

FRANKLIN COUNTY, TEXAS

Annual Financial Report

For The Year Ended December 31, 2024



**FRANKLIN COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
List of Elected and Appointed Officials.....	2
FINANCIAL SECTION	
Independent Auditor's Report on Financial Statements.....	4
A. Management Discussion and Analysis.....	7
B. Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	16
Statement of Activities.....	18
Fund Financial Statements	
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Proprietary Fund Financial Statements:	
Statement of Fund Net Position - Proprietary Funds.....	24
Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds.....	25
Statement of Cash Flows - Proprietary Funds.....	26
Notes to the Financial Statements	28
C. Required Supplementary Information:	
Schedule of TCDRS Funding Progress and Contributions and Notes.....	46
Schedule of Changes in Net Pension Liability.....	47
Schedule of Changes in Total OPEB and Related Ratios.....	48
Statement of Revenues, Expenditures, and Changes in Fund to Actual - General Fund.....	49
D. Compliance Section	
Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement.....	44

FRANKLIN COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

TABLE OF CONTENTS

	<u>Page</u>
E. Supplementary Information	
Road and Bridge Funds:	
Combining Balance Sheet - Road and Bridge Funds.....	52
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Road and Bridge Funds.....	53
Non-major Governmental Funds:	
Combining Balance Sheet - Non-Major Funds.....	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non-Major Governmental Funds.....	56

INTRODUCTORY SECTION

**FRANKLIN COUNTY, TEXAS
COUNTY OFFICIALS
December 31, 2024**

County Judge	Scott Lee
Commissioner Precinct 1	Jerry Cooper
Commissioner Precinct 2	Toby Godfrey
Commissioner Precinct 3	Scott Newsome
Commissioner Precinct 4	Scott Smith
County Clerk	Brook Bussell
District Clerk	Ellen Jagers
County Treasurer	Paris Tillery
Tax Assessor-Collector	Melissa McSwain (
County Auditor	Marla White
Sheriff	Ricky Jones
County Attorney	Landon Ramsay
Justice of the Peace	Robert W. Zinn
Constable	Brantin Carr

FINANCIAL SECTION

Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward, CPA
266 RCR 1397
Point, Texas 75472

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INDEPENDENT AUDITOR'S REPORT

Honorable Judge and Commissioners
Franklin County, Texas
200 North Kaufman Street
Mount Vernon, Texas 75457

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Franklin County, Texas as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Franklin County, Texas' basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Franklin County, Texas as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Franklin County, Texas, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Franklin County, Texas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Franklin County, Texas' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County, Texas' basic financial statements. The individual component unit financial statements are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the individual component unit financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

Respectfully Submitted,

Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas
June 22, 2025



MANAGEMENT DISCUSSION AND ANALYSIS

FRANKLIN COUNTY, TEXAS

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2024

As management of the Franklin County, Texas ("County"), we offer the readers of the Franklin County, Texas' financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2024. We encourage readers to read the information presented here in conjunction with additional information that has been furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$27,325,077 (net position). Of this amount, \$16,502,892, or 60%, is net investment in capital assets. Net position restricted for specific purposes is \$1,773,446, or 6%. The remaining unrestricted position of \$9,048,739, or 33% may be used to meet the County's ongoing obligations to its citizens and creditors in accordance with the County's fiscal policies.
- The County's total net position increased by \$767,634, or 3%, due to an increase in governmental activities net position.
- As of the close of the current year, the County's governmental funds reported combined ending fund balances of \$8,920,578, an increase of \$285,084, or 3%, in comparison with the prior year. Approximately 58% of this total amount, or \$5,178,714, is available for spending at the County's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General fund of \$5,178,714 was 58% of total general fund expenditures for the fiscal year.
- The County's total long-term obligations increased by \$606,733, or 57%, during the current year based on two new equipment loans originated during the year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Franklin County, Texas' basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide financial statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Franklin County, Texas.

FRANKLIN COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
DECEMBER 31, 2024

Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 19,841,001	\$ 18,361,973	\$ 8,602	\$ 11,098	\$ 19,849,603	\$ 18,373,071
Capital assets	17,433,363	16,971,634	744,342	761,335	18,177,705	17,732,969
Total assets	<u>37,274,364</u>	<u>35,333,607</u>	<u>752,944</u>	<u>772,433</u>	<u>38,027,308</u>	<u>36,106,040</u>
Total deferred outflows of resources	1,981,510	2,563,091	-	-	1,981,510	2,563,091
Current liabilities	119,802	163,384	-	-	119,802	163,384
Noncurrent liabilities	3,217,991	2,698,446	222	-	3,218,213	2,698,446
Total liabilities	<u>3,337,793</u>	<u>2,861,830</u>	<u>222</u>	<u>-</u>	<u>3,338,015</u>	<u>2,861,830</u>
Total deferred inflows of resources	9,345,726	9,249,858	-	-	9,345,726	9,249,858
Net position:						
Net investment in capital assets	15,758,550	15,903,554	744,342	761,335	16,502,892	16,664,889
Restricted	1,773,446	1,809,484	-	-	1,773,446	1,809,484
Unrestricted	9,040,359	8,071,972	8,380	11,098	9,048,739	8,083,070
Total net position	<u>\$ 26,572,355</u>	<u>25,785,010</u>	<u>\$ 752,722</u>	<u>\$ 772,433</u>	<u>\$ 27,325,077</u>	<u>\$ 26,557,443</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the County exceeded liabilities by \$27,325,077 as of December 31, 2024. The County's net position increased by \$767,634, for the year ended December 31, 2023.

Net investment in capital assets:

The largest portion of the County's net position, \$16,502,892, or 60%, reflects the County's investment in capital assets (e.g. land, buildings, machinery and equipment) less any debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Restricted net position:

The restricted portion of the County's net position, \$1,773,446, or 6%, reflects the portion of net assets that contains external constraints placed on the use of resources, or imposed by enabling legislation.

Unrestricted net position:

Unrestricted net position in the amount of \$9,048,739, or 33%, is available to fund the County programs to citizens and obligations to creditors.

FRANKLIN COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
DECEMBER 31, 2024

