,659	5,659	45,011
Insurance premium tax	1,050,000	1,202,131	152,131	1,156,529
Occupational tax	7,510	19,089	11,579	13,263
Total taxes	<u>13,477,120</u>	<u>14,619,286</u>	<u>1,142,166</u>	<u>13,750,529</u>
<b>Licenses and permits</b>				
Building permits	<u>12,000</u>	<u>180,257</u>	<u>168,257</u>	<u>97,357</u>
<b>Fines, fees and forfeitures</b>	<u>866,000</u>	<u>1,046,544</u>	<u>180,544</u>	<u>1,309,124</u>
<b>Charges for Services</b>				
Sheriff services	200,000	39,890	(160,110)	327,408
Ambulance charges	1,350,000	1,323,751	(26,249)	1,297,968
Tax collection commissions	335,000	417,621	82,621	370,281
Prisoner board	82,500	66,911	(15,589)	87,775
Recreation fees	55,000	94,167	39,167	77,940
Other charges for services	3,500	9,547	6,047	6,648
Total charges for services	<u>2,026,000</u>	<u>1,951,887</u>	<u>(74,113)</u>	<u>2,168,020</u>
<b>Intergovernmental</b>	<u>610,500</u>	<u>1,007,295</u>	<u>396,795</u>	<u>1,658,930</u>
<b>Investment</b>	<u>1,000</u>	<u>43,302</u>	<u>42,302</u>	<u>7,079</u>
<b>Contributions</b>	<u>0</u>	<u>6,492</u>	<u>6,492</u>	<u>0</u>
<b>Other</b>				
Rental Income	30,000	33,618	3,618	33,618
Miscellaneous	187,500	346,967	159,467	320,090
Total other	<u>217,500</u>	<u>380,585</u>	<u>163,085</u>	<u>353,708</u>
<b>Total revenues</b>	<u>\$ 17,210,120</u>	<u>\$ 19,235,648</u>	<u>\$ 2,025,528</u>	<u>\$ 19,344,747</u>

**FRANKLIN COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
Administration				
Personal services	\$ 1,000	\$ 0	\$ 1,000	\$ 0
Contract services	1,074,650	1,073,036	1,614	1,081,841
Materials and supplies	4,800	5,809	(1,009)	6,214
Payments to other agencies	15,000	17,295	(2,295)	15,188
Total Administration	<u>1,095,450</u>	<u>1,096,140</u>	<u>(690)</u>	<u>1,103,243</u>
Commission Board				
Personal services	159,969	147,245	12,724	157,244
Contract services	30,420	27,444	2,976	36,060
Materials and supplies	12,400	18,038	(5,638)	36,695
Total Commission Board	<u>202,789</u>	<u>192,727</u>	<u>10,062</u>	<u>229,999</u>
County Manager				
Personal services	463,700	324,291	139,409	262,424
Contract services	18,915	78,323	(59,408)	32,388
Materials and supplies	12,170	42,312	(30,142)	24,679
Capital outlay	500	0	500	0
Payments to others	1,617	0	1,617	0
Total County Manager	<u>496,902</u>	<u>444,926</u>	<u>51,976</u>	<u>319,491</u>
Elections				
Personal services	130,975	130,412	563	187,263
Contract services	46,550	46,054	496	46,036
Materials and supplies	20,500	21,036	(536)	20,951
Total Elections	<u>198,025</u>	<u>197,502</u>	<u>523</u>	<u>254,250</u>
Tax Commissioner				
Personal services	418,455	418,657	(202)	412,040
Contract services	30,380	25,250	5,130	39,639
Materials and supplies	43,250	44,973	(1,723)	45,729
Capital outlay	500	0	500	0
Payments to other agencies	500	0	500	0
Total Tax Commissioner	<u>493,085</u>	<u>488,880</u>	<u>4,205</u>	<u>497,408</u>
Tax Assessor				
Personal services	353,914	355,102	(1,188)	346,467
Contract services	60,700	60,676	24	68,006
Materials and supplies	30,360	30,295	65	28,759
Capital outlay	1,500	0	1,500	0
Total Tax Assessor	<u>446,474</u>	<u>446,073</u>	<u>401</u>	<u>443,232</u>
Board of Equalization				
Contract services	4,500	3,679	821	3,166
County Engineer				
Personal services	135,966	136,101	(135)	131,773
Contract services	3,200	2,001	1,199	1,091
Materials and supplies	1,750	1,775	(25)	0
Total County Engineer	<u>140,916</u>	<u>139,877</u>	<u>1,039</u>	<u>132,864</u>
Total General Government	<u>3,078,141</u>	<u>3,009,804</u>	<u>68,337</u>	<u>2,983,653</u>

