

FRANKLIN COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2021

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FRANKLIN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2021

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Franklin County Health Department, a component unit of Franklin County, Georgia, which represents 18.16 percent, 8.67 percent, and 84.09 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Franklin County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Georgia, as of June 30, 2021, and the respective changes in the financial position and, where applicable, cash flows, and the budgetary comparison of the General Fund and Emergency 911 Special Revenue Fund, and ARPA Grant Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the state reporting section with 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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021, on our consideration of Franklin County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin County, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
November 22, 2021

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BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 13,388,536	\$ 5,431,894	\$ 18,820,430	\$ 1,505,997
Restricted assets				
Cash and cash equivalents	1,441,890	181,733	1,623,623	0
Receivables (net)				
Accounts	172,180	238,125	410,305	124,539
Intergovernmental	108,741	230,625	339,366	5,900
Taxes	737,096	0	737,096	2,803
Inventory	0	105,098	105,098	0
Prepaid items	537,022	0	537,022	0
Internal balances	5,955,543	(5,955,543)	0	0
Total current assets	<u>22,341,008</u>	<u>231,932</u>	<u>22,572,940</u>	<u>1,639,239</u>
Noncurrent assets				
Investments	0	0	0	4,355,557
Capital assets				
Non-depreciable	5,055,458	4,069,239	9,124,697	0
Depreciable (net)	<u>26,515,994</u>	<u>23,206,740</u>	<u>49,722,734</u>	<u>0</u>
Total noncurrent assets	<u>31,571,452</u>	<u>27,275,979</u>	<u>58,847,431</u>	<u>4,355,557</u>
Total assets	<u>53,912,460</u>	<u>27,507,911</u>	<u>81,420,371</u>	<u>5,994,796</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	461,822	12,653	474,475	125,764
Deferred outflows of resources - OPEB	0	0	0	78,250
Deferred charge on refunding	<u>426,249</u>	<u>0</u>	<u>426,249</u>	<u>0</u>
Total deferred outflows of resources	<u>888,071</u>	<u>12,653</u>	<u>900,724</u>	<u>204,014</u>
LIABILITIES				
Current liabilities				
Payables				
Accounts	120,977	114,665	235,642	27,066
Retainages	0	28,575	28,575	0
Intergovernmental	119,685	0	119,685	0
Interest	0	9,270	9,270	0
Accrued salaries and expenses	368,423	13,605	382,028	0
Compensated absences	342,259	16,864	359,123	18,500
Due to other agencies	580,060	0	580,060	0
Notes payable	0	233,194	233,194	0
Bonds payable	<u>188,758</u>	<u>379,932</u>	<u>568,690</u>	<u>0</u>
Total current liabilities	<u>1,720,162</u>	<u>796,105</u>	<u>2,516,267</u>	<u>45,566</u>

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	\$ 373,241	\$ 260	\$ 373,501	\$ 61,389
Net pension liability	827,442	22,670	850,112	0
Proportionate share of net pension liability	0	0	0	522,655
Proportionate share of OPEB liability	0	0	0	71,253
Unearned revenue	2,267,635	0	2,267,635	0
Notes payable	0	3,956,905	3,956,905	0
Bonds payable	9,283,858	2,495,101	11,778,959	0
Post-closure care costs	0	977,572	977,572	0
	<u>12,752,176</u>	<u>7,452,508</u>	<u>20,204,684</u>	<u>655,297</u>
Total liabilities	<u>14,472,338</u>	<u>8,248,613</u>	<u>22,720,951</u>	<u>700,863</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	1,263,707	34,622	1,298,329	0
Deferred inflows of resources - OPEB	0	0	0	133,266
	<u>1,263,707</u>	<u>34,622</u>	<u>1,298,329</u>	<u>133,266</u>
Total deferred inflows of resources	<u>1,263,707</u>	<u>34,622</u>	<u>1,298,329</u>	<u>133,266</u>
NET POSITION				
Net investment in capital assets	31,546,500	20,364,005	51,910,505	0
Restricted for:				
Judicial	113,653	0	113,653	0
Public safety	1,091,793	0	1,091,793	0
Health and welfare	0	0	0	208,660
Housing and Development	2,058	0	2,058	0
Capital outlay	5,813,150	0	5,813,150	0
Unrestricted	497,332	(1,126,676)	(629,344)	5,156,021
	<u>39,064,486</u>	<u>19,237,329</u>	<u>58,301,815</u>	<u>5,364,681</u>
Total net position	<u>\$ 39,064,486</u>	<u>\$ 19,237,329</u>	<u>\$ 58,301,815</u>	<u>\$ 5,364,681</u>

FRANKLIN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General Government	\$ 2,944,752	\$ 1,669,026	\$ 0	\$ 1,628,798	\$ 353,072
Judicial	1,238,320	529,802	0	0	(708,518)
Public Safety	10,149,142	2,248,307	1,028,307	779,760	(6,092,768)
Public Works	3,383,991	104,005	8,079	2,315,679	(956,228)
Health and Welfare	344,323	0	0	0	(344,323)
Culture and Recreation	543,692	77,940	0	124,265	(341,487)
Housing and Development	366,137	0	0	232,996	(133,141)
Interest on long-term debt	408,010	0	0	0	(408,010)
Total governmental activities	<u>19,378,367</u>	<u>4,629,080</u>	<u>1,036,386</u>	<u>5,081,498</u>	<u>(8,631,403)</u>
Business-type activities					
Water and Sewer	2,764,697	2,529,989	0	183,365	(51,343)
Solid Waste	79,633	64,481	0	0	(15,152)
Total business-type activities	<u>2,844,330</u>	<u>2,594,470</u>	<u>0</u>	<u>183,365</u>	<u>(66,495)</u>
Total primary government	<u>22,222,697</u>	<u>7,223,550</u>	<u>1,036,386</u>	<u>5,264,863</u>	<u>(8,697,898)</u>
Component Units					
Franklin County Industrial Building Authority					
Housing and Development	153,410	0	0	0	(153,410)
Franklin County Health Department					
Health and Welfare	887,562	317,690	675,379	0	105,507
Total component units	<u>1,040,972</u>	<u>317,690</u>	<u>675,379</u>	<u>0</u>	<u>(47,903)</u>
Primary Government					
	Governmental Activities	Business-Type Activities	Total	Component Units	
Change in net position					
Net (expense) revenue	\$ (8,631,403)	\$ (66,495)	\$ (8,697,898)	\$ (47,903)	
General revenues					
Taxes					
Property	9,465,872	0	9,465,872	194,997	
Sales	2,780,841	0	2,780,841	0	
Intangible	192,457	0	192,457	0	
Insurance premium	1,156,529	0	1,156,529	0	
Other	139,439	0	139,439	9,234	
Interest and investment earnings	7,502	1,700	9,202	0	
Payments from Franklin County	0	0	0	104,284	
Other	353,708	2,966	356,674	0	
Transfers	(174,705)	174,705	0	0	
Total general revenues and transfers	<u>13,921,643</u>	<u>179,371</u>	<u>14,101,014</u>	<u>308,515</u>	
Change in net position	5,290,240	112,876	5,403,116	260,612	
Net position - beginning	<u>33,774,246</u>	<u>19,124,453</u>	<u>52,898,699</u>	<u>5,104,069</u>	
Net position - ending	<u>\$ 39,064,486</u>	<u>\$ 19,237,329</u>	<u>\$ 58,301,815</u>	<u>\$ 5,364,681</u>	

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

FRANKLIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Emergency 911	ARPA Grant	SPLOST V	Nonmajor Governmental Funds	Totals
ASSETS						
Cash and cash equivalents	\$ 6,143,706	\$ 1,418,381	\$ 0	\$ 4,947,048	\$ 879,401	\$ 13,388,536
Restricted assets						
Cash and cash equivalents	1,112,336	0	0	329,554	0	1,441,890
Receivables (net)						
Accounts	172,180	0	0	0	0	172,180
Intergovernmental	29,460	37,946	0	0	41,335	108,741
Taxes	312,979	0	0	424,117	0	737,096
Prepaid items	537,022	0	0	0	0	537,022
Due from other funds	7,148,869	0	2,267,635	0	5,146	9,421,650
Total assets	\$ 15,456,552	\$ 1,456,327	\$ 2,267,635	\$ 5,700,719	\$ 925,882	\$ 25,807,115
LIABILITIES AND FUND BALANCES						
Liabilities						
Payables						
Accounts	\$ 120,977	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120,977
Intergovernmental	9,208	0	0	110,477	0	119,685
Accrued salaries and expenses	315,869	27,896	0	0	24,658	368,423
Unearned revenue	0	0	2,267,635	0	0	2,267,635
Due to other agencies	189,930	0	0	0	390,130	580,060
Due to other funds	2,293,384	1,172,723	0	0	0	3,466,107
Total liabilities	2,929,368	1,200,619	2,267,635	110,477	414,788	6,922,887
Deferred inflows of resources						
Unavailable revenue - taxes	33,196	0	0	0	0	33,196
Fund balances						
Nonspendable:						
Prepaid items	537,022	0	0	0	0	537,022
Restricted for:						
Judicial	0	0	0	0	113,653	113,653
Public Safety	922,406	0	0	0	169,387	1,091,793
Housing and Development	0	0	0	0	2,058	2,058
Capital outlay	0	0	0	5,590,242	222,908	5,813,150
Assigned for:						
Public Safety	0	255,708	0	0	0	255,708
Housing and Development	0	0	0	0	3,088	3,088
Unassigned	11,034,560	0	0	0	0	11,034,560
Total fund balances	12,493,988	255,708	0	5,590,242	511,094	18,851,032
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,456,552	\$ 1,456,327	\$ 2,267,635	\$ 5,700,719	\$ 925,882	\$ 25,807,115

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, 2021

Total fund balance - total governmental funds \$ 18,851,032

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 31,571,452

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. 33,196

Deferred outflows of resources related to pensions and debt refunding are applicable to future periods and, therefore, are not reported in the funds. 888,071

Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (1,263,707)

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

These are:

Bonds payable	\$	9,472,616	
Compensated absences		715,500	
Net pension liability		827,442	(11,015,558)

Net position of governmental activities \$ 39,064,486

FRANKLIN COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2021

	General	Emergency 911	ARPA Grant	SPLOST V	Nonmajor Governmental Funds	Totals
REVENUES						
Taxes	\$ 13,750,529	\$ 0	\$ 0	\$ 4,458,887	\$ 2,476	\$ 18,211,892
Licenses and permits	97,357	0	0	0	0	97,357
Fines, fees and forfeitures	1,309,124	0	0	0	532,528	1,841,652
Charges for services	2,168,020	457,053	0	0	78,104	2,703,177
Intergovernmental	1,658,930	0	0	0	0	1,658,930
Investment	7,079	0	0	38	451	7,568
Other	353,708	0	0	0	0	353,708
Total revenues	19,344,747	457,053	0	4,458,925	613,559	24,874,284
EXPENDITURES						
Current						
General government	2,983,653	0	0	0	0	2,983,653
Judicial	1,235,011	0	0	0	15,062	1,250,073
Public safety	8,414,236	969,167	0	0	762,044	10,145,447
Public works	1,233,281	0	0	0	0	1,233,281
Health and welfare	315,642	0	0	0	0	315,642
Culture and recreation	431,436	0	0	0	0	431,436
Housing and development	365,870	0	0	0	0	365,870
Capital outlay	0	0	0	358,321	90,335	448,656
Intergovernmental	0	0	0	1,191,057	0	1,191,057
Debt service	0	0	0	635,100	0	635,100
Total expenditures	14,979,129	969,167	0	2,184,478	867,441	19,000,215
Excess (deficiency) of revenues over (under) expenditures	4,365,618	(512,114)	0	2,274,447	(253,882)	5,874,069
Other financing sources (uses)						
Transfers in	0	3,200,000	0	0	173,845	3,373,845
Transfers out	(3,373,845)	0	0	(174,705)	0	(3,548,550)
Total other financing sources (uses)	(3,373,845)	3,200,000	0	(174,705)	173,845	(174,705)
Net change in fund balance	991,773	2,687,886	0	2,099,742	(80,037)	5,699,364
Fund balances, July 1 (original)	11,504,885	(2,432,178)	0	3,490,500	588,461	13,151,668
Prior period adjustment	(2,670)	0	0	0	2,670	0
Fund balances, July 1 (restated)	11,502,215	(2,432,178)	0	3,490,500	591,131	13,151,668
Fund balances, June 30	\$ 12,493,988	\$ 255,708	\$ 0	\$ 5,590,242	\$ 511,094	\$ 18,851,032