Changes in Net Position

	Governmental Activities		Business Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 2,370,369	\$ 2,061,630	\$ 7,904	\$ 6,827	\$ 2,378,273	\$ 2,068,457
Operating grants and contributions	387,054	90,655	-	-	387,054	90,655
Capital grants and contributions	1,265,526	389,286	-	-	1,265,526	389,286
General Revenues:						
Property taxes	7,064,151	7,200,643	-	-	7,064,151	7,200,643
Sales tax	718,064	713,330	-	-	718,064	713,330
Other taxes	119,797	101,966	-	-	119,797	101,966
Investment income	722,951	691,597	-	-	722,951	691,597
Miscellaneous	369,483	85,169	-	-	369,483	85,169
Total Revenues	<u>13,017,395</u>	<u>11,334,276</u>	<u>7,904</u>	<u>6,827</u>	<u>13,025,299</u>	<u>11,341,103</u>
Expenses:						
Program Expenses						
General government	2,110,932	2,077,893	-	-	2,110,932	2,077,893
Public safety	2,658,910	1,846,718	-	-	2,658,910	1,846,718
Public works	3,709,740	2,790,408	-	-	3,709,740	2,790,408
Judicial	3,095,523	2,505,788	-	-	3,095,523	2,505,788
Parks and recreational	136,683	128,835	-	-	136,683	128,835
Health and public welfare	211,461	139,271	-	-	211,461	139,271
Library	268,824	251,983	-	-	268,824	251,983
Interest and fiscal charges	37,977	14,375	-	-	37,977	14,375
Airport	-	-	27,615	28,419	27,615	28,419
Total Expenses	<u>12,230,050</u>	<u>9,755,271</u>	<u>27,615</u>	<u>28,419</u>	<u>12,257,665</u>	<u>9,783,690</u>
Increase (decrease) in net position	787,345	1,579,005	(19,711)	(21,592)	767,634	1,557,413
Other revenues and financing sources (uses)						
Transfers	-	(3,000)	-	3,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	787,345	1,576,005	(19,711)	(18,592)	767,634	1,557,413
Net position - January 1	25,785,010	24,209,005	772,433	791,025	26,557,443	25,000,030
Net position - December 31	<u>\$26,572,355</u>	<u>\$25,785,010</u>	<u>\$ 752,722</u>	<u>\$ 772,433</u>	<u>\$27,325,077</u>	<u>\$26,557,443</u>

The Governmental Activities have increased the net position in the current audited fiscal period by \$787,345 which is a 3% increase over the prior year.

The Business-type Activities have decreased the net position in the current year by (\$19,711).

**FRANKLIN COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
DECEMBER 31, 2024**

Financial Analysis of the County's Funds

As noted earlier, Franklin County, Texas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Specifically, the unassigned fund balance may serve as a measure of net resources available for spending at year end.

As of the close of the current fiscal year, the governmental funds reported combined ending fund balances of \$8,920,578, an increase of \$285,084, or 3%, in comparison with the prior year. Of this amount, \$5,178,714, or 58%, constitutes unassigned fund balance, which is available for spending at the County's discretion. The County has assigned fund balances of \$1,968,418, or 22% and a total restricted fund balance of \$1,500,587, or 17%. The County also has \$272,859 of nonexpendable fund balance.

The general fund is the chief operating fund of Franklin County, Texas. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,178,714. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund represents 58% of total general fund expenditures.

General Fund Budgetary Highlights: During the fiscal year, the County made several adjustments to the budget. Generally budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Proprietary Funds - The County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the proprietary funds at the end of the year amounted to \$8,380.

FRANKLIN COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
DECEMBER 31, 2024

Capital Asset and Debt Administration

Capital Assets - Franklin County, Texas' investment in capital assets for its governmental and business-type activities, as of December 31, 2024, totals \$18,177,705 (net of accumulated depreciation). These assets include land, buildings, improvements, infrastructure, machinery and equipment. This amount represents a net increase of \$376,771, or 2%, (net of accumulated depreciation) over the prior year.

Capital Assets
December 31, 2024
(net of depreciation)

	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,130,291	\$ 1,130,291	\$ 394,372	\$ 394,372	\$ 1,524,663	\$ 1,524,663
Infrastructure	3,148,241	4,422,532	-	-	3,148,241	4,422,532
Buildings & Improvements	7,766,177	7,625,653	349,970	434,928	8,116,147	8,060,581
Machinery & Equipment	4,155,562	3,793,158	-	-	4,155,562	3,793,158
Construction in Progress	1,233,092	-	-	-	1,233,092	-
Total	<u>\$ 17,433,363</u>	<u>\$ 16,971,634</u>	<u>\$ 744,342</u>	<u>\$ 829,300</u>	<u>\$ 18,177,705</u>	<u>\$ 17,800,934</u>

More detailed information about the County's capital assets is presented in Note F to the financial statements.

Long-term Obligations - As of December 31, 2024, the County had total long-term debt outstanding of \$1,674,813 which is a increase of \$606,733, or 57%, from the previous year, based on an increase in the net pension liability, and a new capital lease.

Outstanding Debt
As of December 31, 2024

	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Limited Tax Notes	\$ 1,347,892	\$ 1,068,080	\$ -	\$ -	\$ 1,347,892	\$ 1,068,080
Capital Leases	326,921	-	-	-	326,921	-
Total	<u>\$ 1,674,813</u>	<u>\$ 1,068,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,674,813</u>	<u>\$ 1,068,080</u>

More detailed information about the County's long-term obligations is presented in Note I to these financial statements.

**FRANKLIN COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2024**

Requests for Information

This financial report is designed to provide an overview of the County's finances for those with an interest in the County's finances. If you have any questions about this report, or need additional information, contact Franklin County, 200 N. Kaufman St., Mt. Vernon, Texas 75457.



BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY, TEXAS
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,773,393	\$ 8,602	\$ 9,781,995
Receivables (net of allowance for uncollectibles)	4,552,380	-	4,552,380
Inventory	9,226	-	9,226
Net pension asset	1,429,052	-	1,429,052
Restricted assets:			
Cash and cash equivalents	3,440,152	-	3,440,152
Cash held in a fiduciary capacity	636,798	-	636,798
Capital assets not depreciated:			
Land	1,130,291	394,372	1,524,663
Construction in progress	1,233,092	-	1,233,092
Capital assets net of accumulated depreciation:			
Infrastructure	3,148,241	-	3,148,241
Buildings	7,766,177	349,970	8,116,147
Machinery and equipment	4,155,562	-	4,155,562
Total Assets	37,274,364	752,944	38,027,308
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	1,935,631	-	1,935,631
Deferred outflows from OPEB	45,879	-	45,879
Total Deferred Outflows of Resources	1,981,510	-	1,981,510
LIABILITIES			
Accounts payable	97,096	222	97,318
Other liabilities	22,706	-	22,706
Noncurrent Liabilities:			
Fiduciary funds	365,172	-	365,172
Due within one year:			
Compensated absences	58,406	-	58,406
Lease payable	103,677	-	103,677
Notes payable	349,219	-	349,219
Deferred grant proceeds	901,088	-	901,088
Due in more than one year:			
Net OPEB Liability	218,512	-	218,512
Lease payable	223,244	-	223,244
Notes payable	998,673	-	998,673
Total Liabilities	3,337,793	222	3,338,015
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	1,571,818	-	1,571,818
Deferred inflows from OPEB	52,901	-	52,901
Advance property tax levy	7,721,007	-	7,721,007
Total Deferred Inflows of Resources	9,345,726	-	9,345,726
NET POSITION			
Net investment in capital assets	15,758,550	744,342	16,502,892
Restricted for:			
Debt service	58,661	-	58,661
Library:			
Nonexpendable	272,859	-	272,859
Hotel	181,033	-	181,033
Court	794,419	-	794,419
Public safety	10,675	-	10,675
Attorney	18,117	-	18,117
Revolving Loan	374,980	-	374,980
Commissary	62,702	-	62,702
Unrestricted	9,040,359	8,380	9,048,739
Total Net Position	\$ 26,572,355	\$ 752,722	\$ 27,325,077

The accompanying notes to the financial statements are an integral part of this financial statement.