**FRANKLIN COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Judicial</b>				
Probate Court				
Personal services	\$ 253,785	\$ 254,511	\$ (726)	\$ 251,633
Contract services	21,650	16,594	5,056	16,464
Materials and supplies	9,200	16,437	(7,237)	13,204
Capital outlay	2,500	0	2,500	0
Total Probate Court	<u>287,135</u>	<u>287,542</u>	<u>(407)</u>	<u>281,301</u>
Magistrate Court				
Personal services	160,485	163,350	(2,865)	162,433
Contract services	14,900	11,114	3,786	8,734
Materials and supplies	11,250	13,048	(1,798)	10,530
Capital outlay	500	0	500	0
Total Magistrate Court	<u>187,135</u>	<u>187,512</u>	<u>(377)</u>	<u>181,697</u>
Clerk of Superior Court				
Personal services	351,999	354,928	(2,929)	368,998
Contract services	25,400	44,452	(19,052)	34,815
Materials and supplies	41,200	20,574	20,626	23,706
Total Clerk of Superior Court	<u>418,599</u>	<u>419,954</u>	<u>(1,355)</u>	<u>427,519</u>
Superior Court				
Personal services	69,499	57,903	11,596	57,339
Contract services	139,650	129,850	9,800	87,160
Materials and supplies	18,800	15,315	3,485	17,826
Total Superior Court	<u>227,949</u>	<u>203,068</u>	<u>24,881</u>	<u>162,325</u>
District Attorney				
Contract services	46,300	38,398	7,902	10,826
Materials and supplies	3,500	2,303	1,197	2,855
Payments to other agencies	50,000	49,770	230	48,012
Total District Attorney	<u>99,800</u>	<u>90,471</u>	<u>9,329</u>	<u>61,693</u>
Public Defender				
Contract services	15,900	15,820	80	19,508
Payments to other agencies	100,000	99,538	462	100,968
Total Public Defender	<u>115,900</u>	<u>115,358</u>	<u>542</u>	<u>120,476</u>
Total Judicial	<u>1,336,518</u>	<u>1,303,905</u>	<u>32,613</u>	<u>1,235,011</u>
<b>Public Safety</b>				
Fire Departments				
Contract services	32,750	28,921	3,829	29,734
Materials and supplies	13,450	13,380	70	7,738
Payments to other agencies	522,500	522,041	459	315,135
Total Fire Departments	<u>568,700</u>	<u>564,342</u>	<u>4,358</u>	<u>352,607</u>
Coroner Services				
Personal services	26,862	26,867	(5)	22,789
Contract services	32,750	32,741	9	10,060
Materials and supplies	6,000	5,759	241	5,505
Capital Outlay	18,000	17,724	276	0
Payments to other agencies	92,500	92,180	320	92,180
Total Coroner Services	<u>176,112</u>	<u>175,271</u>	<u>841</u>	<u>130,534</u>



**FRANKLIN COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Public Safety, continued</b>				
Emergency Medical Service				
Personal services	\$ 2,365,750	\$ 2,327,933	\$ 37,817	\$ 2,149,131
Contract services	160,600	170,176	(9,576)	180,245
Materials and supplies	187,100	230,297	(43,197)	183,317
Capital outlay	16,000	0	16,000	159,874
Payments to others	0	8,752	(8,752)	0
Total Emergency Medical Service	<u>2,729,450</u>	<u>2,737,158</u>	<u>(7,708)</u>	<u>2,672,567</u>
Emergency Management				
Personal services	29,272	0	29,272	0
Contract services	7,350	2,582	4,768	0
Materials and supplies	3,500	9,092	(5,592)	9,037
Capital outlay	1,750	0	1,750	0
Total Emergency Management	<u>41,872</u>	<u>11,674</u>	<u>30,198</u>	<u>9,037</u>
County Marshall				
Personal services	50,193	52,815	(2,622)	14,011
Contract services	16,200	11,942	4,258	16,736
Materials and supplies	22,350	14,218	8,132	3,960
Capital outlay	1,000	0	1,000	0
Total County Marshall	<u>89,743</u>	<u>78,975</u>	<u>10,768</u>	<u>34,707</u>
Sheriff Department				
Personal services	2,960,300	2,969,346	(9,046)	2,653,107
Contract services	271,050	270,524	526	192,792
Materials and supplies	461,100	461,094	6	335,036
Capital outlay	276,500	276,384	116	218,061
Payments to others	6,500	6,459	41	0
Total Sheriff Department	<u>3,975,450</u>	<u>3,983,807</u>	<u>(8,357)</u>	<u>3,398,996</u>
Detention Center				
Personal services	1,166,850	1,171,310	(4,460)	1,075,094
Contract services	57,650	57,634	16	40,970
Materials and supplies	615,600	607,825	7,775	699,724
Capital outlay	52,000	51,671	329	0
Total Detention Center	<u>1,892,100</u>	<u>1,888,440</u>	<u>3,660</u>	<u>1,815,788</u>
Total Public Safety	<u>9,473,427</u>	<u>9,439,667</u>	<u>33,760</u>	<u>8,414,236</u>
<b>Public Works</b>				
Highways and Streets				
Personal services	658,511	662,725	(4,214)	620,942
Contract services	988,500	987,800	700	215,808
Materials and supplies	463,050	462,963	87	396,531
Capital outlay	110,100	110,024	76	0
Total Public Works	<u>2,220,161</u>	<u>2,223,512</u>	<u>(3,351)</u>	<u>1,233,281</u>
<b>Health and Welfare</b>				
Senior Center				
Personal services	127,973	128,510	(537)	128,738
Contract services	28,200	28,112	88	23,036
Materials and supplies	48,700	48,682	18	27,867
Capital outlay	28,500	28,430	70	0
Payments to other agencies	500	0	500	11,450
Total Senior Center	<u>233,873</u>	<u>233,734</u>	<u>139</u>	<u>191,091</u>
Foster Care Services				
Payments to other agencies	<u>31,500</u>	<u>29,639</u>	<u>1,861</u>	<u>21,218</u>