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, 2021

Net change in fund balances - total governmental funds \$ 5,699,364

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	\$ 810,353	
Depreciation	<u>(1,583,718)</u>	(773,365)

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. (17,868)

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	190,000	
Net change in unamortized bond premium	68,757	
Net change in deferred debt refunding	<u>(30,444)</u>	228,313

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	756,445	
Cost of benefits earned net of employee contributions	<u>(560,615)</u>	195,830

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>(42,034)</u>
Change in net position of governmental activities		<u><u>\$ 5,290,240</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, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 11,814,890	\$ 12,218,890	\$ 13,750,529	\$ 1,531,639
Licenses and permits	8,200	8,200	97,357	89,157
Fines, fees and forfeitures	902,987	902,987	1,309,124	406,137
Charges for services	2,061,086	2,061,086	2,168,020	106,934
Intergovernmental	72,482	972,482	1,658,930	686,448
Investment	0	0	7,079	7,079
Other	151,050	151,050	353,708	202,658
Total revenues	15,010,695	16,314,695	19,344,747	3,030,052
EXPENDITURES				
Current				
General Government				
Administration	1,557,096	1,557,096	1,103,243	453,853
Commission Board	271,319	271,319	229,999	41,320
County Manager	329,213	329,213	319,491	9,722
Elections	155,344	253,344	254,250	(906)
Tax Commissioner	473,951	497,451	497,408	43
Tax Assessor	408,840	443,340	443,232	108
Board of Equalization	10,300	10,300	3,166	7,134
County Engineer	132,239	132,239	132,864	(625)
Judicial				
Probate Court	265,220	282,220	281,301	919
Magistrate Court	193,518	193,518	181,697	11,821
Clerk of Superior Court	394,036	428,036	427,519	517
Superior Court	243,011	243,011	162,325	80,686
District Attorney	102,217	102,217	61,693	40,524
Public Defender	113,568	119,568	120,476	(908)
Public Safety				
Fire Departments	330,320	353,320	352,607	713
Coroner	128,657	130,657	130,534	123
Emergency Medical Service	2,392,302	2,673,302	2,672,567	735
Emergency Management	47,022	47,022	9,037	37,985
County Marshall	62,567	62,567	34,707	27,860
Sheriff Department	4,178,938	3,456,609	3,398,996	57,613
Detention Center	362,140	1,792,469	1,815,788	(23,319)
Public Works				
Highways and Streets	1,325,948	1,325,948	1,233,281	92,667
Health and Welfare				
Senior Center	236,374	236,374	191,091	45,283
Foster Care Services	31,000	31,000	21,218	9,782
Health Department	107,578	107,578	103,333	4,245
Culture and Recreation				
Recreation	417,657	431,657	431,436	221
Housing and Development				
County Agent	87,816	91,116	91,069	47
Forestry	7,025	8,025	7,664	361
Planning and Zoning	81,242	139,942	139,555	387
Economic Development	127,842	127,842	127,582	260
Total expenditures	14,574,300	15,878,300	14,979,129	899,171

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, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
Excess (deficiency) of revenues over (under) expenditures	\$ 436,395	\$ 436,395	\$ 4,365,618	\$ 3,929,223
Other financing sources (uses)				
Transfers out	(714,232)	(714,232)	(3,373,845)	2,659,613
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(277,837)	(277,837)	991,773	1,269,610
Fund balances, July 1 (original)	277,837	277,837	11,504,885	11,227,048
Prior period adjustment	0	0	(2,670)	(2,670)
Fund balances, July 1 (restated)	277,837	277,837	11,502,215	11,224,378
Fund balances, June 30	\$ 0	\$ 0	\$ 12,493,988	\$ 12,493,988

FRANKLIN COUNTY, GEORGIA
EMERGENCY E911 SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 366,250	\$ 417,250	\$ 457,053	\$ 39,803
EXPENDITURES				
Current				
Public Safety				
Emergency E911	918,226	969,226	969,167	59
Excess (deficiency) of revenues over (under) expenditures	(551,976)	(551,976)	(512,114)	39,862
Other financing sources (uses)				
Transfers in	551,976	551,976	3,200,000	2,648,024
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	2,687,886	2,687,886
Fund balances, July 1	0	0	(2,432,178)	(2,432,178)
Fund balances, June 30	\$ 0	\$ 0	\$ 255,708	\$ 255,708

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, 2021

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

FRANKLIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 5,006,655	\$ 425,239	\$ 5,431,894
Receivables			
Accounts (net)	236,361	1,764	238,125
Intergovernmental	230,625	0	230,625
Due from other funds	20,138	465	20,603
Inventories	105,098	0	105,098
Restricted assets			
Cash and cash equivalents	181,733	0	181,733
Total current assets	<u>5,780,610</u>	<u>427,468</u>	<u>6,208,078</u>
Noncurrent assets			
Capital assets			
Non-depreciable	3,690,263	378,976	4,069,239
Depreciable (net)	<u>23,206,740</u>	<u>0</u>	<u>23,206,740</u>
Total noncurrent assets	<u>26,897,003</u>	<u>378,976</u>	<u>27,275,979</u>
Total assets	<u>32,677,613</u>	<u>806,444</u>	<u>33,484,057</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	<u>12,653</u>	<u>0</u>	<u>12,653</u>
LIABILITIES			
Current liabilities			
Payables			
Accounts	114,665	0	114,665
Retainages	28,575	0	28,575
Interest	9,270	0	9,270
Accrued salaries	11,942	1,663	13,605
Compensated absences	16,319	545	16,864
Due to other funds	5,443,065	533,081	5,976,146
Notes payable	233,194	0	233,194
Bonds payable	<u>379,932</u>	<u>0</u>	<u>379,932</u>
Total current liabilities	<u>6,236,962</u>	<u>535,289</u>	<u>6,772,251</u>
Noncurrent liabilities			
Net pension liability	22,670	0	22,670
Compensated absences	0	260	260
Notes payable	3,956,905	0	3,956,905
Bonds payable	2,495,101	0	2,495,101
Postclosure care	<u>0</u>	<u>977,572</u>	<u>977,572</u>
Total noncurrent liabilities	<u>6,474,676</u>	<u>977,832</u>	<u>7,452,508</u>
Total liabilities	<u>12,711,638</u>	<u>1,513,121</u>	<u>14,224,759</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	<u>34,622</u>	<u>0</u>	<u>34,622</u>
NET POSITION			
Net investment in capital assets	19,985,029	378,976	20,364,005
Unrestricted	<u>(41,023)</u>	<u>(1,085,653)</u>	<u>(1,126,676)</u>
Total net position	<u>\$ 19,944,006</u>	<u>\$ (706,677)</u>	<u>\$ 19,237,329</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, 2021

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 2,529,989	\$ 64,481	\$ 2,594,470
Other	2,966	0	2,966
Total operating revenues	2,532,955	64,481	2,597,436
OPERATING EXPENSES			
Costs of sales and services	1,631,719	33,943	1,665,662
Personal services	306,617	45,690	352,307
Depreciation	701,506	0	701,506
Total operating expenses	2,639,842	79,633	2,719,475
Operating income (loss)	(106,887)	(15,152)	(122,039)
Non-operating revenues (expenses)			
Investment income	1,391	309	1,700
Interest expense	(124,855)	0	(124,855)
Total non-operating revenues (expenses)	(123,464)	309	(123,155)
Income (loss) before capital contributions and transfers	(230,351)	(14,843)	(245,194)
Capital contributions			
Intergovernmental revenue	183,365	0	183,365
Net income (loss) before transfers	(46,986)	(14,843)	(61,829)
Transfers in (out)			
Transfers in	174,705	0	174,705
Change in net position	127,719	(14,843)	112,876
Net position, July 1	19,816,287	(691,834)	19,124,453
Net position, June 30	\$ 19,944,006	\$ (706,677)	\$ 19,237,329

FRANKLIN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 2,513,806	\$ 156,855	\$ 2,670,661
Payments to suppliers	(1,688,313)	(54,102)	(1,742,415)
Payments to employees	(306,948)	(45,665)	(352,613)
Other receipts	2,966	0	2,966
	<u>521,511</u>	<u>57,088</u>	<u>578,599</u>
Net cash provided (used) by operating activities			
Cash flows from non-capital financing activities:			
Receipts from other funds	2,215,826	100,007	2,315,833
Payments to other funds	(20,138)	(465)	(20,603)
	<u>2,195,688</u>	<u>99,542</u>	<u>2,295,230</u>
Net cash provided (used) by non-capital financing activities			
Cash flows from capital and related financing activities:			
Receipts from other governments	260,577	0	260,577
Receipts from other funds	174,705	0	174,705
Acquisition of capital assets	(1,054,878)	0	(1,054,878)
Proceeds from notes payable	693,151	0	693,151
Principal payments - notes payable	(115,616)	0	(115,616)
Principal payments - bonds payable	(364,005)	0	(364,005)
Interest paid	(127,943)	0	(127,943)
	<u>(534,009)</u>	<u>0</u>	<u>(534,009)</u>
Net cash provided (used) by capital and related financing activities			
Cash flows from investing activities:			
Interest received	1,391	309	1,700
	<u>1,391</u>	<u>309</u>	<u>1,700</u>
Net increase (decrease) in cash and cash equivalents	2,184,581	156,939	2,341,520
Cash and cash equivalents, July 1	3,003,807	268,300	3,272,107
Cash and cash equivalents, June 30	<u>\$ 5,188,388</u>	<u>\$ 425,239</u>	<u>\$ 5,613,627</u>

FRANKLIN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business-Type Activities		
	Water and Sewer	Solid Waste	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (106,887)	\$ (15,152)	\$ (122,039)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	701,506	0	701,506
Landfill closure/postclosure costs	0	(20,159)	(20,159)
(Increase) decrease in accounts receivable	(16,183)	(1,764)	(17,947)
(Increase) decrease in notes receivable	0	94,138	94,138
(Increase) decrease in inventories	4,835	0	4,835
(Increase) decrease in deferred outflows of resources - pension	13,107	0	13,107
Increase (decrease) in accounts payable	(61,429)	0	(61,429)
Increase (decrease) in accrued payroll liabilities	660	25	685
Increase (decrease) in deferred inflows of resources - pension	17,359	0	17,359
Increase (decrease) in net pension liability	(31,457)	0	(31,457)
Total adjustments	628,398	72,240	700,638
Net cash provided (used) by operating activities	\$ 521,511	\$ 57,088	\$ 578,599
Cash and cash equivalents reconciliation:			
Cash and cash equivalents	\$ 5,006,655	\$ 425,239	\$ 5,431,894
Restricted cash and cash equivalents	181,733	0	181,733
Total cash and cash equivalents	\$ 5,188,388	\$ 425,239	\$ 5,613,627
Noncash capital and related financing activities:			
Acquisition of capital assets through retainages payable totaled \$28,575.			