**FRANKLIN COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Function/Program Activities	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
			Capital Grants and Contributions
Primary Government			
Governmental Activities:			
General Government	\$ 2,110,932	\$ 892,890	-
Public Safety	2,658,910	911,780	275,491
Public Works	3,709,740	499,263	-
Judicial	3,095,523	57,348	60,803
Parks and Recreation	136,683	3,483	-
Health and Public Welfare	211,461	-	30,490
Library	268,824	5,605	20,270
Interest on Long-Term Debt	37,977	-	-
Total governmental activities	12,230,050	2,370,369	387,054
Business-type Activities:			
Airport	27,615	7,903	-
Total business-type activities	27,615	7,903	-
Total primary government	12,257,665	2,378,272	387,054

General revenues:

Property taxes
Sales taxes
Other
Investment income
Miscellaneous
Transfers
Total general revenues
Change in net position
Net position - beginning
Net position - ending

The accompanying notes to the financial statements are an integral part of this financial statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business Activities	Total
\$ (1,218,042)	\$ -	\$ (1,218,042)
(1,435,389)	-	(1,435,389)
(1,999,700)	-	(1,999,700)
(2,958,873)	-	(2,958,873)
(133,200)	-	(133,200)
(180,971)	-	(180,971)
(242,949)	-	(242,949)
(37,977)	-	(37,977)
(8,207,101)	-	(8,207,101)
-	(19,712)	(19,712)
-	(19,712)	(19,712)
(8,207,101)	(19,712)	(8,226,813)
\$ 7,064,151	\$ -	\$ 7,064,151
718,064	-	718,064
119,797	-	119,797
722,951	-	722,951
369,484	-	369,484
-	-	-
8,994,447	-	8,994,447
787,346	(19,712)	767,634
25,785,009	772,434	26,557,443
\$ 26,572,355	\$ 752,722	\$ 27,325,077

The accompanying notes to the financial statements are an integral part of this financial statement.

FRANKLIN COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Road and Bridge Fund	County-wide Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,395,629	\$ 2,105,145	\$ 999,323	\$ 2,705,234	\$ 13,205,331
Investments	279,841	-	-	-	279,841
Receivables (net of allowances for uncollectible)	3,076,008	180,217	1,065,630	230,525	4,552,380
Inventory	-	-	-	9,226	9,226
Total assets	<u>10,751,478</u>	<u>2,285,362</u>	<u>2,064,953</u>	<u>2,944,985</u>	<u>18,046,778</u>
LIABILITIES					
Accounts payable	3,817	57,363	-	35,917	97,097
Deferred grant proceeds	178,959	-	-	722,129	901,088
Other liabilities	22,705	-	-	-	22,705
Total liabilities	<u>205,481</u>	<u>57,363</u>	<u>-</u>	<u>758,046</u>	<u>1,020,890</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	5,367,283	346,867	1,977,667	413,493	8,105,310
Total deferred inflows of resources	<u>5,367,283</u>	<u>346,867</u>	<u>1,977,667</u>	<u>413,493</u>	<u>8,105,310</u>
Fund Balances					
Nonspendable:					
Endowment	-	-	-	272,859	272,859
Restricted for:					
Hotel	-	-	-	181,033	181,033
Court	-	-	-	794,419	794,419
Debt Service	-	-	-	58,661	58,661
Public safety	-	-	-	10,675	10,675
Attorney	-	-	-	18,117	18,117
Revolving Loan	-	-	-	374,980	374,980
Commissary	-	-	-	62,702	62,702
Assigned for:					
Road & bridge	-	1,881,132	87,286	-	1,968,418
Unassigned	5,178,714	-	-	-	5,178,714
Total fund balances	<u>5,178,714</u>	<u>1,881,132</u>	<u>87,286</u>	<u>1,773,446</u>	<u>8,920,578</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,751,478</u>	<u>\$ 2,285,362</u>	<u>\$ 2,064,953</u>	<u>\$ 2,944,985</u>	<u>\$ 18,046,778</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

**FRANKLIN COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024**

Total fund balances - governmental funds balance sheet	\$ 8,920,578
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	17,433,363
Some expenses, including compensated absences, reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds balance sheet.	(58,405)
Long-term liabilities, including bonds payable, notes payable, capital leases payable, and net pension liability (net of deferred outflows/inflows) are not due and payable in the current period, therefore, they are not reported in the in the governmental funds balance sheet.	(107,482)
Some of the County's revenues, including fines and property taxes, will be collected after year-end, but are not available soon enough to pay current year's expenditures; therefore, they are deferred in the governmental funds balance sheet.	384,301
Net position of governmental activities - statement of net position	<u>\$ 26,572,355</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

FRANKLIN COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Road and Bridge Fund	County-wide Road and Bridge Fund	Nonmajor Governmental Funds	Total
REVENUES					
Property taxes	\$ 4,756,833	\$ 300,760	\$ 1,739,235	\$ 252,268	\$ 7,049,096
Sales tax collected	718,064	-	-	-	718,064
Hotel	-	-	-	87,843	87,843
Beverage	31,954	-	-	-	31,954
Charge for services	601,232	126,307	296,313	115,501	1,139,353
Fines and forfeitures	175,726	-	-	242,031	417,757
Licenses and permits	118,983	-	-	2,077	121,060
Donations	28,120	-	-	-	28,120
Intergovernmental	634,504	14,062	-	-	648,566
Grant revenue	1,277,639	-	-	327,871	1,605,510
Investment income	500,174	107,329	24,207	91,241	722,951
Miscellaneous	64,720	297,857	-	-	362,577
Total Revenues	8,907,949	846,315	2,059,755	1,118,832	12,932,851
EXPENDITURES					
Current:					
General government	3,162,566	-	-	241,359	3,403,925
Health and public welfare	211,461	-	-	-	211,461
Public safety	2,009,467	-	-	355,579	2,365,046
Judicial	2,597,729	-	-	210,086	2,807,815
Parks and recreation	41,070	-	-	95,613	136,683
Public works	-	2,282,516	1,403	-	2,283,919
Library	268,824	-	-	-	268,824
Debt Service:					-
Principal retirement	-	95,756	-	207,077	302,833
Interest and fiscal agent fees	-	5,619	-	32,358	37,977
Capital Outlays:					-
General government	344,859	-	-	-	344,859
Judicial	24,520	-	-	-	24,520
Public works	-	1,207,993	-	-	1,207,993
Public safety	230,967	-	-	-	230,967
Total Expenditures	8,891,463	3,591,884	1,403	1,142,072	13,626,822
Excess (deficiency) of revenues over (under) expenditures	16,486	(2,745,569)	2,058,352	(23,240)	(693,971)
Other Revenues and Financing Sources (uses)					
Debt proceeds	326,921	582,645	-	-	909,566
Sale of assets	2,791	66,698	-	-	69,489
Transfers	(309,883)	2,476,727	(2,154,044)	(12,800)	-
Total Other Financing Sources (uses)	19,829	3,126,070	(2,154,044)	(12,800)	979,055
Net Change in Fund Balance	36,315	380,501	(95,692)	(36,040)	285,084
Fund Balances, January 1	5,142,399	1,500,631	182,978	1,809,486	8,635,494
Fund Balances, December 31	\$ 5,178,714	\$ 1,881,132	\$ 87,286	\$ 1,773,446	\$ 8,920,578

The accompanying notes to the financial statements are an integral part of this financial statement.