**FRANKLIN COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Health and Welfare, continued</b>				
Health Department				
Contract services	\$ 14,250	\$ 14,177	\$ 73	\$ 1,334
Materials and supplies	2,650	3,294	(644)	568
Payments to other agencies	102,000	98,943	3,057	101,431
Total Health Department	<u>118,900</u>	<u>116,414</u>	<u>2,486</u>	<u>103,333</u>
Total Health and Welfare	<u>384,273</u>	<u>379,787</u>	<u>4,486</u>	<u>315,642</u>
<b>Culture and Recreation</b>				
Recreation				
Personal services	190,750	184,813	5,937	175,805
Contract services	74,500	74,464	36	55,906
Materials and supplies	107,400	107,327	73	128,539
Capital outlay	2,000	0	2,000	0
Payments to other agencies	77,200	77,118	82	71,186
Total Culture and Recreation	<u>451,850</u>	<u>443,722</u>	<u>8,128</u>	<u>431,436</u>
<b>Housing and Development</b>				
County Agent				
Personal services	84,890	85,135	(245)	64,728
Contract services	26,900	26,456	444	23,777
Materials and supplies	1,800	2,142	(342)	2,564
Total County Agent	<u>113,590</u>	<u>113,733</u>	<u>(143)</u>	<u>91,069</u>
Forestry				
Payments to other agencies	6,500	6,386	114	7,664
Planning and Zoning				
Personal services	74,190	74,332	(142)	54,910
Contract services	152,050	151,095	955	84,220
Materials and supplies	9,700	9,451	249	425
Total Planning and Zoning	<u>235,940</u>	<u>234,878</u>	<u>1,062</u>	<u>139,555</u>
Economic Development				
Personal services	123,570	102,736	20,834	127,582
Contract services	0	1,314	(1,314)	0
Materials and supplies	0	11,325	(11,325)	0
Total Economic Development	<u>123,570</u>	<u>115,375</u>	<u>8,195</u>	<u>127,582</u>
Total Housing and Development	<u>479,600</u>	<u>470,372</u>	<u>9,228</u>	<u>365,870</u>
<b>Debt Service</b>				
Principal	33,500	33,414	86	0
Interest	2,650	2,645	5	0
Total Debt Service	<u>36,150</u>	<u>36,059</u>	<u>91</u>	<u>0</u>
Total Expenditures	<u>\$ 17,460,120</u>	<u>\$ 17,306,828</u>	<u>\$ 153,292</u>	<u>\$ 14,979,129</u>

## ***SPECIAL REVENUE FUNDS***

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

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

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

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

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

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.

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

**FRANKLIN COUNTY, GEORGIA**  
**EMERGENCY 911 SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2022 and 2021*

<b>ASSETS</b>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 322,455	\$ 1,418,381
Intergovernmental receivable	39,457	37,946
<b>Total assets</b>	<u>\$ 361,912</u>	<u>\$ 1,456,327</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,544	\$ 0
Accrued salaries and other payroll liabilities	10,434	27,896
Due to other funds	93,226	1,172,723
<b>Total liabilities</b>	106,204	1,200,619
<b>Fund balances</b>		
Assigned for Public Safety	255,708	255,708
<b>Total liabilities and fund balances</b>	<u>\$ 361,912</u>	<u>\$ 1,456,327</u>

**FRANKLIN COUNTY, GEORGIA**  
**EMERGENCY 911 SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	<u>2022</u>			<u>2021</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Charges for services	\$ 378,000	\$ 469,543	\$ 91,543	\$ 457,053
<b>Total revenues</b>	<u>378,000</u>	<u>469,543</u>	<u>91,543</u>	<u>457,053</u>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Personal services	714,050	677,748	36,302	702,852
Contract services	188,450	159,271	29,179	218,005
Materials and supplies	35,250	40,349	(5,099)	48,310
Capital outlay	2,500	0	2,500	0
Payments to others	0	1,077	(1,077)	0
<b>Total expenditures</b>	<u>940,250</u>	<u>878,445</u>	<u>61,805</u>	<u>969,167</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(562,250)</u>	<u>(408,902)</u>	<u>153,348</u>	<u>(512,114)</u>
Other financing sources (uses)				
Transfers in	600,000	408,902	(191,098)	3,200,000
Contingency	<u>(37,750)</u>	<u>0</u>	<u>(37,750)</u>	<u>0</u>
<b>Total other financing sources (uses)</b>	<u>562,250</u>	<u>408,902</u>	<u>(153,348)</u>	<u>3,200,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	2,687,886
Fund balances, July 1	<u>0</u>	<u>255,708</u>	<u>255,708</u>	<u>(2,432,178)</u>
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 255,708</u>	<u>\$ 255,708</u>	<u>\$ 255,708</u>

**FRANKLIN COUNTY, GEORGIA**  
**DRUG ENFORCEMENT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2022 and 2021*

<b>ASSETS</b>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	<u>\$ 369,774</u>	<u>\$ 412,933</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Due to others	\$ 340,368	\$ 390,130
 <b>Fund balances</b>		
Restricted for Public Safety	<u>29,406</u>	<u>22,803</u>
<b>Total liabilities and fund balances</b>	<u>\$ 369,774</u>	<u>\$ 412,933</u>

**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, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	<u>2022</u>			<u>2021</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 0	\$ 92,295	\$ 92,295	\$ 0
Investment revenue	0	236	236	400
<b>Total revenues</b>	<u>0</u>	<u>92,531</u>	<u>92,531</u>	<u>400</u>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Materials and supplies	0	85,928	(85,928)	13,816
<b>Total expenditures</b>	<u>0</u>	<u>85,928</u>	<u>(85,928)</u>	<u>13,816</u>
Excess (deficiency) of revenues over (under) expenditures	0	6,603	6,603	(13,416)
Fund balances, July 1	0	22,803	22,803	36,219
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 29,406</u>	<u>\$ 29,406</u>	<u>\$ 22,803</u>