FRANKLIN COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 874,729
Taxes receivable, net	<u>198,139</u>
Total assets	<u>1,072,868</u>
LIABILITIES	
Due to other agencies	<u>678,335</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u>\$ 394,533</u>

FRANKLIN COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2021

	Custodial Funds
ADDITIONS	
Taxes collected for other agencies	\$ 17,868,459
Court fees collected for other agencies	1,351,217
Court individual cases	247,553
Sheriff fees collected	336,557
Sheriff inmate account deposits	308,291
Total additions	20,112,077
DEDUCTIONS	
Taxes distributed to other agencies	17,868,459
Court fees distributed to other agencies	1,813,352
Payments to others	45,076
Sheriff fees distributed to other agencies	352,980
Payments from inmates to others	286,290
Total deductions	20,366,157
Change in net position	(254,080)
Net position, July 1 (original)	0
Prior period adjustments	648,613
Net position, July 1 (restated)	648,613
Net position, June 30	\$ 394,533

FRANKLIN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
June 30, 2021

	Franklin County Industrial Building Authority	Franklin County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 522,394	\$ 983,603	\$ 1,505,997
Receivable (net)			
Accounts	19,413	105,126	124,539
Taxes	2,803	0	2,803
Intergovernmental	5,900	0	5,900
Total current assets	<u>550,510</u>	<u>1,088,729</u>	<u>1,639,239</u>
Noncurrent assets			
Investments	<u>4,355,557</u>	<u>0</u>	<u>4,355,557</u>
Total assets	<u>4,906,067</u>	<u>1,088,729</u>	<u>5,994,796</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	0	125,764	125,764
Deferred outflows of resources - OPEB	<u>0</u>	<u>78,250</u>	<u>78,250</u>
Total deferred outflows of resources	<u>0</u>	<u>204,014</u>	<u>204,014</u>
LIABILITIES			
Current liabilities			
Accounts payable	6,616	20,450	27,066
Compensated absences	<u>0</u>	<u>18,500</u>	<u>18,500</u>
Total current liabilities	<u>6,616</u>	<u>38,950</u>	<u>45,566</u>
Noncurrent liabilities			
Compensated absences	0	61,389	61,389
Proportionate share of net pension liability	0	522,655	522,655
Proportionate share of net OPEB liability	<u>0</u>	<u>71,253</u>	<u>71,253</u>
Total noncurrent liabilities	<u>0</u>	<u>655,297</u>	<u>655,297</u>
Total liabilities	<u>6,616</u>	<u>694,247</u>	<u>700,863</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - OPEB	<u>0</u>	<u>133,266</u>	<u>133,266</u>
Total deferred inflows of resources	<u>0</u>	<u>133,266</u>	<u>133,266</u>
NET POSITION			
Restricted for health and welfare	0	208,660	208,660
Unrestricted	<u>4,899,451</u>	<u>256,570</u>	<u>5,156,021</u>
Total net position	<u>\$ 4,899,451</u>	<u>\$ 465,230</u>	<u>\$ 5,364,681</u>

FRANKLIN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2021

	Franklin County Industrial Building Authority	Franklin County Health Department	Totals
Expenses			
Health and Welfare	\$ 0	\$ 887,562	\$ 887,562
Housing and Development	153,410	0	153,410
Total expenses	<u>153,410</u>	<u>887,562</u>	<u>1,040,972</u>
Program revenues			
Charges for services	0	317,690	317,690
Operating grants and contributions	0	675,379	675,379
Total program revenues	<u>0</u>	<u>993,069</u>	<u>993,069</u>
Net (expense) revenue	<u>(153,410)</u>	<u>105,507</u>	<u>(47,903)</u>
General revenues			
Property taxes	194,997	0	194,997
Payments from Franklin County	2,853	101,431	104,284
Other	9,234	0	9,234
Total general revenues	<u>207,084</u>	<u>101,431</u>	<u>308,515</u>
Change in net position	53,674	206,938	260,612
Net position, July 1	<u>4,845,777</u>	<u>258,292</u>	<u>5,104,069</u>
Net position, June 30	<u><u>\$ 4,899,451</u></u>	<u><u>\$ 465,230</u></u>	<u><u>\$ 5,364,681</u></u>

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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.

Emergency 911 Special Revenue Fund – This fund is used to account for the collection of user fees and the operation of the County's Emergency 911 dispatch center.

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:

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

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

Governmental Fund Types

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

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

Fiduciary Fund Types

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

Component Units

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

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.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

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

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

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

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

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.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting

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

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

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

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, 2021

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, 2021

2. Summary of Significant Accounting Policies (continued)

J. Capital Assets

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

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

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

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

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

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.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

K. Fund Balances – Governmental Funds

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

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

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

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

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

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

K. Fund Balances – Governmental Funds, continued

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

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

L. Deferred Outflows/Inflows of Resources, continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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.

M. Net Position Flow Assumption

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

N. Fund Balance Flow Assumption

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

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

O. Restricted Assets and Restricted Net Position

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

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

P. Compensation for Future Absences

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

Q. Long-Term Obligations

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

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

Q. Long-Term Obligations, continued

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

R. Capital Contributions

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

S. Pensions

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

3. Deposit and Investment Risk

Custodial Credit Risk - Deposits

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

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

3. Deposit and Investment Risk (continued)

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.

Industrial Building Authority

At the end of the current fiscal year component unit investments consist of "Property held for resale" in the amount of \$4,355,557. The "Properties held for resale" are included under the caption "Investments". The properties are classified as a Level 3 of the hierarchy. The investments are valued using unobservable inputs and assumptions such as costs, appraisals, rental revenues, growth assumptions, and discount rates.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

4. Accounts Receivable

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

Primary Government:

Major Funds

General Fund	\$ 315,585	
Less: Allowance for Uncollectibles	<u>(143,405)</u>	\$ 172,180

Enterprise Funds

Water and Sewer	287,116	
Less: Allowance for Uncollectibles	<u>(50,755)</u>	236,361
Solid Waste		<u>1,764</u>

Total primary government		<u><u>\$ 410,305</u></u>
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Component Units

Franklin County Industrial Building Authority	\$ 19,413	
Franklin County Health Department	<u>105,126</u>	<u><u>\$ 124,539</u></u>

5. Intergovernmental Receivables

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

Major Funds

General Fund	\$ 29,460
Emergency 911 Special Revenue Fund	37,946
Water and Sewer Enterprise Fund	230,625

Nonmajor Funds

Probation Service	<u>41,335</u>
Total primary government	<u><u>\$ 339,366</u></u>

Component Unit

Franklin County Industrial Building Authority	<u><u>\$ 5,900</u></u>
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6. Notes Receivable

In fiscal year 2010, the County entered into a contract with Earth Resources of Franklin County, LLC which operates a construction and demolition landfill in the County. State law requires private landfill hosts to collect and remit host fees to the local host government. Earth Resources has collected, but not remitted, the fees owed to the County. Earth Resources had agreed to remit the fees to the County in installment payments. The balance was paid in full in July 2020.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

7. Property Taxes

Property tax rates are set by the Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2021, based upon the assessments of January 1, 2020, were levied on August 11, 2020, billed on August 17, 2020, and due on November 15, 2020. Tax liens may be issued 90 days after the due date.

8. 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	Emergency 911	\$ 1,172,723
	Water and Sewer	5,443,065
	Solid Waste	533,081
ARPA Grant	General	2,267,635
Nonmajor Governmental	General	5,146
Water and Sewer	General	20,138
Solid Waste	General	465
Total		<u>\$ 9,442,253</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".

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

A summary of interfund transfers is as follows:

<u>Transfer out Fund</u>	<u>Transfer in Fund</u>	<u>Amount</u>
General	Emergency 911	\$ 3,200,000
General	Nonmajor Governmental	173,845
SPLOST V	Water and Sewer	174,705
Total		<u>\$ 3,548,550</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.

9. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Nondepreciable assets				
Land	\$ 5,055,458	\$ 0	\$ 0	\$ 5,055,458
Depreciable assets				
Land improvements	1,230,560	87,325		1,317,885
Infrastructure	43,562,488	0	0	43,562,488
Buildings	11,365,970	0	0	11,365,970
Machinery and equipment	3,434,262	219,548	0	3,653,810
Vehicles	6,792,500	503,480	0	7,295,980
Total depreciable assets	<u>66,385,780</u>	<u>810,353</u>	<u>0</u>	<u>67,196,133</u>
Accumulated Depreciation				
Land improvements	(999,854)	(38,424)		(1,038,278)
Infrastructure	(23,704,821)	(879,783)	0	(24,584,604)
Buildings	(5,609,772)	(291,091)	0	(5,900,863)
Machinery and equipment	(2,862,293)	(126,838)	0	(2,989,131)
Vehicles	(5,919,681)	(247,582)	0	(6,167,263)
Total accumulated depreciation	<u>(39,096,421)</u>	<u>(1,583,718)</u>	<u>0</u>	<u>(40,680,139)</u>
Total depreciable assets, net	<u>27,289,359</u>	<u>(773,365)</u>	<u>0</u>	<u>26,515,994</u>
Governmental Activities capital assets, net	<u>\$ 32,344,817</u>	<u>\$ (773,365)</u>	<u>\$ 0</u>	<u>\$ 31,571,452</u>

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

9. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Nondepreciable assets				
Land	\$ 492,923	\$ 0	\$ 0	\$ 492,923
Construction in progress	2,899,023	677,293	0	3,576,316
Total non-depreciable assets	<u>3,391,946</u>	<u>677,293</u>	<u>0</u>	<u>4,069,239</u>
Depreciable assets				
Land improvements	29,382	0	0	29,382
Distribution system	31,016,185	43,463	0	31,059,648
Buildings	40,380	0	0	40,380
Machinery and equipment	384,263	335,592	0	719,855
Vehicles	335,210	27,105	0	362,315
Total depreciable assets	<u>31,805,420</u>	<u>406,160</u>	<u>0</u>	<u>32,211,580</u>
Accumulated Depreciation				
Land improvements	(29,382)	0	0	(29,382)
Distribution system	(7,642,381)	(669,526)	0	(8,311,907)
Buildings	(14,608)	(1,210)	0	(15,818)
Machinery and equipment	(315,980)	(17,361)	0	(333,341)
Vehicles	(300,983)	(13,409)	0	(314,392)
Total accumulated depreciation	<u>(8,303,334)</u>	<u>(701,506)</u>	<u>0</u>	<u>(9,004,840)</u>
Total depreciable assets, net	<u>23,502,086</u>	<u>(295,346)</u>	<u>0</u>	<u>23,206,740</u>
Business-type Activities capital assets, net	<u>\$ 26,894,032</u>	<u>\$ 381,947</u>	<u>\$ 0</u>	<u>\$ 27,275,979</u>

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 166,724
Public Safety	339,641
Public Works	950,499
Health and Welfare	28,284
Culture and Recreation	<u>98,570</u>

Total depreciation expense for governmental activities \$ 1,583,718

Business-type activities

Water and Sewer	<u>\$ 701,506</u>
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Governmental Activities

During the current fiscal year, the County corrected the classification of capital assets previously reported in the incorrect capital asset category. The net effect of the reclassification is \$0.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

10. Long-Term Debt

General Obligation Bonds

General obligations bonds issued by the County are comprised of the following:

In 2016, Franklin County issued the Franklin County General Obligation Bonds Series 2016A and the Franklin County Taxable General Obligation Bonds, Series 2016B. The Bonds issued provide funds to finance the cost of advance refunding the outstanding Hospital Authority of the City of Lavonia Revenue Anticipation Certificates (Ty Cobb Regional Medical Center Project), Series 2010 and all related issue costs.