**FRANKLIN COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Net change in fund balances - statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 285,084
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays in the current period exceeding depreciation expense.	1,808,339
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(1,346,609)
The issuance of long-term debt, including bonds payable, notes payable, capital leases payable, provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount reflects the amount by which principal payments were made through governmental funds during the year.	(909,566)
Governmental funds report all payments to pension benefits as expenditures. However, in the government-wide statement of activities, the pension expense is actuarially determined. This amount is the total of the net change in pension liability during the year.	632,209
Current year long-term debt principal payments on notes payable are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	302,833
Revenues in the statement of activities, including fines and property taxes, that do not provide current financial resources, are not reported as revenues in the governmental funds.	15,056
Change in net position - statement of activities	<u>\$ 787,346</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

FRANKLIN COUNTY, TEXAS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2024

	<u>Airport</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 8,602
Total Current Assets	<u>8,602</u>
Noncurrent Assets:	
Capital Assets	
Land	394,372
Buildings	842,339
Less: accumulated depreciation	<u>(492,369)</u>
Total capital assets, net of accumulated depreciation	<u>744,342</u>
Total Assets	<u>752,944</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	<u>222</u>
Total Liabilities	<u>222</u>
NET POSITION	
Net investment in capital assets	744,342
Unrestricted	8,380
Total Net Position	<u>\$ 752,722</u>
Total Liabilities and Net Position	<u>\$ 752,944</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

**FRANKLIN COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Airport</u>
OPERATING REVENUES:	
Charges for sales and services	7,903
Total operating revenues	<u>7,903</u>
OPERATING EXPENSES:	
Operating expenses	10,623
Depreciation	16,991
Total operating expenses	<u>27,614</u>
Operating income (loss)	<u>(19,711)</u>
Transfers	<u>-</u>
Changes in net position	(19,711)
Net position, January 1	772,433
Net position, December 31	<u><u>\$ 752,722</u></u>

The accompanying notes to the financial statements are an integral part of this financial statement.

FRANKLIN COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Airport</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 7,903
Cash paid for goods and services	(10,399)
Net cash provided by (used in) operating activities	<u>(2,496)</u>
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES	
Transfers from other funds	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Net cash provided by (used in) capital & related financing activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash provided by (used in) investing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(2,496)
Cash and cash equivalents, October 1	11,098
Cash and cash equivalents, September 30	<u>\$ 8,602</u>
Reconciliation of operating income to net cash provided by operation activities:	
Operating income (loss)	<u>\$ (19,711)</u>
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	16,991
Increase (decrease) in liabilities:	
Accounts payable	224
Total adjustments	<u>17,215</u>
Net cash provided by (used in) operating activities	<u>\$ (2,496)</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

**FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Franklin County, Texas ("County") reports in accordance with accounting principles generally accepted in the United States of America ("GAAP") as established by the Governmental Accounting Standards Board ("GASB") and the Financial Accounting Standards Board ("FASB"), when applicable. The accounting and reporting framework, significant accounting principles and practices are discussed in subsequent sections of these notes. The remainder of the notes are organized to provide concise explanations, including required disclosures of budgetary matters, assets, liabilities, fund equity, revenues, expenditures/expenses, and other information considered important to gaining a clear picture of the County's financial activities for the year ended December 31, 2024.

Reporting Entity

The County is a public corporation and a political subdivision of the State of Texas. A Commissioners' Court, composed of four (4) elected County Commissioners and one (1) elected County Judge, governs the County. The County provides a vast number of services, including public safety, administration of justice, health and human services, culture and recreation, public improvements, and general administration.

Under GASB Statement No. 14, component units are organizations for which the County is financially accountable and all other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the County appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County. The County may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the County. The financial statements of component units may be discretely presented in a separate column from the primary government, or blended with the financial statements of the primary government. GASB Statement No. 39 added clarification to GASB 34 by including entities which meet all three of the following requirements:

1. The economic resources received or held by the separate organization are entirely for the direct benefit of the primary government, its component units, or its constituents;
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the separate organization;
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to other access, are significant to the primary government.

In addition, GASB Statement No. 61 considers an organization that does not meet the financial accountability criteria may be included as a component unit if management's professional judgement determines it to be necessary or misleading if omitted. This evaluation includes consideration of whether a financial benefit or burden exists in the relationship between the entities. Management has identified one organization that fit this criteria, Franklin County Economic Development Board.

Basis of Presentation, Basis of Accounting

The basic financial statements are prepared in conformity with GASB Statement No. 34 which requires that the government-wide financial statements to be prepared using the accrual basis of accounting, and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the County's governmental activities and business-type activities on the Statement of Net Position and Statement of Activities. Significantly, the County's Statement of Net Position includes both noncurrent assets and noncurrent liabilities. In addition, the government-wide Statement of Activities reflects depreciation expense on the County's capital assets, including infrastructure.

In addition to the government-wide financial statements, the County has prepared fund financial statements, which use the modified accrual basis of accounting, and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

Management's Discussion and Analysis includes an analytical overview of the County's financial activities. In addition, a comparison schedule is presented that compares the original adopted and final amended General Fund budget with actual results.

The basic financial statements include both government-wide, (based on the County as a whole), 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 activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

**FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024**

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (General Government, Public Works, etc.) or programs are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, or c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are also reported as general revenues rather than as program services.

The net cost (by function) is normally covered by general revenue (property and sales taxes and interest income).

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds, and major individual proprietary funds are reported as separate columns within the funds financial statements. The major governmental funds are the General Fund, Road and Bridge Funds (1-4), and County-Wide Road and Bridge Fund. GASB Statement No. 34 sets forth the minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses or either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. A combining statement is presented after the notes with detail information for each fund.

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. The principle operating revenues of the Airport Fund is lease revenue. Operating expenses for proprietary funds includes the costs of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the definition are reported as nonoperating revenues and expenses.

The government-wide focus is more on the sustainability of the County as an entity, and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on major individual funds of the governmental and proprietary categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts, and reported within the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position, and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter, to pay liabilities of the current period. For this purpose, the government considers revenues to be available when they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due.

Ad valorem, sales tax revenues, and other taxes recorded in the General Fund, Road and Bridge Funds, and County-wide Road and Bridge Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. Intergovernmental grant revenues are recognized when all eligibility requirements have been met.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024

Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources, and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is a description of the County's major governmental funds:

The **General Fund** is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund. All general tax revenues, and other receipts that are not restricted by law or contractual agreement to some other fund, are accounted for in this fund. General operating expenditures, fixed charges, and capital improvements costs, that are not paid through other funds, are paid from this fund.

The **Road & Bridge Funds** are used to account for the revenues restricted for the funding of road repairs and improvements and all expenditures related to the County roads. These funds are broken into two categories; the Road and Bridge Funds 1 - 4 which account for the individual road and bridge accounts of each commissioner and the County-wide Road and Bridge Fund which encompasses the activity for the entire County.