**FRANKLIN COUNTY, GEORGIA**  
**INMATE WELFARE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2022 and 2021*

<b>ASSETS</b>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	<u>\$ 150,127</u>	<u>\$ 129,907</u>
<b>FUND BALANCE</b>		
Restricted for Public Safety	<u>\$ 150,127</u>	<u>\$ 129,907</u>



**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, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	<u>2022</u>			<u>2021</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Charges for service	\$ 0	\$ 72,939	\$ 72,939	\$ 78,104
<b>EXPENDITURES</b>				
Current				
Public Safety				
Materials and supplies	0	52,719	(52,719)	57,884
<b>Total expenditures</b>	<u>0</u>	<u>52,719</u>	<u>(52,719)</u>	<u>57,884</u>
Excess (deficiency) of revenues over (under) expenditures	0	20,220	20,220	20,220
Fund balances, July 1	0	129,907	129,907	109,687
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 150,127</u>	<u>\$ 150,127</u>	<u>\$ 129,907</u>

**FRANKLIN COUNTY, GEORGIA**  
**LAW LIBRARY SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2022 and 2021*

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 115,591	\$ 113,653
<b>Fund balance</b>		
Restricted for Judicial	\$ 115,591	\$ 113,653

**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, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 0	\$ 14,141	\$ 14,141	\$ 13,104
Investment	0	21	21	23
<b>Total revenues</b>	<b>0</b>	<b>14,162</b>	<b>14,162</b>	<b>13,127</b>
<b>EXPENDITURES</b>				
Current				
Judicial				
Personal services	0	1,680	(1,680)	1,680
Materials and supplies	0	10,544	(10,544)	13,382
<b>Total expenditures</b>	<b>0</b>	<b>12,224</b>	<b>(12,224)</b>	<b>15,062</b>
Excess (deficiency) of revenues over (under) expenditures	0	1,938	1,938	(1,935)
Fund balances, July 1	0	113,653	113,653	115,588
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 115,591</b>	<b>\$ 115,591</b>	<b>\$ 113,653</b>

**FRANKLIN COUNTY, GEORGIA**  
**PROBATION SERVICES SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2022 and 2021**

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
Intergovernmental receivable	\$ 49,525	\$ 41,335
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 245	\$ 0
Accrued salaries and other payroll liabilities	8,241	24,658
Due to other funds	24,362	0
Total liabilities	32,848	24,658
 <b>Fund balances</b>		
Restricted for Public Safety	16,677	16,677
<b>Total liabilities and fund balances</b>	<b>\$ 49,525</b>	<b>\$ 41,335</b>

**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, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 775,000	\$ 621,578	\$ (153,422)	\$ 519,424
<b>Total revenues</b>	<u>775,000</u>	<u>621,578</u>	<u>(153,422)</u>	<u>519,424</u>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Personal services	770,175	610,768	159,407	657,625
Contract services	24,450	23,367	1,083	25,745
Materials and supplies	12,000	5,917	6,083	6,974
Capital outlay	2,500	0	2,500	0
<b>Total expenditures</b>	<u>809,125</u>	<u>640,052</u>	<u>169,073</u>	<u>690,344</u>
Excess (deficiency) of revenues over (under) expenditures	(34,125)	(18,474)	15,651	(170,920)
Other financing sources (uses)				
Transfers in	<u>34,125</u>	<u>18,474</u>	<u>(15,651)</u>	<u>173,845</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	2,925
Fund balances, July 1	<u>0</u>	<u>16,677</u>	<u>16,677</u>	<u>13,752</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 16,677</u></u>	<u><u>\$ 16,677</u></u>	<u><u>\$ 16,677</u></u>

**FRANKLIN COUNTY, GEORGIA**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2022 and 2021*

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Due from other funds	\$ 48,138	\$ 5,146
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Fund balances</b>		
Restricted for Housing and Development	\$ 19,255	\$ 2,058
Assigned for Housing and Development	28,883	3,088
<b>Total fund balances</b>	<b>\$ 48,138</b>	<b>\$ 5,146</b>

**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, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	<u>2022</u>			<u>2021</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Taxes	\$ 0	\$ 42,992	\$ 42,992	\$ 2,476
<b>EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>42,992</u>	<u>42,992</u>	<u>2,476</u>
Fund balances, July 1 (original)	0	5,146	5,146	0
Prior period adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,670</u>
Fund balances, July 1 (restated)	<u>0</u>	<u>5,146</u>	<u>5,146</u>	<u>2,670</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 48,138</u></u>	<u><u>\$ 48,138</u></u>	<u><u>\$ 5,146</u></u>

**FRANKLIN COUNTY, GEORGIA**  
**ARPA GRANT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2022 and 2021*

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,535,255	\$ 0
Due from other funds	0	2,267,635
<b>Total assets</b>	<b>\$ 4,535,255</b>	<b>\$ 2,267,635</b>
<b>LIABILITIES</b>		
Unearned revenue	\$ 4,535,255	\$ 2,267,635



**FRANKLIN COUNTY, GEORGIA**  
**ARPA GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2022**  
*(With comparative actual amounts for the fiscal year ended June 30, 2021)*

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 15	\$ 15	\$ 0	\$ 0
<b>EXPENDITURES</b>				
Current				
General Government				
Contract services	15	15	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
Fund balances, July 1	0	0	0	0
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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### ***CAPITAL PROJECTS FUNDS***

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

Special Purpose Local Option Sales Tax IV Fund – This fund is used to account for long-term projects financed by the passage of the 2010 special purpose local option sales tax.