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

\$1,075,000 2016 series B bonds due in annual installments of \$2,210 to \$311,500 through July 1, 2035; interest at 1.4% to 2.08%. 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. The bonds were paid in full during the current fiscal year.

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 120,000	\$ 319,500	\$ 439,500
2023	315,000	314,550	629,550
2024	320,000	308,200	628,200
2025	520,000	297,200	817,200
2026	535,000	278,700	813,700
2027-2031	3,020,000	1,047,000	4,067,000
2032-2036	3,680,000	379,600	4,059,600
Totals	<u>\$ 8,510,000</u>	<u>\$ 2,944,750</u>	<u>\$ 11,454,750</u>

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

10. Long-Term Debt (continued)

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% (\$2,175,033 outstanding), to finance a portion of the County's wastewater treatment project with the United States Department of Agriculture. The bonds are secured by a pledge of first lien on the revenues derived from the system.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 34,932	\$ 53,975	\$ 88,907
2023	35,815	53,092	88,907
2024	36,721	52,187	88,908
2025	37,650	51,258	88,908
2026	38,602	50,306	88,908
2027-2031	208,157	236,383	444,540
2032-2036	235,842	208,698	444,540
2037-2041	267,209	177,331	444,540
2042-2046	302,748	141,792	444,540
2047-2051	343,014	101,526	444,540
2052-2056	388,635	55,905	444,540
2057-2059	245,708	9,162	254,870
Totals	<u>\$ 2,175,033</u>	<u>\$ 1,191,615</u>	<u>\$ 3,366,648</u>

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

10. Long-Term Debt (continued)

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% (\$700,000 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.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 345,000	\$ 25,193	\$ 370,193
2023	355,000	12,776	367,776
Totals	<u>\$ 700,000</u>	<u>\$ 37,969</u>	<u>\$ 737,969</u>

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 \$290,985. 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.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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 \$1,600,000. At the end of the current fiscal year, the balance of this note is \$1,177,104. Monthly installments of \$8,193 principal are due through October 1, 2034; interest at 2.13%. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues of taxes, fees and charges collected by the County.

The County has entered into a lending agreement with the Georgia Environmental Finance Authority for expansion of the water and sewer system in the original amount of \$582,290. At the end of the current year, the balance of this note is \$337,243. 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 \$2,782,273 on this agreement and recognized \$397,506 in principal forgiveness. As of the end of the current fiscal year, this note is still in the drawdown phase (\$2,384,767 outstanding) and is not included in the amortization schedule on the next page. 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, 2021

10. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 233,194	\$ 24,353	257,547
2023	233,995	22,762	256,757
2024	138,625	21,137	159,762
2025	107,954	19,477	127,431
2026	109,649	17,781	127,430
2027-2031	574,988	62,165	637,153
2032-2034	406,927	15,286	422,213
Totals	<u>\$ 1,805,332</u>	<u>\$ 182,961</u>	<u>\$ 1,988,293</u>

11. Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 8,700,000	\$ 0	\$ (190,000)	\$ 8,510,000	\$ 120,000
Unamortized bond premium	1,031,373	0	(68,757)	962,616	68,758
Compensated absences	673,466	370,006	(327,972)	715,500	342,259
Total Governmental activities	<u>\$ 10,404,839</u>	<u>\$ 370,006</u>	<u>\$ (586,729)</u>	<u>\$ 10,188,116</u>	<u>\$ 531,017</u>
Business-type activities					
Notes from direct borrowings	\$ 3,612,564	\$ 693,151	\$ (115,616)	\$ 4,190,099	\$ 233,194
Bonds payable	1,030,000	0	(330,000)	700,000	345,000
Bonds from direct placements	2,209,038	0	(34,005)	2,175,033	34,932
Post-closure care costs	997,731	0	(20,159)	977,572	0
Compensated absences	15,730	10,152	(8,758)	17,124	16,864
Total business-type activities	<u>\$ 7,865,063</u>	<u>\$ 703,303</u>	<u>\$ (508,538)</u>	<u>\$ 8,059,828</u>	<u>\$ 629,990</u>

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

11. Long-Term Liabilities (continued)

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, 2021 was \$408,010 for governmental activities and \$124,855 for business-type activities.

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 \$2,611,695. 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 \$977,572 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.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

14. Deficit Equity Balances

At the end of the current fiscal year, the Solid Waste Enterprise Fund has deficit net position of \$706,677. 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.

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, 2021

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, 2020, the date of the most recent actuarial valuation, participants consisted of the following:

Retirees, beneficiaries and disables currently receiving benefits	60
Terminated vested participants entitled to but not yet receiving benefits	75
Active participants	<u>75</u>
Total number of participants	<u><u>210</u></u>

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, 2021

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 21.08% 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, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the County reported a net pension liability of \$850,112. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. For the fiscal year ended June 30, 2021, the County recognized pension expense of \$559,625. For governmental activities, the net pension liability is liquidated in the General Fund and the Emergency 911 Fund Special Revenue Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 184,230	\$ (218,818)
Net difference between projected and actual earnings on pension plan investments	0	(1,057,385)
Changes of assumptions	290,245	(22,126)
	<u>\$ 474,475</u>	<u>\$ (1,298,329)</u>

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

15. Pension Plans (continued)

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

Year Ending June 30	
2022	\$ 42,484
2023	(274,166)
2024	(441,852)
2025	(150,320)
Totals	<u>\$ (823,854)</u>

Actuarial Assumptions. The total pension liability in the January 1, 2020 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, 2020 valuation were based on the results of a February 2019 experience study.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2020 are summarized in the following table:

	<u>Target Allocation</u>	<u>Range</u>
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, 2021

15. Pension Plans (continued)

Changes in Net Pension Liability (Asset)

	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at 12/31/19	\$ 14,469,504	\$ 12,250,319	\$ 2,219,185
Changes for the year:			
Service cost	194,691	0	194,691
Interest	996,857	0	996,857
Differences between expected and actual experience	(312,194)	0	(312,194)
Changes of assumptions	26,792	0	26,792
Contributions—employer	0	756,445	(756,445)
Net investment income	0	1,646,157	(1,646,157)
Benefit payments, including refunds of employee contributions	(457,374)	(457,374)	0
Administrative expense	0	(34,450)	34,450
Other changes	0	(92,933)	92,933
Net changes	<u>448,772</u>	<u>1,817,845</u>	<u>(1,369,073)</u>
Balances at 12/31/20	<u>\$ 14,918,276</u>	<u>\$ 14,068,164</u>	<u>\$ 850,112</u>

Plan's fiduciary net position as a percentage of the total pension liability	94.30%
Covered payroll	\$ 3,591,519
Net pension liability as a percentage of covered payroll	23.67%

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

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.00%	\$ 3,008,100
Current discount rate	7.00%	850,112
1% increase	8.00%	(925,541)

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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 \$62,355. At the end of the current fiscal year, the Department reported a liability in the amount of \$522,655 for its proportionate share (0.01%) of the net pension liability. The Department recognized pension expense of \$47,241 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, 2021

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 \$111,447 to the Plans, based on covered salaries of \$5,249,863. Total payroll was \$8,590,217. Plan members made voluntary contributions of \$138,592.

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, 2021

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 \$19,411. At the end of the current fiscal year, the Department reported a net liability in the amount of \$71,253 for its proportionate share (0.010952% for the State of Georgia OPEB Fund and 0.001492% for the SEAD-OPEB Fund) of the net OPEB liability. The Department recognized OPEB income of \$62,851 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 \$40,316 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, 2021

18. Joint Ventures (continued)

Franklin County has entered into an intergovernmental agreement with the Joint Development Authority of Hart, Franklin, and Stephens Counties, Georgia, in the creation of the Gateway Business Park, an industrial park development located jointly in Hart and Franklin Counties. The project was placed into service during the prior fiscal year. Separate financial statements may be obtained from Joint Development Authority of Hart, Franklin, and Stephens Counties, Georgia, PO Box 793, Hartwell, Georgia 30643.

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.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

19. Risk Financing Activities (continued)

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.

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the County, its performance, and its financial results.

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.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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	\$	2,476
Disbursements for tourism	\$	0 0% of tax receipts

22. New Accounting Pronouncements

The County implemented GASB Statement No. 84, *Fiduciary Activities*, effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2019.

23. Changes in Beginning Balances

Governmental Activities

General Fund

A prior period adjustment has been made to establish the Hotel/Motel Tax Special Revenue Fund out of the General Fund. This adjustment decreased beginning fund balance by \$2,670.

Hotel/Motel Tax Fund

A prior period adjustment has been made to establish the Hotel/Motel Tax Special Revenue Fund out of the General Fund. This adjustment increased beginning fund balance by \$2,670.

The net effect of these adjustments did not change beginning net position in the Governmental Activities.

FRANKLIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

23. Changes in Beginning Balances (continued)

Fiduciary Activities

Custodial Funds

Prior period adjustments have been made to adjust beginning net position in the Magistrate Court, Probate Court, Clerk of Superior Court, and Sheriff Department Custodial Funds. These adjustments were required due to the implementation of GASB Statement No. 84, Fiduciary Activities, and increased net position in the Magistrate Court Custodial Fund by \$9,550, increased beginning net position in the Probate Court Custodial Fund by \$27,396, increased beginning net position in the Clerk of Superior Court Custodial Fund by \$606,416, and increased beginning net position in the Sheriff Department Custodial Fund by \$5,251.

The net effect of these adjustments increased beginning net position of the Custodial Funds by \$648,613.

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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, 2021
(Unaudited)

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

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

Fiscal Year End			
2018	2017	2016	2015
\$ 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
<u>(373,431)</u>	<u>(321,996)</u>	<u>(312,075)</u>	<u>(249,481)</u>
822,956	1,030,633	793,276	671,623
<u>11,038,786</u>	<u>10,008,153</u>	<u>9,214,877</u>	<u>8,543,254</u>
<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)
<u>(78,555)</u>	<u>(72,403)</u>	<u>(57,322)</u>	<u>(71,539)</u>
1,582,244	762,867	290,972	841,494
<u>8,752,924</u>	<u>7,990,057</u>	<u>7,699,085</u>	<u>6,857,591</u>
<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, 2021
(Unaudited)

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

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

Fiscal Year End			
2018	2017	2016	2015
\$ 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, 2021

1. Valuation Date

The actuarially determined contribution rate was determined as of December 31, 2020, 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, 2022.