Proprietary funds are accounted for on a flow of economic resources measurement focus. Within the economic measurement focus all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. Proprietary fund-type operating statements present increases, (e.g., revenues), and decreases, (e.g., expenses), in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and providing and delivering goods in connection with a proprietary fund's principle ongoing operations. The following is a description of the proprietary fund:

The **Airport Fund** accounts for the operation of the Airport. Activities of the fund include the administration, operation and maintenance of the airport infrastructure. This fund also accounts for airport projects while under construction.

Additionally, the County reports the following fund type:

The **Fiduciary Fund** financial statements include fiduciary funds, which are classified as agency funds used to account for assets held by an agent for individuals, other governments, and other funds. Agency funds do not involve a formal trust agreement. Agency Funds (assets equal liabilities) do not involve measurement of results of operations.

Financial Statement Amounts

Cash, Cash Equivalents, and Investments

Cash of several funds are pooled into a common interest-bearing bank account in order to maximize investment opportunities. Each fund with money deposited in the pooled cash has equity therein, and interest on these funds are allocated based upon relative equity at month-end.

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with GASB Statement No. 72, Fair Value Measurement and Application, investments are recorded at fair value. In accordance with GASB No. 72, the County categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the 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; Level 3 inputs are significant unobservable inputs. A detail of the fair value hierarchy of investments held by the County are disclosed in Note C of the financial statements.

Receivable and Payables

Property taxes are levied prior to September 30 based on taxable values as of January 1 and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected in the government-wide financial statements based on the full accrual method of accounting. Property tax receivables for the current year's levy are shown net of an allowance for uncollectable accounts.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenue at the time eligibility requirements have been met and reimbursable costs incurred.

Reimbursements for services performed are recorded as receivables and revenues when they become eligible for accrual in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts.

FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024

Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund financial statements.

Lending or borrowing between funds is reflected as a "due to" or "due from". Interfund activity reflected in "due to" or "due from" is eliminated on the government-wide financial statements.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfer" line on the government-wide Statement of Activities.

Inventories and Prepaid Items

Inventory is valued at the lower of cost or market price. Reported inventories are offset by a restriction of fund balance, which indicates that they do not constitute "available resources" even though they are a component of current fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law, through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as they are needed.

Capital Assets

Capital assets, which includes land, buildings, equipment, and improvements, purchased or acquired, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. The County defines capital assets as assets with an initial individual cost of more than \$5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if historical cost is not available. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements, and other capital outlays, that significantly extend the useful life of an asset, are capitalized. Other costs incurred for repairs and maintenance are expensed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no capitalized interest for this fiscal year.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Buildings and improvements	5-50 years
Machinery & equipment	5-10 years
Infrastructure	40-50 years

Deferred outflows/inflows of resources

In addition to assets, the Statement of Financial Position reports a separate section for deferred outflows of resources. The 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 (expenses/expenditures) until then. The County has one type of deferred outflow, deferred outflows related to pensions, which arise only under the accrual basis of accounting. It is reported only in the government-wide Statement of Net Position. This amount is deferred and amortized over the actuarial determined recognition period.

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 County has three types of deferred inflows. Unavailable revenue, which only arises on a modified accrual basis of accounting, is comprised of property taxes and revenue from fines and is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Advance property tax levy, in the government-wide Statement of Net Position and the governmental funds balance sheet, represents property taxes levied before the period for which they are available for spending. Advances from grants represents funds on hand in which the eligibility requirements have been met; however, the funds have not yet been expended. Finally, deferred inflows related to pensions, which arise only under the accrual basis of accounting. It is reported only in the government-wide Statement of Net Position. This amount is deferred and amortized over the actuarial determined recognition period.

**FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024**

Long-term Obligations

In the government-wide financial statements, and proprietary fund types within the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities' Statement of Net Position. The long-term debts consists primarily of notes payable, pension liability, and compensated absences.

Long-term debt for governmental funds is not reported as a liability in the financial statements until due. The debt proceeds are reported as other financing sources, net of applicable premiums or discounts, and payments of principal and interest are reported as expenditures. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of the net minimum lease payments at inception of the lease. In the governmental fund financial statements, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the year of acquisition. Lease payments representing both principal and interest recorded as expenditures in the fund financial statements with an approximate reduction of principal recorded in the government-wide financial statements.

Compensated absences

A liability for unused paid time off accruals and compensatory time for full-time employees is calculated and reported in the government-wide financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences; a) leave or compensation is attributable to services already rendered, and b) leave or compensation is not contingent on a specific event (such as illness). These accrued liabilities are typically paid by the General Fund for the governmental fund-type.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of net capital assets reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable fund balance** - includes the portion of net resources that cannot be spent because of its form (i.e., inventory, long-term loans, or prepaids), or because they must remain intact.
- **Restricted fund balance** - includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers, or as allowed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** - represents amounts that can only be used for specific purposes imposed by an order, which is the formal action of the County's highest level of decision making authority, the Commissioners' Court. Committed resources cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by the same type of action previously used to commit the amounts.
- **Assigned fund balance** - represents amounts the County intends to use for specific purposes but not meeting the criteria to be reported as committed or restricted. The governing body or the County Auditor has the authority to assign fund balance.
- **Unassigned fund balance** - represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications.

The purpose of the County's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unprecedented one-time expenditures.

It is the long-term goal of the County to maintain a minimum fund balance in the General Fund (total of committed, assigned and unassigned fund balance) equal to three months of the annual operating expenditures. The County is currently in compliance with this policy.

Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed.

**FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024**

Property Taxes

The County bills and collects its own property taxes and those for the Franklin County Water District, Mount Vernon ISD, Saltillo ISD, Sulphur Bluff ISD, County of Winnsboro, and Winnsboro ISD. The County is the only entity controlled by the Commissioners' Court; the County acts as an intermediary in the collection and distribution of property taxes to the other entities.

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the County. Assessed value represents the appraised value less applicable exemptions authorized by the Commissioners' Court. The Appraisal Board of Review establishes appraised values at 100% for estimated market value. A tax lien attaches to the property on February 1 each year, to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property, whether or not the taxes are imposed in the year the lien attached.

Taxes are due October 1, immediately following the levy date, and are delinquent after the following January 31st. Delinquent property taxes estimated to be collectable within 60 days following the close of the fiscal year have been recognized as revenue at the fund level.

The County's 2023 property tax rate for the Franklin County FY 2024 calendar budget year is \$0.38336.

Use of Estimates

Preparing the County's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The County prepares its appropriated budget on a basis consistent with generally accepted accounting principles using the organization perspective, that is, the budget follows the formal, usually statutory, patterns of authority and responsibility granted to actually carry out the functions of the government. For example, the County Judge's office has a separate budget from the County Sheriff's office, although various offices may be subsidized from revenues generated by maintenance and operation ad valorem taxes.

The County Auditor and the County Judge prepare an estimated budget based on recommendations and requests submitted by each department head. This estimated budget is presented to the Commissioners, who then begin the process of reallocating specific items that, in their opinion, need to be modified. The proposed budget is filed for public inspection with the County Clerk. Public hearings are then held, if required, and the budget is adjusted, if necessary, and approved in final form by the Commissioners' court. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Revisions to the Budget are made throughout the year.