Special Purpose Local Option Sales Tax V Fund – This fund is used to account for long-term projects financed by the passage of the 2015 special purpose local option sales tax.

**FRANKLIN COUNTY, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX IV**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2022 and 2021*

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 96,663	\$ 222,908
	\$ 96,663	\$ 222,908
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 62,980	\$ 0
<b>Fund Balances</b>		
Restricted for capital outlay	33,683	222,908
	\$ 96,663	\$ 222,908
<b>Total liabilities and fund balance</b>	<b>\$ 96,663</b>	<b>\$ 222,908</b>

**FRANKLIN COUNTY, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX IV**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
*For the fiscal years ended June 30, 2022 and 2021*

	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
Investment	\$ 19	\$ 28
<b>EXPENDITURES</b>		
Capital outlay		
General Government	43,950	0
Public Safety		
Emergency 911	37,634	0
Public Works		
Highways and Streets	97,340	0
Recreation	10,320	90,335
<b>Total expenditures</b>	<b>189,244</b>	<b>90,335</b>
Excess (deficiency) of revenues over (under) expenditures	(189,225)	(90,307)
Fund balances, July 1	222,908	313,215
<b>Fund balances, June 30</b>	<b>\$ 33,683</b>	<b>\$ 222,908</b>

**FRANKLIN COUNTY, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX V**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2022 and 2021*

<b>ASSETS</b>	<u><b>2022</b></u>	<u><b>2021</b></u>
Cash and cash equivalents	\$ 8,100,595	\$ 4,947,048
Restricted cash and cash equivalents	329,580	329,554
Taxes receivable	<u>492,552</u>	<u>424,117</u>
<b>Total assets</b>	<u><b>\$ 8,922,727</b></u>	<u><b>\$ 5,700,719</b></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 29,319	\$ 0
Intergovernmental payable	<u>266,629</u>	<u>110,477</u>
Total liabilities	295,948	110,477
<b>Fund balances</b>		
Restricted for capital outlay	<u>8,626,779</u>	<u>5,590,242</u>
<b>Total liabilities and fund balances</b>	<u><b>\$ 8,922,727</b></u>	<u><b>\$ 5,700,719</b></u>

**FRANKLIN COUNTY, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX V**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**For the fiscal years ended June 30, 2022 and 2021**

<b>REVENUES</b>	<u>2022</u>	<u>2021</u>
Taxes	\$ 5,283,152	\$ 4,458,887
Investment income	31	38
<b>Total revenues</b>	<u>5,283,183</u>	<u>4,458,925</u>
 <b>EXPENDITURES</b>		
Capital outlay		
Public Safety		
Fire	163,841	153,009
Emergency 911	0	164,667
Coroner	29,319	0
Public Works		
Roads and Bridges	0	40,465
Housing and Development		
Economic Development	2,623	180
Intergovernmental	1,418,163	1,191,057
Debt service	<u>632,700</u>	<u>635,100</u>
<b>Total expenditures</b>	<u>2,246,646</u>	<u>2,184,478</u>
Excess (deficiency) of revenues over (under) expenditures	3,036,537	2,274,447
Other financing sources (uses)		
Transfers out	<u>0</u>	<u>(174,705)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,036,537	2,099,742
Fund balances, July 1	<u>5,590,242</u>	<u>3,490,500</u>
<b>Fund balances, June 30</b>	<u><u>\$ 8,626,779</u></u>	<u><u>\$ 5,590,242</u></u>

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## ***ENTERPRISE FUNDS***

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Water and Sewer Fund - Used to account for activities connected with the development, operation and maintenance of water and sewer services in Franklin County.

Solid Waste Fund - Used to account for activities connected with the disposal of residential and commercial solid waste at the County's solid waste transfer station.

**FRANKLIN COUNTY, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

**ASSETS**

	<b>2022</b>	<b>2021</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,250,577	\$ 5,006,655
Accounts receivable (net)	282,898	236,361
Due from other funds	545	20,138
Intergovernmental receivable	200,000	230,625
Inventories	102,306	105,098
Restricted assets		
Cash and cash equivalents	55,050	181,733
Total current assets	1,891,376	5,780,610
<b>Capital assets</b>		
Land	113,947	113,947
Construction in progress	25,750	3,576,316
Infrastructure	34,754,162	31,059,648
Building	40,380	40,380
Vehicles	148,455	148,455
Machinery and equipment	677,141	677,141
Accumulated depreciation	(9,514,000)	(8,718,884)
Total capital assets (net of accumulated depreciation)	26,245,835	26,897,003
<b>Other assets</b>		
Net pension asset	26,226	0
<b>Total assets</b>	28,163,437	32,677,613
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pension	2,079	12,653
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables		
Accounts	203,902	114,665
Retainages	0	28,575
Interest	6,298	9,270
Accrued salaries	4,821	11,942
Compensated absences	13,069	16,319
Due to other funds	1,403,321	5,443,065
Notes payable	334,844	233,194
Bonds payable	390,816	379,932
Total current liabilities	2,357,071	6,236,962
<b>Noncurrent liabilities</b>		
Compensated absences	1,452	0
Net pension liability	0	22,670
Notes payable	3,691,444	3,956,905
Bonds payable	2,104,286	2,495,101
Total noncurrent liabilities	5,797,182	6,474,676
<b>Total liabilities</b>	8,154,253	12,711,638
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension	58,705	34,622
<b>NET POSITION</b>		
Net investment in capital assets	19,766,745	19,985,029
Unrestricted	185,813	(41,023)
<b>Total net position</b>	\$ 19,952,558	\$ 19,944,006