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, 2021

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, 2021

	Special Revenue					Capital Projects	Total Nonmajor Governmental Funds
	Drug Enforcement	Inmate Welfare	Law Library	Probation Service	Hotel/Motel Tax	SPLOST IV	
ASSETS							
Cash and cash equivalents	\$ 412,933	\$ 129,907	\$ 113,653	\$ 0	\$ 0	\$ 222,908	\$ 879,401
Due from other funds	0	0	0	0	5,146	0	5,146
Intergovernmental receivable	0	0	0	41,335	0	0	41,335
Total assets	\$ 412,933	\$ 129,907	\$ 113,653	\$ 41,335	\$ 5,146	\$ 222,908	\$ 925,882
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other agencies	\$ 390,130	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 390,130
Accrued payroll liabilities	0	0	0	24,658	0	0	24,658
Total liabilities	390,130	0	0	24,658	0	0	414,788
Fund balances							
Restricted for:							
Judicial	0	0	113,653	0	0	0	113,653
Public safety	22,803	129,907	0	16,677	0	0	169,387
Housing and Development	0	0	0	0	2,058	0	2,058
Capital outlay	0	0	0	0	0	222,908	222,908
Assigned for:							
Housing and Development	0	0	0	0	3,088	0	3,088
Total fund balances	22,803	129,907	113,653	16,677	5,146	222,908	511,094
Total liabilities and fund balances	\$ 412,933	\$ 129,907	\$ 113,653	\$ 41,335	\$ 5,146	\$ 222,908	\$ 925,882

FRANKLIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2021

	Special Revenue					Capital Projects	Total Nonmajor Governmental Funds
	Drug Enforcement	Inmate Welfare	Law Library	Probation Service	Hotel/Motel Tax	SPLOST IV	
REVENUES							
Fines, fees, and forfeitures	\$ 0	\$ 0	\$ 13,104	\$ 519,424	\$ 0	\$ 0	\$ 532,528
Taxes	0	0	0	0	2,476	0	2,476
Charges for services	0	78,104	0	0	0	0	78,104
Investment income	400	0	23	0	0	28	451
Total revenues	400	78,104	13,127	519,424	2,476	28	613,559
EXPENDITURES							
Current							
Judicial	0	0	15,062	0	0	0	15,062
Public safety	13,816	57,884	0	690,344	0	0	762,044
Capital outlay	0	0	0	0	0	90,335	90,335
Total expenditures	13,816	57,884	15,062	690,344	0	90,335	867,441
Excess (deficiency) of revenues over (under) expenditures	(13,416)	20,220	(1,935)	(170,920)	2,476	(90,307)	(253,882)
Other financing sources (uses)							
Transfers in	0	0	0	173,845	0	0	173,845
Net change in fund balance	(13,416)	20,220	(1,935)	2,925	2,476	(90,307)	(80,037)
Fund balances, July 1 (original)	36,219	109,687	115,588	13,752	0	313,215	588,461
Prior period adjustment	0	0	0	0	2,670	0	2,670
Fund balances, July 1 (restated)	36,219	109,687	115,588	13,752	2,670	313,215	591,131
Fund balances, June 30	\$ 22,803	\$ 129,907	\$ 113,653	\$ 16,677	\$ 5,146	\$ 222,908	\$ 511,094

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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, 2021 and 2020**

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 6,143,706	\$ 3,513,493
Receivables (net)		
Accounts	172,180	127,818
Intergovernmental	29,460	11,429
Taxes	312,979	310,416
Prepaid items	537,022	101,906
Due from other funds	7,148,869	7,077,667
Restricted assets		
Cash and cash equivalents	<u>1,112,336</u>	<u>1,043,500</u>
Total assets	<u><u>\$ 15,456,552</u></u>	<u><u>\$ 12,186,229</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Payables		
Accounts	\$ 120,977	\$ 29,386
Intergovernmental	9,208	8,329
Accrued salaries and expenditures	315,869	365,814
Due to other agencies	189,930	226,751
Due to other funds	<u>2,293,384</u>	<u>0</u>
Total liabilities	<u>2,929,368</u>	<u>630,280</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	<u>33,196</u>	<u>51,064</u>
Fund balances		
Nonspendable for prepaid items	537,022	101,906
Restricted for Public Safety	922,406	816,749
Unassigned	<u>11,034,560</u>	<u>10,586,230</u>
Total fund balances	<u>12,493,988</u>	<u>11,504,885</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 15,456,552</u></u>	<u><u>\$ 12,186,229</u></u>

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Taxes	\$ 13,750,529	\$ 12,943,883
Licenses and permits	97,357	14,323
Fines, fees and forfeitures	1,309,124	1,019,129
Charges for services	2,168,020	1,855,722
Intergovernmental	1,658,930	926,568
Investment	7,079	6,396
Other	<u>353,708</u>	<u>365,288</u>
Total revenues	<u>19,344,747</u>	<u>17,131,309</u>
EXPENDITURES		
Current		
General Government	2,983,653	3,261,142
Judicial	1,235,011	1,129,825
Public Safety	8,414,236	7,577,995
Public Works	1,233,281	2,467,482
Health and Welfare	315,642	333,227
Culture and Recreation	431,436	337,200
Housing and Development	<u>365,870</u>	<u>233,910</u>
Total expenditures	<u>14,979,129</u>	<u>15,340,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,365,618</u>	<u>1,790,528</u>
Other financing sources (uses)		
Transfers out	(3,373,845)	0
Proceeds from sale of assets	<u>0</u>	<u>7,505</u>
Total other financing sources (uses)	<u>(3,373,845)</u>	<u>7,505</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>991,773</u>	<u>1,798,033</u>
Fund balances, July 1 (original)	11,504,885	8,898,175
Prior period adjustment	<u>(2,670)</u>	<u>808,677</u>
Fund balances, July 1 (restated)	<u>11,502,215</u>	<u>9,706,852</u>
Fund balances, June 30	<u>\$ 12,493,988</u>	<u>\$ 11,504,885</u>

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current and prior year levies	\$ 7,768,102	\$ 7,890,449	\$ 122,347	\$ 7,554,067
Motor vehicle tax	1,188,114	1,491,649	303,535	1,315,546
Mobile home tax	25,000	57,066	32,066	52,852
Railroad tax	0	9,201	9,201	0
Timber tax	1,000	6,356	5,356	1,464
Cost, penalties, and interest	20,083	38,219	18,136	81,974
Total general property taxes	<u>9,002,299</u>	<u>9,492,940</u>	<u>490,641</u>	<u>9,005,903</u>
Intangibles tax	115,000	192,457	77,457	154,823
Real estate transfer tax	25,000	69,488	44,488	66,115
Local option sales tax	1,998,059	2,780,841	782,782	2,572,237
Franchise tax	48,000	45,011	(2,989)	48,368
Insurance premium tax	1,012,782	1,156,529	143,747	1,084,452
Occupational tax	17,750	13,263	(4,487)	11,985
Total taxes	<u>12,218,890</u>	<u>13,750,529</u>	<u>1,531,639</u>	<u>12,943,883</u>
Licenses and permits				
Building permits	<u>8,200</u>	<u>97,357</u>	<u>89,157</u>	<u>14,323</u>
Fines, fees and forfeitures	<u>902,987</u>	<u>1,309,124</u>	<u>406,137</u>	<u>1,019,129</u>
Charges for Services				
Sheriff services	200,000	327,408	127,408	40,683
Ambulance charges	1,365,000	1,297,968	(67,032)	1,292,354
Tax collection commissions	335,223	370,281	35,058	339,738
Prisoner board	91,900	87,775	(4,125)	88,611
Recreation fees	65,963	77,940	11,977	78,841
Other charges for services	3,000	6,648	3,648	15,495
Total charges for services	<u>2,061,086</u>	<u>2,168,020</u>	<u>106,934</u>	<u>1,855,722</u>
Intergovernmental	<u>972,482</u>	<u>1,658,930</u>	<u>686,448</u>	<u>926,568</u>
Investment	<u>0</u>	<u>7,079</u>	<u>7,079</u>	<u>6,396</u>
Other				
Rental Income	31,320	33,618	2,298	36,220
Miscellaneous	119,730	320,090	200,360	329,068
Total other	<u>151,050</u>	<u>353,708</u>	<u>202,658</u>	<u>365,288</u>
Total revenues	<u>\$ 16,314,695</u>	<u>\$ 19,344,747</u>	<u>\$ 3,030,052</u>	<u>\$ 17,131,309</u>

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

(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Administration				
Personal services	\$ 215,000	\$ 0	\$ 215,000	\$ 211,091
Contract services	1,322,484	1,081,841	240,643	1,372,145
Materials and supplies	6,644	6,214	430	4,920
Payments to other agencies	12,968	15,188	(2,220)	15,035
Total Administration	<u>1,557,096</u>	<u>1,103,243</u>	<u>453,853</u>	<u>1,603,191</u>
Commission Board				
Personal services	208,682	157,244	51,438	150,087
Contract services	42,607	36,060	6,547	24,624
Materials and supplies	20,030	36,695	(16,665)	10,774
Capital outlay	0	0	0	2,210
Total Commission Board	<u>271,319</u>	<u>229,999</u>	<u>41,320</u>	<u>187,695</u>
County Manager				
Personal services	292,418	262,424	29,994	255,418
Contract services	25,865	32,388	(6,523)	21,169
Materials and supplies	10,930	24,679	(13,749)	21,769
Total County Manager	<u>329,213</u>	<u>319,491</u>	<u>9,722</u>	<u>298,356</u>
Elections				
Personal services	183,479	187,263	(3,784)	120,333
Contract services	45,303	46,036	(733)	36,762
Materials and supplies	24,562	20,951	3,611	22,575
Capital outlay	0	0	0	14,521
Total Elections	<u>253,344</u>	<u>254,250</u>	<u>(906)</u>	<u>194,191</u>
Tax Commissioner				
Personal services	404,874	412,040	(7,166)	360,733
Contract services	41,076	39,639	1,437	12,475
Materials and supplies	37,132	45,729	(8,597)	40,699
Capital outlay	7,814	0	7,814	39,095
Payments to other agencies	6,555	0	6,555	0
Total Tax Commissioner	<u>497,451</u>	<u>497,408</u>	<u>43</u>	<u>453,002</u>
Tax Assessor				
Personal services	345,393	346,467	(1,074)	314,918
Contract services	67,883	68,006	(123)	40,106
Materials and supplies	29,064	28,759	305	27,410
Capital outlay	1,000	0	1,000	14,934
Total Tax Assessor	<u>443,340</u>	<u>443,232</u>	<u>108</u>	<u>397,368</u>
Board of Equalization				
Contract services	10,300	3,166	7,134	2,881
County Engineer				
Personal services	124,571	131,773	(7,202)	121,327
Contract services	4,668	1,091	3,577	1,631
Materials and supplies	3,000	0	3,000	1,500
Total County Engineer	<u>132,239</u>	<u>132,864</u>	<u>(625)</u>	<u>124,458</u>
Total General Government	<u>3,494,302</u>	<u>2,983,653</u>	<u>510,649</u>	<u>3,261,142</u>

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

(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Judicial				
Probate Court				
Personal services	\$ 246,560	\$ 251,633	\$ (5,073)	\$ 221,406
Contract services	22,932	16,464	6,468	16,098
Materials and supplies	10,253	13,204	(2,951)	16,310
Capital outlay	2,475	0	2,475	0
Total Probate Court	<u>282,220</u>	<u>281,301</u>	<u>919</u>	<u>253,814</u>
Magistrate Court				
Personal services	162,879	162,433	446	133,153
Contract services	17,381	8,734	8,647	7,624
Materials and supplies	12,258	10,530	1,728	9,060
Capital outlay	1,000	0	1,000	0
Total Magistrate Court	<u>193,518</u>	<u>181,697</u>	<u>11,821</u>	<u>149,837</u>
Clerk of Superior Court				
Personal services	370,398	368,998	1,400	361,154
Contract services	36,270	34,815	1,455	23,317
Materials and supplies	21,368	23,706	(2,338)	16,864
Total Clerk of Superior Court	<u>428,036</u>	<u>427,519</u>	<u>517</u>	<u>401,335</u>
Superior Court				
Personal services	67,147	57,339	9,808	60,416
Contract services	156,492	87,160	69,332	73,730
Materials and supplies	19,372	17,826	1,546	19,506
Total Superior Court	<u>243,011</u>	<u>162,325</u>	<u>80,686</u>	<u>153,652</u>
District Attorney				
Contract services	29,639	10,826	18,813	12,882
Materials and supplies	2,761	2,855	(94)	2,765
Payments to other agencies	69,817	48,012	21,805	45,394
Total District Attorney	<u>102,217</u>	<u>61,693</u>	<u>40,524</u>	<u>61,041</u>
Public Defender				
Contract services	18,600	19,508	(908)	9,699
Payments to other agencies	100,968	100,968	0	100,447
Total Public Defender	<u>119,568</u>	<u>120,476</u>	<u>(908)</u>	<u>110,146</u>
Total Judicial	<u>1,368,570</u>	<u>1,235,011</u>	<u>133,559</u>	<u>1,129,825</u>
Public Safety				
Fire Departments				
Contract services	31,700	29,734	1,966	32,600
Materials and supplies	0	7,738	(7,738)	8,637
Payments to other agencies	321,620	315,135	6,485	334,494
Total Fire Departments	<u>353,320</u>	<u>352,607</u>	<u>713</u>	<u>375,731</u>
Coroner Services				
Personal services	21,077	22,789	(1,712)	23,841
Contract services	13,000	10,060	2,940	8,576
Materials and supplies	4,400	5,505	(1,105)	0
Payments to other agencies	92,180	92,180	0	70,400
Total Coroner Services	<u>130,657</u>	<u>130,534</u>	<u>123</u>	<u>102,817</u>