Deficit Fund Balance or Fund Net Position

There were no funds in a deficit fund balance position on December 31, 2024.

C. DEPOSITS AND INVESTMENTS

Cash and investments, as of December 31, 2024, consist of and are classified in the accompanying financial statements as follows:

Cash and equivalents	\$ 9,781,995
Restricted cash and equivalents:	
Debt service	241,629
Special revenue purposes	3,198,523
Fiduciary and Endowment	636,798
Total cash and investments	<u>\$13,858,945</u>

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have fair value of not less than the principal amount of deposits. As of December 31, 2023, the County's deposits were covered by Federal Depository Insurance or by collateral held by a third party custodian.

Concentration Risk

Concentration risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. It is the County's policy to diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of investments.

FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024

Interest-Rate Risk

Interest rate risk is the risk that exchange rates will adversely affect the fair value of an investment or a deposit. The County is not exposed foreign currency risk.

D. RECEIVABLES

Receivables, as of year end, for the County's individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Road & Bridge Funds	County-wide Road & Bridge Fund	Non-major Governmental Funds	Total
Receivables:					
Taxes	\$ 3,222,897	\$ 200,688	\$ 1,162,845	\$ 238,973	\$ 4,825,403
Fees and Charges	842,211	-	-	-	842,211
Gross Receivables	4,065,108	200,688	1,162,845	238,973	5,667,614
Less: allowance for uncollectible	(989,100)	(20,472)	(97,214)	(8,448)	(1,115,234)
Net Total Receivables	<u>\$ 3,076,008</u>	<u>\$ 180,216</u>	<u>\$ 1,065,631</u>	<u>\$ 230,525</u>	<u>\$ 4,552,380</u>

D. CAPITAL ASSETS

Capital asset activity for the period ended December 31, 2024 was as follows:

	Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 1,130,291	\$ -	\$ -	\$ -	\$ 1,130,291
Construction in Progress	-	1,233,091	-	-	1,233,091
Total capital assets, not being depreciate	1,130,291	1,233,091	-	-	2,363,382
Capital assets, being depreciated:					
Buildings & Improvements	11,947,030	5,423,744	6,791	-	17,377,565
Machinery & Equipment	9,820,373	(924,633)	1,801,548	-	10,697,288
Infrastructure	10,218,886	(2,163,588)	-	-	8,055,298
Total capital assets being depreciated	31,986,289	2,335,523	1,808,339	-	36,130,151
Less accumulated depreciation for:					
Buildings & Improvements	(4,321,377)	(4,675,449)	(614,562)	-	(9,611,388)
Machinery & Equipment	(5,796,355)	1,203,060	(313,762)	-	(4,907,057)
Infrastructure	(6,027,216)	(96,225)	(418,285)	-	(6,541,726)
Total accumulated depreciation	(16,144,948)	(3,568,614)	(1,346,609)	-	(21,060,171)
Governmental activities capital assets	\$ 16,971,632	\$ -	\$ 461,730	\$ -	\$ 17,433,362

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 394,372	\$ -	\$ -	\$ 394,372
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	394,372	-	-	394,372
Capital assets, being depreciated:				
Buildings	842,337	-	-	842,337
Total capital assets being depreciated	842,337	-	-	842,337
Less accumulated depreciation for:				
Buildings	(475,376)	(16,991)	-	(492,367)
Total accumulated depreciation	(475,376)	(16,991)	-	(492,367)
Total capital assets, being depreciated, net	366,961	(16,991)	-	349,970
Business-type activities capital assets, net	\$ 761,333	\$ (16,991)	\$ -	\$ 744,342

FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024

Depreciation expense was charged to functions of the County as follows:

Governmental activities:	
General government	\$ 178,213
Judicial	287,708
Parks and recreation	-
Public safety	421,426
Public works	459,262
Total depreciation expense - governmental activities	<u>\$ 1,346,609</u>
Business-type activities:	
Airport	\$ 16,991
Total depreciation expense - business-type activities	<u>\$ 16,991</u>

E. LONG-TERM DEBT

A summary of long-term debt transactions, including the current portion, for the year ended December 31, 2024, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Limited tax notes	\$ 1,068,080	\$ 582,645	\$ (302,833)	\$ 1,347,892	\$ 349,219
Capital leases	-	326,921	-	326,921	103,677
Total governmental activities	<u>\$ 1,068,080</u>	<u>\$ 909,566</u>	<u>\$ (302,833)</u>	<u>\$ 1,674,813</u>	<u>\$ 452,896</u>

Limited Tax Notes

The County issued a tax financing agreement for \$272,000 to provide for the acquisition of major capital equipment for the Road & Bridge department. The County issued this agreements through Alliance Bank on April 6, 2020 in the amount of \$272,000. The interest rate is 2.35%, and the agreement matures on January 24, 2024.

The County issued a tax financing agreement for \$800,000 to provide for the acquisition of major capital equipment for the Road & Bridge department. The County issued this agreements through Alliance Bank on April 6, 2020 in the amount of \$800,000. The interest rate is 2.35%, and the agreement matures on March 15, 2027.

The County issued a tax financing agreement for \$76,838 to provide for the acquisition of major capital equipment for the Road & Bridge. The County issued this agreement through Alliance Bank on July 23, 2023. The interest rate is 5.25%, and the agreement matures on July 25, 2026.

The County issued a tax financing agreement for \$461,955 to provide for the acquisition of major capital equipment for the Road & Bridge. The County issued this agreement through Alliance Bank on September 12, 2023. The interest rate is 5.25%, and the agreement matures September 12, 2028.

The County issued a tax financing agreement for \$582,641 to provide for the acquisition of major capital equipment for the Road and Bridge. The County issued this agreement through Alliance Bank on July 29, 2024. The interest rate is 5.550%, and the agreement matures on January 15, 2029.

Capital Leases:

The County issued a capital lease agreement for \$160,047 to provide for the acquisition of three public safety vehicles. The County issued this agreement through GM Financial on September 11, 2024. The interest rate is 5.790%, and the agreement matures September 12, 2027.

The County issued a capital lease agreement for \$166,874 to provide for the acquisition of three public safety vehicles. The County issued this agreement through Motorola Solutions in 2024. The interest rate is 3.0%, and the agreement matures fiscal year 2027.

Annual debt service requirements to maturity for limited tax notes are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2025	452,896	70,944
2026	458,090	51,969
2027	437,979	31,431
2028	209,320	14,654
2029	116,528	3,234
	<u>\$ 1,674,813</u>	<u>\$ 172,232</u>

FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024

F. PENSION PLAN

The County provides retirement, disability, and survivor benefits for all its regular full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer retirement system. TCDRS issues a annual comprehensive financial report ("ACFR") on a calendar year basis. The ACFR is available on their website at www.TCDRS.org.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plan are pooled for investment purposes but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the plan be constructed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All full-time and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

TCDRS does not receive funding from the State of Texas. Each plan is funded by employers, members, and investment earnings. TCDRS is administered by a nine-person board of trustees appointed by the governor and confirmed by the Texas Senate. The board appoints a director, who is responsible for the day-to-day operations, and a chief investment officer, who oversees investment operations.