**FRANKLIN COUNTY, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2022 and 2021**

<b>OPERATING REVENUES</b>	<u>2022</u>	<u>2021</u>
Charges for sales and services		
Water sales	\$ 2,453,032	\$ 2,222,353
Sewer sales	267,402	204,261
Tap fees	125,500	103,375
Other	21,791	2,966
<b>Total operating revenues</b>	<u>2,867,725</u>	<u>2,532,955</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	1,647,899	1,631,719
Personal services	281,294	306,617
Depreciation	795,116	701,506
<b>Total operating expenses</b>	<u>2,724,309</u>	<u>2,639,842</u>
Operating income (loss)	<u>143,416</u>	<u>(106,887)</u>
Non-operating revenues (expenses)		
Investment income	1,035	1,391
Interest expense	(154,224)	(124,855)
<b>Total non-operating revenues (expenses)</b>	<u>(153,189)</u>	<u>(123,464)</u>
Income (loss) before capital contributions and transfers	(9,773)	(230,351)
Capital contributions		
Intergovernmental revenue	18,325	183,365
Net income (loss) before transfers	8,552	(46,986)
Transfers in	0	174,705
Change in net position	<u>8,552</u>	<u>127,719</u>
Net position, July 1 (original)	19,944,006	18,218,449
Prior period adjustment	0	47,899
Net position, July 1 (restated)	<u>19,944,006</u>	<u>19,816,287</u>
<b>Net position, June 30</b>	<u>\$ 19,952,558</u>	<u>\$ 19,944,006</u>

**FRANKLIN COUNTY, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 2,799,397	\$ 2,513,806
Payments to suppliers	(1,568,621)	(1,688,313)
Payments to employees	(304,452)	(306,948)
Other receipts	21,791	2,966
	<u>948,115</u>	<u>521,511</u>
<b>Net cash provided (used) by operating activities</b>		
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	(4,039,744)	(20,138)
Receipts from other funds	19,593	2,215,826
	<u>(4,020,151)</u>	<u>2,195,688</u>
<b>Net cash provided (used) by non-capital and related financing activities</b>		
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other governments	48,950	260,577
Receipts from other funds	0	174,705
Interest paid	(157,194)	(127,943)
Proceeds - notes payable	109,949	693,151
Principal payments - notes payable	(273,760)	(115,616)
Principal payments - bonds payable	(379,931)	(364,005)
Payment of capital related accounts payable	(28,575)	0
Acquisition of capital assets	(131,199)	(1,054,878)
	<u>(811,760)</u>	<u>(534,009)</u>
<b>Net cash provided (used) by capital and related financing activities</b>		
<b>Cash flows from investing activities:</b>		
Interest received	1,035	1,391
	<u>1,035</u>	<u>1,391</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(3,882,761)	2,184,581
Cash and cash equivalents, July 1	5,188,388	3,003,807
	<u>5,188,388</u>	<u>3,003,807</u>
<b>Cash and cash equivalents, June 30</b>	<u>\$ 1,305,627</u>	<u>\$ 5,188,388</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 143,416	\$ (106,887)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>		
Depreciation expense	795,116	701,506
(Increase) decrease in accounts receivable	(46,537)	(16,183)
(Increase) decrease in inventories	2,792	4,835
(Increase) decrease in net pension asset	(26,226)	0
(Increase) decrease in deferred outflows of resources - pension	10,574	13,107
Increase (decrease) in accounts payable	76,486	(61,429)
Increase (decrease) in accrued payroll liabilities	(8,919)	660
Increase (decrease) in net pension liability - pension	(22,670)	(31,457)
Increase (decrease) in deferred inflows of resources - pension	24,083	17,359
	<u>804,699</u>	<u>628,398</u>
<b>Total adjustments</b>		
<b>Net cash provided (used) by operating activities</b>	<u>\$ 948,115</u>	<u>\$ 521,511</u>
<b>Cash and cash equivalents reconciliation:</b>		
Cash and cash equivalents	\$ 1,250,577	\$ 5,006,655
Restricted cash and cash equivalents	55,050	181,733
	<u>1,305,627</u>	<u>5,188,388</u>
<b>Total cash and cash equivalents</b>	<u>\$ 1,305,627</u>	<u>\$ 5,188,388</u>

**Noncash capital and related financing activities:**

Acquisition of capital assets through accounts payable totaled \$12,750 and \$0 for the fiscal years ended June 30, 2022 and 2021, respectively.

Acquisition of capital assets through retainages payable totaled \$0 and \$28,575 for the fiscal years ended June 30, 2022 and 2021, respectively.

**FRANKLIN COUNTY, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2022 and 2021**

**ASSETS**

	<u>2022</u>	<u>2021</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 91,711	\$ 425,239
Accounts receivable	0	1,764
Due from other funds	84,652	465
Total current assets	<u>176,363</u>	<u>427,468</u>
<b>Capital assets</b>		
Land	378,976	378,976
Land improvements	29,382	29,382
Machinery and equipment	42,714	42,714
Vehicles	213,860	213,860
Accumulated depreciation	(285,956)	(285,956)
Total capital assets (net of accumulated depreciation)	<u>378,976</u>	<u>378,976</u>
<b>Total assets</b>	<u>555,339</u>	<u>806,444</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	480	0
Accrued salaries	1,104	1,663
Compensated absences	222	545
Due to other funds	251,814	533,081
Total current liabilities	<u>253,620</u>	<u>535,289</u>
<b>Noncurrent liabilities</b>		
Compensated absences	0	260
Post-closure care	953,511	977,572
Total noncurrent liabilities	<u>953,511</u>	<u>977,832</u>
<b>Total liabilities</b>	<u>1,207,131</u>	<u>1,513,121</u>
<b>NET POSITION</b>		
Investment in capital assets	378,976	378,976
Unrestricted	(1,030,768)	(1,085,653)
<b>Total net position</b>	<u>\$ (651,792)</u>	<u>\$ (706,677)</u>