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

(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Public Safety, continued				
Emergency Medical Service				
Personal services	\$ 2,148,536	\$ 2,149,131	\$ (595)	\$ 1,938,221
Contract services	192,611	180,245	12,366	165,892
Materials and supplies	178,655	183,317	(4,662)	185,814
Capital outlay	153,500	159,874	(6,374)	0
Total Emergency Medical Service	<u>2,673,302</u>	<u>2,672,567</u>	<u>735</u>	<u>2,289,927</u>
Emergency Management				
Personal services	28,484	0	28,484	28,188
Contract services	14,800	0	14,800	0
Materials and supplies	1,938	9,037	(7,099)	1,230
Capital outlay	1,800	0	1,800	0
Total Emergency Management	<u>47,022</u>	<u>9,037</u>	<u>37,985</u>	<u>29,418</u>
County Marshall				
Personal services	50,701	14,011	36,690	33,937
Contract services	5,242	16,736	(11,494)	24,026
Materials and supplies	4,824	3,960	864	4,010
Capital outlay	1,800	0	1,800	0
Total County Marshall	<u>62,567</u>	<u>34,707</u>	<u>27,860</u>	<u>61,973</u>
Sheriff Department				
Personal services	2,676,191	2,653,107	23,084	2,439,633
Contract services	187,134	192,792	(5,658)	142,414
Materials and supplies	342,951	335,036	7,915	332,366
Capital outlay	245,000	218,061	26,939	28,732
Payments to others	5,333	0	5,333	0
Total Sheriff Department	<u>3,456,609</u>	<u>3,398,996</u>	<u>57,613</u>	<u>2,943,145</u>
Detention Center				
Personal services	1,077,329	1,075,094	2,235	1,006,855
Contract services	45,000	40,970	4,030	40,819
Materials and supplies	670,140	699,724	(29,584)	713,460
Capital outlay	0	0	0	13,850
Total Detention Center	<u>1,792,469</u>	<u>1,815,788</u>	<u>(23,319)</u>	<u>1,774,984</u>
Total Public Safety	<u>8,515,946</u>	<u>8,414,236</u>	<u>101,710</u>	<u>7,577,995</u>
Public Works				
Highways and Streets				
Personal services	681,868	620,942	60,926	580,356
Contract services	204,186	215,808	(11,622)	1,523,005
Materials and supplies	439,894	396,531	43,363	364,121
Total Public Works	<u>1,325,948</u>	<u>1,233,281</u>	<u>92,667</u>	<u>2,467,482</u>
Health and Welfare				
Senior Center				
Personal services	132,000	128,738	3,262	116,680
Contract services	14,529	23,036	(8,507)	22,816
Materials and supplies	78,395	27,867	50,528	44,429
Payments to other agencies	11,450	11,450	0	11,450
Total Senior Center	<u>236,374</u>	<u>191,091</u>	<u>45,283</u>	<u>195,375</u>
Foster Care Services				
Payments to other agencies	<u>31,000</u>	<u>21,218</u>	<u>9,782</u>	<u>30,476</u>

FRANKLIN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021

(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Health and Welfare, continued				
Health Department				
Contract services	\$ 1,428	\$ 1,334	\$ 94	\$ 3,349
Materials and supplies	4,719	568	4,151	2,596
Payments to other agencies	101,431	101,431	0	101,431
Total Health Department	<u>107,578</u>	<u>103,333</u>	<u>4,245</u>	<u>107,376</u>
Total Health and Welfare	<u>374,952</u>	<u>315,642</u>	<u>59,310</u>	<u>333,227</u>
Culture and Recreation				
Recreation				
Personal services	202,578	175,805	26,773	142,792
Contract services	47,931	55,906	(7,975)	45,437
Materials and supplies	107,869	128,539	(20,670)	90,786
Capital outlay	2,093	0	2,093	0
Payments to other agencies	71,186	71,186	0	58,185
Total Culture and Recreation	<u>431,657</u>	<u>431,436</u>	<u>221</u>	<u>337,200</u>
Housing and Development				
County Agent				
Personal services	63,928	64,728	(800)	63,015
Contract services	24,584	23,777	807	21,560
Materials and supplies	2,604	2,564	40	1,188
Total County Agent	<u>91,116</u>	<u>91,069</u>	<u>47</u>	<u>85,763</u>
Forestry				
Payments to other agencies	8,025	7,664	361	5,748
Planning and Zoning				
Personal services	66,185	54,910	11,275	19,330
Contract services	73,757	84,220	(10,463)	5,991
Materials and supplies	0	425	(425)	9,743
Payments to other agencies	0	0	0	1,277
Total Planning and Zoning	<u>139,942</u>	<u>139,555</u>	<u>387</u>	<u>36,341</u>
Economic Development				
Personal services	127,842	127,582	260	106,058
Total Housing and Development	<u>366,925</u>	<u>365,870</u>	<u>1,055</u>	<u>233,910</u>
Total Expenditures	<u>\$ 15,878,300</u>	<u>\$ 14,979,129</u>	<u>\$ 899,171</u>	<u>\$ 15,340,781</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, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,418,381	\$ 963,581
Intergovernmental receivable	37,946	36,383
Total assets	<u>\$ 1,456,327</u>	<u>\$ 999,964</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accrued salaries and other payroll liabilities	\$ 27,896	\$ 28,243
Due to other funds	1,172,723	3,403,899
Total liabilities	<u>1,200,619</u>	<u>3,432,142</u>
Fund balances		
Assigned for Public Safety	255,708	0
Unassigned	0	(2,432,178)
Total fund balances	<u>255,708</u>	<u>(2,432,178)</u>
Total liabilities and fund balances	<u>\$ 1,456,327</u>	<u>\$ 999,964</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, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Charges for services	\$ 417,250	\$ 457,053	\$ 39,803	\$ 444,978
Total revenues	<u>417,250</u>	<u>457,053</u>	<u>39,803</u>	<u>444,978</u>
EXPENDITURES				
Current				
Public Safety				
Personal services	698,077	702,852	(4,775)	612,411
Contract services	218,062	218,005	57	182,098
Materials and supplies	44,087	48,310	(4,223)	41,002
Capital outlay	9,000	0	9,000	0
Total expenditures	<u>969,226</u>	<u>969,167</u>	<u>59</u>	<u>835,511</u>
Excess (deficiency) of revenues over (under) expenditures	(551,976)	(512,114)	39,862	(390,533)
Other financing sources (uses)				
Transfers in	551,976	3,200,000	3,751,976	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>2,687,886</u>	<u>2,687,886</u>	<u>(390,533)</u>
Fund balances, July 1 (original)	0	(2,432,178)	(2,432,178)	(2,063,123)
Prior period adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,478</u>
Fund balances, July 1 (restated)	<u>0</u>	<u>(2,432,178)</u>	<u>(2,432,178)</u>	<u>(2,041,645)</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 255,708</u></u>	<u><u>\$ 255,708</u></u>	<u><u>\$ (2,432,178)</u></u>

FRANKLIN COUNTY, GEORGIA
DRUG ENFORCEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	<u>\$ 412,933</u>	<u>\$ 209,769</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Due to others	\$ 390,130	\$ 173,550
 Fund balances		
Restricted for Public Safety	<u>22,803</u>	<u>36,219</u>
Total liabilities and fund balances	<u>\$ 412,933</u>	<u>\$ 209,769</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, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 0	\$ 0	\$ 0	\$ 46,810
Investment revenue	400	400	0	217
Total revenues	400	400	0	47,027
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	13,900	13,816	84	39,790
Total expenditures	13,900	13,816	84	39,790
Excess (deficiency) of revenues over (under) expenditures	(13,500)	(13,416)	84	7,237
Fund balances, July 1	13,500	36,219	22,719	28,982
Fund balances, June 30	\$ 0	\$ 22,803	\$ 22,803	\$ 36,219

FRANKLIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	<u>\$ 129,907</u>	<u>\$ 109,687</u>
FUND BALANCE		
Restricted for Public Safety	<u>\$ 129,907</u>	<u>\$ 109,687</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, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	<u>2021</u>		<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			<u>Actual</u>
Charges for service	\$ 58,000	\$ 78,104	\$ 20,104
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	58,000	57,884	116
Total expenditures	<u>58,000</u>	<u>57,884</u>	<u>116</u>
Excess (deficiency) of revenues over (under) expenditures	0	20,220	20,220
Fund balances, July 1	0	109,687	109,687
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 129,907</u>	<u>\$ 129,907</u>

FRANKLIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	<u>\$ 113,653</u>	<u>\$ 115,588</u>
Fund balance		
Restricted for Judicial	<u>\$ 113,653</u>	<u>\$ 115,588</u>

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, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 15,100	\$ 13,104	\$ (1,996)	\$ 15,879
Investment	0	23	23	76
Total revenues	15,100	13,127	(1,973)	15,955
EXPENDITURES				
Current				
Judicial				
Personal services	1,700	1,680	20	140
Materials and supplies	13,400	13,382	18	9,577
Total expenditures	15,100	15,062	38	9,717
Excess (deficiency) of revenues over (under) expenditures	0	(1,935)	(1,935)	6,238
Fund balances, July 1	0	115,588	115,588	109,350
Fund balances, June 30	\$ 0	\$ 113,653	\$ 113,653	\$ 115,588

FRANKLIN COUNTY, GEORGIA
PROBATION SERVICES SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Intergovernmental receivable	<u>\$ 41,335</u>	<u>\$ 58,098</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accrued salaries and other payroll liabilities	\$ 24,658	\$ 30,891
Due to other funds	<u>0</u>	<u>13,455</u>
Total liabilities	24,658	44,346
 Fund balances		
Restricted for Public Safety	<u>16,677</u>	<u>13,752</u>
Total liabilities and fund balances	<u>\$ 41,335</u>	<u>\$ 58,098</u>

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, 2021
(With comparative actual amounts for the fiscal year ended June 30, 2020)