Benefits Provided

TCDRS provides retirement, disability, and survivor benefits. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

At retirement, retirees elect to receive their monthly lifetime benefit by choosing from one of the seven payment options. Employers may allow partial lump-sum payments. This allows for the retiring member to receive an immediate lump-sum payment not to exceed their account balance, and choose a reduced lifetime benefit from the payment options.

Plan provisions for the County were as follows:

	Plan Year
	2023
Employee deposit rate	7%
Employer contribution rate	12%
Years required for vesting	8 years
Rule of age for retirement	75 years
Service years for retirement of any age	30 years
Partial lump-sum payment option	No

Plan Membership

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Current Inactive Members	95
Current Retirees and Beneficiaries	63
Active employees	85
Total	<u>243</u>

Contributions

The contribution rates for employees in TCDRS is 4%, 5%, 6%, or 7% of employee's gross earnings, and the County is required by law, to contribute at actuarially determined rates that are determined annually. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024

Actuarial Assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

TCDRS system-wide economic assumptions:	
Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%
Employer-specific economic assumptions:	
Growth in membership	0.0%
Payroll growth for funding calculations	3.00%

The County has no automatic cost of living adjustment ("COLA") and one is not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the following valuation.

The annual salary increase rates for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee. Salary increases were based on a service-related table.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	135% of PUB-2010 General Employees Amount-Weighted Mortality Table for and 120% PUB-2010 General Employees Amount-Weighted Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of PUB-2010 General Employees Amount-Weighted Mortality Table for and 120% PUB-2010 General Employees Amount-Weighted Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of PUB-2010 General Employees Amount-Weighted Mortality Table for and 125% PUB-2010 General Employees Amount-Weighted Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.

The actuarial cost method was Entry Age Normal, as required by GASB 68. The amortization method was a level percentage of payroll, closed.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation of expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 10 year time horizon.

The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term horizon; the most recent analysis was performed in 2021. The following target asset allocation was adopted by the TCDRS board in March 2021. The assumption for the long-term expected return is reviewed annually for continued compliance with the actuarial standards of practice. Milliman relies on the experience of Cliffwater in this assessment.

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected Minus Inflation)
US Equities	11.50%	4.75%
Private Equity	25.00%	7.95%
Global Equities	2.50%	4.75%
International Equities-Developed	5.00%	4.75%
International Equities-Emerging	6.00%	4.75%
Investment-Grade Bonds	3.00%	2.35%
Strategic Credit	9.00%	3.65%
Direct Lending	16.00%	7.25%
Distressed Debt	4.00%	6.90%
REIT Equities	2.00%	4.10%
Master Limited Partnerships	2.00%	5.20%
Private Real Estate Partnerships	6.00%	5.70%
Hedge Funds	6.00%	3.25%
Cash Equivalents	2.00%	0.60%
Total	100.00%	

FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. This rate reflected the long-term rate of return funding valuation assumption of 7.50% plus 0.10% adjustment to be gross of administrative expense as required by GASB 68.

The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the rate of 7.60%, as well as what the County's net position liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease in Discount Rate 6.60%	Discount Rate 7.60%	1% Increase in Discount Rate 8.60%
Total pension liability	\$ 18,908,745	\$ 16,711,839	\$ 14,877,892
Fiduciary net position	18,140,891	18,140,891	18,140,891
Net pension liability/(asset)	<u>\$ 767,854</u>	<u>\$ (1,429,052)</u>	<u>\$ (3,262,999)</u>

Change in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/22	\$16,143,849	\$ 16,611,274	\$ (467,425)
Changes for the year:			
Service cost	525,346	-	525,346
Interest on total pension liability	1,233,637	-	1,233,637
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(269,311)	-	(269,311)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(88,107)	(88,107)	-
Benefit payments	(863,575)	(863,575)	-
Administrative expenses	-	(9,473)	9,473
Member contributions	-	248,720	(248,720)
Net investment income	-	1,822,860	(1,822,860)
Employer contributions	-	426,375	(426,375)
Other	-	(7,183)	7,183
Net Changes	<u>537,990</u>	<u>1,529,617</u>	<u>(991,627)</u>
Balance at 12/31/23	<u>\$16,681,839</u>	<u>\$ 18,140,891</u>	<u>\$ (1,459,052)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TCDRS financial report. This report be obtained on the TCDRS website at www.TCDRS.org.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the County recognized pension expense of (\$123,822).

At December 31, 2024, the County reported deferred outflows and inflows related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ -	\$ 214,361
Changes in actuarial assumptions	-	-
Differences between projected and actual investment earnings	68,313	-
Contributions subsequent to the measurement date of December 31, 2023	<u>509,861</u>	
Total	<u>\$ 578,174</u>	<u>\$ 214,361</u>

FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024

County contributions subsequent to the measurement date of \$509,861 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflow of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2024	(193,593)
2025	(131,848)
2026	293,663
2027	(114,270)
2028	-
Thereafter	-
Total	<u>\$ (146,048)</u>

Group Term Life Insurance

The County participates in a cost-sharing multiple-employer defined benefit group-term life insurance plan operated by the TCDRS. This plan is referred to as the Group Term Life Fund ("GTLF"). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The County has elected to cover eligible retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits ("OPEB"). Retired employees are insured for \$5,000.

Group-term Life Insurance

Depositing members	135% of PUB-2010 General Employees Amount-Weighted Mortality Table for and 120% PUB-2010 General Employees Amount-Weighted Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of PUB-2010 General Employees Amount-Weighted Mortality Table for and 120% PUB-2010 General Employees Amount-Weighted Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of PUB-2010 General Employees Amount-Weighted Mortality Table for and 125% PUB-2010 General Employees Amount-Weighted Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.

Membership

Number of:	<u>12/31/2021</u>
-Inactive members	23
-Current retirees	41
-Active employees	85

Changes in the Total OPEB Liability:

Total OPEB Liability - beginning of year	\$ 192,526
Changes for the year:	
Service costs	6,208
Interest on Total OPEB Liability	7,268
Changes in benefit terms	-
Effect of economic/demographic experience	3,975
Effect of assumptions changes or inputs	15,286
Benefit payments	(6,751)
Total OPEB Liability - end of year	<u>\$ 218,512</u>

FRANKLIN COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 30, 2024

The following presents the Total OPEB Liability of Franklin County, Texas, as well as what the County's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26%) than the current discount rate. Note that the healthcare cost trend does not affect the Total OPEB Liability, so sensitivity to the health cost trend rate is not shown.

	1% Decrease (2.26%)	Current Discount (3.26)	1% Increase (4.26%)
Total OPEB Liability	\$ 258,874	\$ 218,512	\$ 187,398

Deferred (Inflows)/Outflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,553	\$ 11,379
Changes in assumptions and other inputs	30,002	41,522
Contributions made subsequent to measurement date	12,324	-
Total	\$ 45,879	\$ 52,901

Amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2024	\$ (915)
2025	(6,905)
2026	(7,367)
2027	(7,365)
2028	3,206
Thereafter	-
Total	\$ (19,346)

The Group Term Life (GTL) program is a separate trust administered by the TCDRS board of trustees. Each participating employer contributes to the plan based on a contractually required rate. An annual actuarial valuation is performed and the contractual rate is annually on an actuarial method and is equal to the cost of providing a one-year death benefit equal to \$5,000.