**FRANKLIN COUNTY, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
*For the fiscal years ended June 30, 2022 and 2021*

<b>OPERATING REVENUES</b>	<u>2022</u>	<u>2021</u>
Charges for sales and services	\$ 150,483	\$ 64,481
<b>OPERATING EXPENSES</b>		
Costs of sales and services	38,787	33,943
Personal services	57,174	45,690
<b>Total operating expenses</b>	<u>95,961</u>	<u>79,633</u>
Operating income (loss)	54,522	(15,152)
Non-operating revenues (expenses)		
Investment income	363	309
Change in net position	54,885	(14,843)
Net position, July 1	<u>(706,677)</u>	<u>(691,834)</u>
<b>Net position, June 30</b>	<u>\$ (651,792)</u>	<u>\$ (706,677)</u>

**FRANKLIN COUNTY, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
*For the fiscal years ended June 30, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 152,247	\$ 156,855
Payments to suppliers	(62,368)	(54,102)
Payments to employees	(58,316)	(45,665)
	<u>31,563</u>	<u>57,088</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	0	100,007
Payments to other funds	(365,454)	(465)
	<u>(365,454)</u>	<u>99,542</u>
<b>Cash flows from investing activities:</b>		
Interest received	363	309
	<u>363</u>	<u>309</u>
Net increase (decrease) in cash and cash equivalents	(333,528)	156,939
Cash and cash equivalents, July 1	425,239	268,300
<b>Cash and cash equivalents, June 30</b>	<u>\$ 91,711</u>	<u>\$ 425,239</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 54,522	\$ (15,152)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Landfill closure/postclosure costs	(24,061)	(20,159)
(Increase) decrease in accounts receivable	1,764	(1,764)
(Increase) decrease in notes receivable	0	94,138
Increase (decrease) in accounts payable	480	0
Increase (decrease) in accrued payroll liabilities	(1,142)	25
	<u>(22,959)</u>	<u>72,240</u>
Total adjustments	<u>(22,959)</u>	<u>72,240</u>
Net cash provided (used) by operating activities	<u>\$ 31,563</u>	<u>\$ 57,088</u>

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## ***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, 2022*

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>	<u>Sheriff Department</u>	<u>Total Custodial Funds</u>
<b>ASSETS</b>						
Cash	\$ 55,252	\$ 16,655	\$ 196,910	\$ 381,715	\$ 144,548	\$ 795,080
Taxes receivable, net	<u>180,777</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>180,777</u>
Total assets	<u>236,029</u>	<u>16,655</u>	<u>196,910</u>	<u>381,715</u>	<u>144,548</u>	<u>975,857</u>
<b>LIABILITIES</b>						
Due to other agencies	<u>236,029</u>	<u>11,880</u>	<u>24,768</u>	<u>136,142</u>	<u>139,719</u>	<u>548,538</u>
<b>NET POSITION</b>						
Restricted for individuals, organizations, and other governments	<u>\$ 0</u>	<u>\$ 4,775</u>	<u>\$ 172,142</u>	<u>\$ 245,573</u>	<u>\$ 4,829</u>	<u>\$ 427,319</u>

**FRANKLIN COUNTY, GEORGIA**  
**CUSTODIAL FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the fiscal year ended June 30, 2022**

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>	<u>Sheriff Department</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>						
Taxes collected for other agencies	\$ 18,840,152	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,840,152
Court fees collected for other agencies	0	62,726	391,694	791,683	0	1,246,103
Court individual cases	0	0	0	69,361	0	69,361
Sheriff fees collected	0	0	0	0	280,929	280,929
Sheriff inmate account deposits	0	0	0	0	257,922	257,922
<b>Total additions</b>	<u>18,840,152</u>	<u>62,726</u>	<u>391,694</u>	<u>861,044</u>	<u>538,851</u>	<u>20,694,467</u>
<b>DEDUCTIONS</b>						
Taxes distributed to other agencies	18,840,152	0	0	0	0	18,840,152
Court fees distributed to other agencies	0	65,251	219,798	811,913	0	1,096,962
Payments to others	0	0	25,525	154,191	0	179,716
Sheriff fees distributed to other agencies	0	0	0	0	266,664	266,664
Payments from inmates to others	0	0	0	0	278,187	278,187
<b>Total deductions</b>	<u>18,840,152</u>	<u>65,251</u>	<u>245,323</u>	<u>966,104</u>	<u>544,851</u>	<u>20,661,681</u>
Change in net position	0	(2,525)	146,371	(105,060)	(6,000)	32,786
Net position, July 1	<u>0</u>	<u>7,300</u>	<u>25,771</u>	<u>350,633</u>	<u>10,829</u>	<u>394,533</u>
<b>Net position, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 4,775</u></u>	<u><u>\$ 172,142</u></u>	<u><u>\$ 245,573</u></u>	<u><u>\$ 4,829</u></u>	<u><u>\$ 427,319</u></u>

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***OTHER REPORTING SECTION***

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**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Georgia, as of and for the year ended June 30, 2022, 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 November 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the Franklin County Health Department, as described in our report on Franklin County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

**Report on Internal Control over Financial Reporting**

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

*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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described as follows that we consider to be significant deficiencies:

**2022-001**

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

*Criteria:* Proper internal controls require adequate segregation of duties.