	<u>2021</u>			<u>2020</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Fines, fees, and forfeitures	\$ 783,478	\$ 519,424	\$ (264,054)	\$ 618,591
Total revenues	<u>783,478</u>	<u>519,424</u>	<u>(264,054)</u>	<u>618,591</u>
EXPENDITURES				
Current				
Public Safety				
Personal services	760,415	657,625	102,790	682,631
Contract services	25,500	25,745	(245)	25,390
Materials and supplies	12,000	6,974	5,026	9,075
Capital outlay	5,000	0	5,000	0
Total expenditures	<u>802,915</u>	<u>690,344</u>	<u>112,571</u>	<u>717,096</u>
Excess (deficiency) of revenues over (under) expenditures	(19,437)	(170,920)	(151,483)	(98,505)
Other financing sources (uses)				
Transfers in	<u>19,437</u>	<u>173,845</u>	<u>154,408</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	2,925	2,925	(98,505)
Fund balances, July 1	<u>0</u>	<u>13,752</u>	<u>13,752</u>	<u>112,257</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 16,677</u>	<u>\$ 16,677</u>	<u>\$ 13,752</u>

FRANKLIN COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2021

ASSETS

Due from other funds	\$ 5,146
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LIABILITIES AND FUND BALANCES

Fund balances

Restricted for Housing and Development	\$ 2,058
Assigned for Housing and Development	<u>3,088</u>

Total fund balances	<u>\$ 5,146</u>
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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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 2,400	\$ 2,476	\$ 76
EXPENDITURES	<u>2,400</u>	<u>0</u>	<u>2,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>2,476</u>	<u>2,476</u>
Fund balances, July 1 (original)	0	0	0
Prior period adjustment	<u>0</u>	<u>2,670</u>	<u>2,670</u>
Fund balances, July 1 (restated)	<u>0</u>	<u>2,670</u>	<u>2,670</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 5,146</u></u>	<u><u>\$ 5,146</u></u>

FRANKLIN COUNTY, GEORGIA
ARPA GRANT SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2021

ASSETS

Due from other funds \$ 2,267,635

LIABILITIES

Unearned revenue \$ 2,267,635

FRANKLIN COUNTY, GEORGIA
ARPA GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal year ended June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES	\$ 0	\$ 0	\$ 0
EXPENDITURES	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balances, July 1	0	0	0
Fund balances, June 30	<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, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 222,908	\$ 313,215
FUND BALANCE		
Restricted for capital outlay	\$ 222,908	\$ 313,215

FRANKLIN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX IV
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Investment	\$ 28	\$ 32
EXPENDITURES		
Capital outlay		
General Government	0	5,985
Public Safety		
Fire	0	3,559
Recreation	<u>90,335</u>	<u>2,970</u>
Total expenditures	<u>90,335</u>	<u>12,514</u>
Excess (deficiency) of revenues over (under) expenditures	(90,307)	(12,482)
Fund balances, July 1	<u>313,215</u>	<u>325,697</u>
Fund balances, June 30	<u><u>\$ 222,908</u></u>	<u><u>\$ 313,215</u></u>

FRANKLIN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX V
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,947,048	\$ 2,625,881
Restricted cash and cash equivalents	329,554	558,182
Taxes receivable	424,117	387,796
Prepaid items	<u>0</u>	<u>22,500</u>
Total assets	<u><u>\$ 5,700,719</u></u>	<u><u>\$ 3,594,359</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Intergovernmental payable	<u>\$ 110,477</u>	<u>\$ 103,859</u>
Fund balances		
Nonspendable prepaid items	0	22,500
Restricted for capital outlay	<u>5,590,242</u>	<u>3,468,000</u>
Total fund balances	<u>5,590,242</u>	<u>3,490,500</u>
Total liabilities and fund balances	<u><u>\$ 5,700,719</u></u>	<u><u>\$ 3,594,359</u></u>

FRANKLIN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX V
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2021 and 2020

REVENUES	<u>2021</u>	<u>2020</u>
Taxes	\$ 4,458,887	\$ 4,091,778
Investment income	38	52
Total revenues	<u>4,458,925</u>	<u>4,091,830</u>
 EXPENDITURES		
Capital outlay		
General Government	0	58,871
Public Safety		
Fire	153,009	174,575
Emergency 911	164,667	0
Public Works		
Roads and Bridges	40,465	492,171
Airport	0	55,014
Housing and Development		
Economic Development	180	82,623
Intergovernmental	1,191,057	1,005,771
Debt service	635,100	1,712,210
Total expenditures	<u>2,184,478</u>	<u>3,581,235</u>
Excess (deficiency) of revenues over (under) expenditures	2,274,447	510,595
Other financing sources (uses)		
Transfers out	(174,705)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>2,099,742</u>	<u>510,595</u>
Fund balances, July 1 (original)	3,490,500	3,242,773
Prior period adjustment	0	(262,868)
Fund balances, July 1 (restated)	<u>3,490,500</u>	<u>2,979,905</u>
Fund balances, June 30	<u>\$ 5,590,242</u>	<u>\$ 3,490,500</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, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 5,006,655	\$ 2,819,158
Accounts receivable (net)	236,361	220,178
Due from other funds	20,138	0
Intergovernmental receivable	230,625	307,836
Inventories	105,098	109,933
Restricted assets		
Cash and cash equivalents	181,733	184,649
Total current assets	<u>5,780,610</u>	<u>3,641,754</u>
Capital assets		
Land	113,947	113,947
Construction in progress	3,576,316	2,899,023
Infrastructure	31,059,648	31,016,185
Building	40,380	40,380
Vehicles	148,455	121,350
Machinery and equipment	677,141	341,549
Accumulated depreciation	<u>(8,718,884)</u>	<u>(8,017,378)</u>
Total capital assets (net of accumulated depreciation)	<u>26,897,003</u>	<u>26,515,056</u>
Total assets	<u>32,677,613</u>	<u>30,156,810</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension	<u>12,653</u>	<u>25,760</u>
LIABILITIES		
Current liabilities		
Payables		
Accounts	114,665	176,094
Retainages	28,575	0
Interest	9,270	12,356
Accrued salaries	11,942	12,135
Compensated absences	16,319	15,466
Due to other funds	5,443,065	3,227,239
Notes payable	233,194	115,616
Bonds payable	<u>379,932</u>	<u>364,004</u>
Total current liabilities	<u>6,236,962</u>	<u>3,922,910</u>
Noncurrent liabilities		
Net pension liability	22,670	54,127
Notes payable	3,956,905	3,496,949
Bonds payable	<u>2,495,101</u>	<u>2,875,034</u>
Total noncurrent liabilities	<u>6,474,676</u>	<u>6,426,110</u>
Total liabilities	<u>12,711,638</u>	<u>10,349,020</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension	<u>34,622</u>	<u>17,263</u>
NET POSITION		
Net investment in capital assets	19,985,029	19,740,266
Unrestricted	<u>(41,023)</u>	<u>76,021</u>
Total net position	<u>\$ 19,944,006</u>	<u>\$ 19,816,287</u>

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, 2021 and 2020

OPERATING REVENUES	<u>2021</u>	<u>2020</u>
Charges for sales and services		
Water sales	\$ 2,222,353	\$ 1,977,205
Sewer sales	204,261	183,910
Tap fees	103,375	84,750
Other	2,966	11,476
	<u>2,532,955</u>	<u>2,257,341</u>
Total operating revenues		
	<u>2,532,955</u>	<u>2,257,341</u>
OPERATING EXPENSES		
Costs of sales and services	1,631,719	1,157,731
Personal services	306,617	237,951
Depreciation	701,506	678,375
	<u>2,639,842</u>	<u>2,074,057</u>
Total operating expenses		
	<u>2,639,842</u>	<u>2,074,057</u>
Operating income (loss)	<u>(106,887)</u>	<u>183,284</u>
Non-operating revenues (expenses)		
Investment income	1,391	543
Interest expense	(124,855)	(146,016)
	<u>(123,464)</u>	<u>(145,473)</u>
Total non-operating revenues (expenses)		
	<u>(123,464)</u>	<u>(145,473)</u>
Income (loss) before capital contributions and transfers	(230,351)	37,811
Capital contributions		
Intergovernmental revenue	183,365	1,512,128
	<u>183,365</u>	<u>1,512,128</u>
Net income (loss) before transfers	(46,986)	1,549,939
Transfers in	174,705	0
	<u>174,705</u>	<u>0</u>
Change in net position	<u>127,719</u>	<u>1,549,939</u>
Net position, July 1 (original)	19,816,287	18,218,449
Prior period adjustment	0	47,899
	<u>0</u>	<u>47,899</u>
Net position, July 1 (restated)	<u>19,816,287</u>	<u>18,266,348</u>
Net position, June 30	<u>\$ 19,944,006</u>	<u>\$ 19,816,287</u>

FRANKLIN COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Receipts from customers	\$ 2,513,806	\$ 2,185,454
Payments to suppliers	(1,688,313)	(1,587,741)
Payments to employees	(306,948)	(242,527)
Other receipts	2,966	11,476
Net cash provided (used) by operating activities	<u>521,511</u>	<u>366,662</u>
Cash flows from non-capital financing activities:		
Payments to other funds	(20,138)	0
Receipts from other funds	2,215,826	1,508,872
Net cash provided (used) by non-capital and related financing activities	<u>2,195,688</u>	<u>1,508,872</u>
Cash flows from capital and related financing activities:		
Receipts from other governments	260,577	1,204,292
Receipts from other funds	174,705	0
Interest paid	(127,943)	(153,075)
Proceeds - notes payable	693,151	1,071,746
Principal payments - notes payable	(115,616)	(230,040)
Principal payments - bonds payable	(364,005)	(353,230)
Acquisition of capital assets	(1,054,878)	(1,788,352)
Net cash provided (used) by capital and related financing activities	<u>(534,009)</u>	<u>(248,659)</u>
Cash flows from investing activities:		
Interest received	1,391	543
Net increase (decrease) in cash and cash equivalents	2,184,581	1,627,418
Cash and cash equivalents, July 1	3,003,807	1,376,389
Cash and cash equivalents, June 30	<u>\$ 5,188,388</u>	<u>\$ 3,003,807</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (106,887)	\$ 183,284
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	701,506	678,375
(Increase) decrease in accounts receivable	(16,183)	(60,411)
(Increase) decrease in inventories	4,835	69,440
(Increase) decrease in deferred outflows of resources - pension	13,107	15,606
Increase (decrease) in accounts payable	(61,429)	(499,450)
Increase (decrease) in accrued payroll liabilities	660	605
Increase (decrease) in net pension liability - pension	(31,457)	(37,702)
Increase (decrease) in deferred inflows of resources - pension	17,359	16,915
Total adjustments	<u>628,398</u>	<u>183,378</u>
Net cash provided (used) by operating activities	<u>\$ 521,511</u>	<u>\$ 366,662</u>
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 5,006,655	\$ 2,819,158
Restricted cash and cash equivalents	181,733	184,649
Total cash and cash equivalents	<u>\$ 5,188,388</u>	<u>\$ 3,003,807</u>

Noncash capital and related financing activities:

Acquisition of capital assets through accounts payable totaled \$0 and \$107,836 for the fiscal years ended June 30, 2021 and 2020, respectively.

Acquisition of capital assets through retainages payable totaled \$28,575 and \$0 for the fiscal years ended June 30, 2021 and 2020, respectively.