**2022-001, continued**

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

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

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

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

**2022-002**

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

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

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

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

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

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

**2022-003**

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

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

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

*Cause:* The Clerk of Superior Court does not have the information available to reconcile to whom excess funds should be disbursed.

*Recommendation:* The Clerk of Superior Court should determine proper payee and disburse funds appropriately.

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

**2022-004**

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

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



**2022-004, continued**

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

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

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

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

**2022-005**

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

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

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

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

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

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

**2022-006**

*Condition:* While performing audit procedures at the Parks and Recreation Department, we noted instances where deposits were not made timely. We noted 10 of 25 (40%) receipts tested were held for more than seven days before depositing.

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

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

*Cause:* Deposits were not made on a weekly basis.

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

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

**2022-007**

*Condition:* While performing audit procedures on the County's pension census data, we noted that incorrect salary information was submitted to the actuary. The data submitted was corrected by the actuary.

*Criteria:* Accurate pension reporting requires that correct information be submitted to the actuary.

*Effect:* Failure to submit accurate pension census data increases the County's risk of material misstatement.

*Cause:* Incorrect information was provided to the actuary.

*Recommendation:* We recommend the County implement a policy to reconcile census data before submitting the information to the County's actuary.

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

**2022-008**

*Condition:* While performing audit procedures on disbursements, we noted that the County does not utilize a purchase order system.

*Criteria:* Proper internal controls require approval of purchases before requisition of supplies and materials.

*Effect:* Failure to approve purchases before requisition increases the County's risk of loss due to fraud.

*Cause:* The County is not utilizing a purchase order system.

*Recommendation:* We recommend the County implement a purchasing system that utilizes a purchase order system.

*Management Response:* Management concurs with this finding. Management has a plan to implement a purchase order system in the future. Action was taken immediately upon receipt of the comment from our auditors.

**2022-009**

*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 during the year-end financial closing process.

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

*Effect:* Failure to reconcile interfund activity and liquidate outstanding interfund balances throughout the year increases the County's risk of loss due to fraud.

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

*Recommendation:* The County should reconcile interfund activity and liquidate balances due back to the General Fund at least annually.

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

## Report on Compliance and Other Matters

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

### 2022-010

*Condition:* The County experienced a material excess of expenditures over appropriations in the Drug Enforcement Special Revenue Fund, Inmate Welfare Special Revenue Fund and the Law Library Special Revenue Fund.

*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.

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

*Cause:* The County did not adopt a budget for the Drug Enforcement Special Revenue Fund, Inmate Welfare Special Revenue Fund, and the Law Library Special Revenue Fund.

*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.

## Franklin County, Georgia's Response to Findings

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

## Purpose of this Report

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

*Rushton, LLC*

Gainesville, Georgia  
November 28, 2022

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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, 2022**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b>SPLOST IV</b>					
Water and Sewer	\$ 3,000,000	\$ 3,000,000	\$ 2,919,762	\$ 0	\$ 2,919,762
Industrial Development	4,000,000	4,000,000	4,000,000	0	4,000,000
Public Safety	2,250,000	2,250,000	2,511,227	37,634	2,548,861
Roads, Streets, Bridges	3,550,000	3,550,000	3,939,970	97,340	4,037,310
Airport	100,000	100,000	83,322	0	83,322
Courthouse/Public Facilities	200,000	200,000	171,799	43,950	215,749
Recreation	500,000	500,000	313,762	10,320	324,082
City of Lavonia	1,402,140	1,402,140	1,464,460	0	1,464,460
City of Royston	1,402,140	1,402,140	1,455,725	0	1,455,725
City of Canon	778,570	778,570	810,748	0	810,748
City of Carnesville	778,570	778,570	810,749	0	810,749
City of Franklin Springs	778,570	778,570	810,748	0	810,748
Total SPLOST IV	<u>\$ 18,739,990</u>	<u>\$ 18,739,990</u>	<u>\$ 19,292,272</u>	<u>\$ 189,244</u>	<u>\$ 19,481,516</u>

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

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b>SPLOST V</b>					
General Obligation Debt	\$ 3,800,000	\$ 3,800,000	\$ 5,396,542	\$ 632,700	\$ 6,029,242
Roads, Streets, Bridges	3,550,000	3,550,000	2,105,020	0	2,105,020
Public Safety	2,510,000	2,510,000	1,116,797	193,160	1,309,957
Water, Sewer, Utilities	1,800,000	1,800,000	1,059,961	0	1,059,961
Courthouse Renovation/ Public Facilities Improvements	1,443,000	1,443,000	149,938	0	149,938
Industrial Development	750,000	750,000	82,803	2,623	85,426
Recreation	400,000	400,000	0	0	0
Airport Improvements	100,000	100,000	55,014	0	55,014
City of Lavonia	1,440,000	1,440,000	1,270,673	389,082	1,659,755
City of Royston	1,440,000	1,440,000	1,270,673	389,082	1,659,755
City of Canon	789,000	789,000	696,709	213,333	910,042
City of Carnesville	789,000	789,000	683,468	213,333	896,801
City of Franklin Springs	789,000	789,000	696,709	213,333	910,042
	<u>\$ 19,600,000</u>	<u>\$ 19,600,000</u>	<u>\$ 14,584,307</u>	<u>\$ 2,246,646</u>	<u>\$ 16,830,953</u>

\* 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.