FRANKLIN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 425,239	\$ 268,300
Accounts receivable	1,764	0
Due from other funds	465	0
Notes receivable	<u>0</u>	<u>94,138</u>
Total current assets	<u>427,468</u>	<u>362,438</u>
Capital assets		
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	<u>(285,956)</u>	<u>(285,956)</u>
Total capital assets (net of accumulated depreciation)	<u>378,976</u>	<u>378,976</u>
Total assets	<u>806,444</u>	<u>741,414</u>
LIABILITIES		
Current liabilities		
Accrued salaries	1,663	2,179
Compensated absences	545	0
Due to other funds	<u>533,081</u>	<u>433,074</u>
Total current liabilities	<u>535,289</u>	<u>435,253</u>
Noncurrent liabilities		
Compensated absences	260	264
Post-closure care	<u>977,572</u>	<u>997,731</u>
Total noncurrent liabilities	<u>977,832</u>	<u>997,995</u>
Total liabilities	<u>1,513,121</u>	<u>1,433,248</u>
NET POSITION		
Investment in capital assets	378,976	378,976
Unrestricted	<u>(1,085,653)</u>	<u>(1,070,810)</u>
Total net position	<u>\$ (706,677)</u>	<u>\$ (691,834)</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, 2021 and 2020

OPERATING REVENUES	<u>2021</u>	<u>2020</u>
Charges for sales and services	\$ 64,481	\$ 51,240
 OPERATING EXPENSES		
Costs of sales and services	33,943	35,328
Personal services	<u>45,690</u>	<u>24,464</u>
Total operating expenses	<u>79,633</u>	<u>59,792</u>
Operating income (loss)	(15,152)	(8,552)
Non-operating revenues (expenses)		
Investment income	<u>309</u>	<u>31,087</u>
Change in net position	(14,843)	22,535
Net position, July 1	<u>(691,834)</u>	<u>(714,369)</u>
Net position, June 30	<u>\$ (706,677)</u>	<u>\$ (691,834)</u>

FRANKLIN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Receipts from customers	\$ 156,855	\$ 51,240
Payments to suppliers	(54,102)	(81,915)
Payments to employees	<u>(45,665)</u>	<u>(23,304)</u>
Net cash provided (used) by operating activities	<u>57,088</u>	<u>(53,979)</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	100,007	105,154
Payments to other funds	<u>(465)</u>	<u>0</u>
Net cash provided (used) by non-capital financing activities	<u>99,542</u>	<u>105,154</u>
Cash flows from investing activities:		
Interest received	<u>309</u>	<u>276</u>
Net increase (decrease) in cash and cash equivalents	156,939	51,451
Cash and cash equivalents, July 1	<u>268,300</u>	<u>216,849</u>
Cash and cash equivalents, June 30	<u><u>\$ 425,239</u></u>	<u><u>\$ 268,300</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (15,152)</u>	<u>\$ (8,552)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Landfill closure/postclosure costs	(20,159)	(46,587)
(Increase) decrease in accounts receivable	(1,764)	0
(Increase) decrease in notes receivable	94,138	0
Increase (decrease) in accrued payroll liabilities	<u>25</u>	<u>1,160</u>
Total adjustments	<u>72,240</u>	<u>(45,427)</u>
Net cash provided (used) by operating activities	<u><u>\$ 57,088</u></u>	<u><u>\$ (53,979)</u></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, 2021

	<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>
ASSETS						
Cash	\$ 52,672	\$ 13,989	\$ 286,673	\$ 393,351	\$ 128,044	\$ 874,729
Taxes receivable, net	<u>198,139</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>198,139</u>
Total assets	<u>250,811</u>	<u>13,989</u>	<u>286,673</u>	<u>393,351</u>	<u>128,044</u>	<u>1,072,868</u>
LIABILITIES						
Due to other agencies	<u>250,811</u>	<u>6,689</u>	<u>260,902</u>	<u>42,718</u>	<u>117,215</u>	<u>678,335</u>
NET POSITION						
Restricted for individuals, organizations, and other governments	<u>\$ 0</u>	<u>\$ 7,300</u>	<u>\$ 25,771</u>	<u>\$ 350,633</u>	<u>\$ 10,829</u>	<u>\$ 394,533</u>

FRANKLIN COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2021

	Tax Commissioner	Magistrate Court	Probate Court	Clerk of Superior Court	Sheriff Department	Total Custodial Funds
ADDITIONS						
Taxes collected for other agencies	\$ 17,868,459	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,868,459
Court fees collected for other agencies	0	45,845	503,986	801,386	0	1,351,217
Court individual cases	0	0	0	247,553	0	247,553
Sheriff fees collected	0	0	0	0	336,557	336,557
Sheriff inmate account deposits	0	0	0	0	308,291	308,291
Total additions	17,868,459	45,845	503,986	1,048,939	644,848	20,112,077
DEDUCTIONS						
Taxes distributed to other agencies	17,868,459	0	0	0	0	17,868,459
Court fees distributed to other agencies	0	48,095	503,986	1,261,271	0	1,813,352
Payments to others	0	0	1,625	43,451	0	45,076
Sheriff fees distributed to other agencies	0	0	0	0	352,980	352,980
Payments from inmates to others	0	0	0	0	286,290	286,290
Total deductions	17,868,459	48,095	505,611	1,304,722	639,270	20,366,157
Change in net position	0	(2,250)	(1,625)	(255,783)	5,578	(254,080)
Net position, July 1 (original)	0	0	0	0	0	0
Prior period adjustments	0	9,550	27,396	606,416	5,251	648,613
Net position, July 1 (restated)	0	9,550	27,396	606,416	5,251	648,613
Net position, June 30	\$ 0	\$ 7,300	\$ 25,771	\$ 350,633	\$ 10,829	\$ 394,533

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SINGLE AUDIT SECTION

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Franklin County, Georgia, as of and for the year ended June 30, 2021, 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 22, 2021. 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.

Internal Control over Financial Reporting

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

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 in the accompanying schedule of findings and questioned costs as items 2021-001 through 2021-008 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Franklin County, Georgia's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
November 22, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Franklin County, Georgia’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Franklin County, Georgia’s major federal programs for the year ended June 30, 2021. Franklin County, Georgia’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Franklin County, Georgia’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Franklin County, Georgia’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Franklin County, Georgia’s compliance.

Opinion on Each Major Federal Program

In our opinion, Franklin County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Franklin County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Franklin County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Franklin County, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
November 22, 2021

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2021

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Number	Total Federal Expenditures
U.S. Department of Agriculture			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 67,840
Department of the Treasury			
Passed through Georgia Governor's Office of Planning and Budget: COVID-19 Coronavirus Relief Fund	21.019	14868-CRF	873,212
U.S. Environmental Protection Agency			
<u>Drinking Water State Revolving Fund Cluster</u>			
Passed through the Georgia Environmental Finance Authority: Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW2018005	788,596
U.S. Department of Health and Human Services			
<u>Aging Cluster</u>			
Passed through Legacy Link, Inc.: COVID-19 Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	FY2021	31,332
Title III, Part C, Nutrition Services COVID-19	93.045	FY2021 FY2021	53,700 5,002
			58,702
Total Aging Cluster of Programs			90,034
Passed through Legacy Link, Inc.: Social Services Block Grant	93.667	FY2021	6,746
Total Department of Health and Human Services			96,780
Total Federal Awards			\$ 1,826,428

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

FRANKLIN COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Franklin County, Georgia, under programs for the federal government for the fiscal year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

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

3. De Minimis Indirect Cost Rate

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

4. Passed Through to Subrecipients

Franklin County, Georgia did not pass through to subrecipients any federal funds during the fiscal year

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2021

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None reported
Significant Deficiencie(s) identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant Deficiencie(s) identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
21.019 COVID-19 Coronavirus Relief Fund	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2021

2. Financial Statement Findings and Responses

2021-001

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.

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.

2021-002

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.

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2021

2. Financial Statement Findings and Responses (continued)

2021-003

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.

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.

2021-004

Condition: While performing audit procedures at the Park and Recreation Department, we noted instances where deposits were not made timely. We noted 18 of 25 (65%) 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. This action was taken immediately upon receipt of the comment from our auditors

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2021

2. Financial Statement Findings and Responses (continued)

2021-005

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. Action was taken immediately upon receipt of the comment from our auditors.

2021-006

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. Action was taken immediately upon receipt of the comment from our auditors.

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2021

2. Financial Statement Findings and Responses (continued)

2021-007

Condition: During audit procedures on journal entries, we noted that journal entries did not have evidence of approval. All journal entries reviewed during audit procedures appeared appropriate.

Criteria: Proper internal controls require that journal entries have supporting documentation with evidence of proper approval.

Effect: Failure to approve journal entries increases the County's risk of loss due to fraud.

Cause: The County does not have a policy that requires the approval of journal entries.

Recommendation: We recommend the County implement a policy that requires approval of all journal entries and supporting documentation evidencing approval be retained.

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

2021-008

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.

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2021

3. Prior Year Audit Findings Follow-Ups

2020-001

Condition: The 2019 financial statements were restated for errors and incorrectly reported amounts in the Governmental Activities, General Fund, Emergency 911 Special Revenue Fund, Hotel Motel Special Revenue Fund, SPLOST V Capital Projects Fund, Water and Sewer Enterprise Fund, and Tax Commissioner Agency Fund.

Not Corrected

2020-002

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

Corrected

2020-003

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

Not Corrected

2020-004

Condition: While performing audit procedures at the Industrial Building Authority, we noted that there is a lack of segregation of duties. The Executive Secretary performs all receipting, daily balancing, prepares all checks, and delivers the deposits to the bank.

Not Corrected

2020-005

Condition: While performing audit procedures at the Park and Recreation Department, we noted instances where deposits were not made timely.

Not Corrected

2020-006

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.

Not Corrected

2020-007

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

Not Corrected

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2021

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

2020-008

Condition: During audit procedures on journal entries, we noted that journal entries did not have evidence of approval. All journal entries reviewed during audit procedures appeared appropriate.

Not Corrected

2020-009

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.

Not Corrected

2020-010

Condition: The County experienced a material excess of expenditures over appropriations in the General Fund. Also, an annual budget was not adopted for the Law Library Special Revenue Fund, Drug Enforcement Special Revenue Fund, Inmate Welfare Special Revenue Fund, as required by state law.

Corrected

4. Federal Award Findings and Questioned Costs

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

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STATE REPORTING SECTION

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

FRANKLIN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST IV					
Water and Sewer	\$ 3,000,000	\$ 3,000,000	\$ 2,919,762	\$ 0	\$ 2,919,762
Industrial Development	4,000,000	4,000,000	4,000,000	0	4,000,000
Public Safety	2,250,000	2,250,000	2,511,227	0	2,511,227
Roads, Streets, Bridges	3,550,000	3,550,000	3,939,970	0	3,939,970
Airport	100,000	100,000	83,322	0	83,322
Courthouse/Public Facilities	200,000	200,000	171,799	0	171,799
Recreation	500,000	500,000	223,427	90,335	313,762
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>\$ 19,201,937</u>	<u>\$ 90,335</u>	<u>\$ 19,292,272</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
SPLOST V					
General Obligation Debt	\$ 3,800,000	\$ 3,800,000	\$ 4,761,442	\$ 635,100	\$ 5,396,542
Roads, Streets, Bridges	3,550,000	3,550,000	2,064,555	40,465	2,105,020
Public Safety	2,510,000	2,510,000	799,121	317,676	1,116,797
Water, Sewer, Utilities	1,800,000	1,800,000	885,256	174,705	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	82,623	180	82,803
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	943,845	326,828	1,270,673
City of Royston	1,440,000	1,440,000	943,845	326,828	1,270,673
City of Canon	789,000	789,000	517,509	179,200	696,709
City of Carnesville	789,000	789,000	504,467	179,001	683,468
City of Franklin Springs	789,000	789,000	517,509	179,200	696,709
	<u>\$ 19,600,000</u>	<u>\$ 19,600,000</u>	<u>\$ 12,225,124</u>	<u>\$ 2,359,183</u>	<u>\$ 14,584,307</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.