I. HEALTH CARE COVERAGE

During the year ended December 31, 2024, employees of the County were covered by a health plan with Blue Cross Blue Shield. The pays all of the employees' insurance premium which is approximately \$1,000 per month per employee. Employees, at their option, withholding to pay contributions for dependents. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

J. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County had general liability coverage at a cost that is considered to be economically justifiable. were no significant reductions in commercial insurance coverage in the past year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

K. LITIGATION

The County is a party to various legal proceedings arising in the ordinary course of its operations. Management believes that the County has adequate legal defenses and/or insurance coverage respecting each of these actions.

L. SUBSEQUENT EVENTS

The County has evaluated all events and transactions that occurred after December 31, 2024 up through June 22, 2025 the date the financial statements were available to be issued. During this time, management is not aware of any events requiring financial statement disclosure other than those mentioned within the report.

COMPLIANCE SECTION

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Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement

Honorable Judge and Commissioners
Franklin County, Texas
200 North Kaufman Street
Mount Vernon, Texas 75457

I have examined Franklin County, Texas' compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles as described in Part IV "Requirements for an Alternative Compliance Examination for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2023 OMB Compliance Supplement (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended December 31, 2024. Management of Franklin County, Texas is responsible for Franklin County, Texas' compliance with the specified requirements. My responsibility is to express an opinion on Franklin County, Texas' compliance with the specified requirements based on my examination.

My examination was conducted in accordance with attestation standards by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that I plan and perform the examination to obtain reasonable assurance about whether Franklin County, Texas complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Franklin County, Texas complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on my judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. I believe that the evidence I obtained is sufficient and appropriate to provide a reasonable basis for my opinion.

I am required to be independent and meet my other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

My examination does not provide a legal determination on Franklin County, Texas' compliance with specified requirements.

In my opinion, Franklin County, Texas complied, in all respects, with the specified requirements referenced above during the year ended December 31, 2024.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I am required to report all deficiencies that are considered

to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on Franklin County, Texas' compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. I am also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. I performed my examination to express an opinion on Franklin County, Texas' compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, I express no such opinions, The result of my tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether Franklin County, Texas complied, in all material respects with the specified requirements referenced above during the year ended December 31, 2024. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas
June 22, 2025



REQUIRED SUPPLEMENTARY INFORMATION

FRANKLIN COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS-TCDRS

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability										
Service cost	\$ 525,346	\$ 440,009	\$ 434,587	\$ 394,189	\$ 385,047	\$ 371,643	\$ 378,768	\$ 402,584	\$ 348,731	\$ 316,773
Interest (on the Total Pension Liability)	1,233,637	1,171,102	1,147,784	1,100,995	1,049,360	1,003,272	956,292	869,522	816,438	757,571
Changes of benefit terms	-	-	-	-	-	-	-	-	(61,617)	-
Difference between expected and actual experience	(269,311)	(24,758)	(492,131)	(108,949)	(77,325)	(143,065)	(165,682)	202,724	(48,288)	76,095
Change of assumptions	-	-	(36,175)	839,034	-	-	63,015	-	117,919	-
Benefit payments, including refunds of employee contributions	(951,682)	(749,739)	(755,484)	(755,206)	(703,323)	(650,232)	(640,503)	(531,601)	(502,212)	(433,060)
Net Change in Total Pension Liability	537,990	836,614	298,581	1,470,063	653,759	581,618	591,890	943,229	670,971	717,379
Total Pension Liability - Beginning	16,173,849	15,337,235	15,038,654	13,568,591	12,914,832	12,333,214	11,741,324	10,798,095	10,127,124	9,409,745
Total Pension Liability - Ending	<u>\$ 16,711,839</u>	<u>\$ 16,173,849</u>	<u>\$ 15,337,235</u>	<u>\$ 15,038,654</u>	<u>\$ 13,568,591</u>	<u>\$ 12,914,832</u>	<u>\$ 12,333,214</u>	<u>\$ 11,741,324</u>	<u>\$ 10,798,095</u>	<u>\$ 10,127,124</u>
Plan Fiduciary Net Position										
Contribution - employer	\$ 426,375	\$ 437,239	\$ 363,287	\$ 358,968	\$ 352,209	\$ 334,871	\$ 319,051	\$ 329,388	\$ 312,037	\$ 298,937
Contribution - employee	248,720	255,057	211,919	209,399	205,458	195,342	186,113	212,144	182,022	174,379
Net investment income	1,822,860	(1,032,979)	3,205,894	1,394,001	1,926,454	(226,545)	1,556,338	725,889	(56,271)	633,076
Benefit payments, including refunds of employee contributions	(951,682)	(749,739)	(755,484)	(755,206)	(703,323)	(650,232)	(640,503)	(531,601)	(502,212)	(433,060)
Administrative expense	(9,473)	(9,735)	(9,578)	(10,749)	(10,286)	(9,422)	(8,039)	(7,887)	(7,071)	(7,344)
Other	(7,183)	6,709	(1,063)	(4,174)	(3,042)	(2,360)	(1,890)	139,697	32,088	(38,394)
Net Change in Plan Fiduciary Net Position	1,529,617	(1,093,448)	3,014,975	1,192,239	1,767,470	(358,346)	1,411,070	867,630	(39,407)	627,594
Plan Fiduciary Net Position - Beginning	16,611,274	17,704,722	14,689,747	13,497,508	11,730,038	12,088,384	10,677,314	9,809,684	9,849,091	9,221,497
Plan Fiduciary Net Position - Ending	<u>\$ 18,140,891</u>	<u>\$ 16,611,274</u>	<u>\$ 17,704,722</u>	<u>\$ 14,689,747</u>	<u>\$ 13,497,508</u>	<u>\$ 11,730,038</u>	<u>\$ 12,088,384</u>	<u>\$ 10,677,314</u>	<u>\$ 9,809,684</u>	<u>\$ 9,849,091</u>
Net Pension Liability - Ending	<u>\$ (1,429,052)</u>	<u>\$ (437,425)</u>	<u>\$ (2,367,487)</u>	<u>\$ 348,907</u>	<u>\$ 71,083</u>	<u>\$ 1,184,794</u>	<u>\$ 244,830</u>	<u>\$ 1,064,010</u>	<u>\$ 988,411</u>	<u>\$ 278,033</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	108.55%	102.70%	115.44%	97.68%	99.48%	90.83%	98.01%	90.94%	90.85%	97.25%
Covered employee payroll	\$ 3,553,142	\$ 3,643,675	\$ 3,027,408	\$ 2,991,412	\$ 2,935,109	\$ 2,790,596	\$ 2,658,758	\$ 2,744,908	\$ 2,600,316	\$ 2,491,125
Net Pension Liability as a percentage of covered employee payroll	-40.22%	-12.01%	-78.20%	11.66%	2.42%	42.46%	9.21%	38.76%	38.01%	11.16%

Note: Years will be added until there are 10 years of comparison

**FRANKLIN COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

**SCHEDULE OF CONTRIBUTIONS
LAST FIVE FISCAL YEARS (UNAUDITED)**

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Actuarially determined contribution	\$ 324,047	\$ 401,533	\$ 295,778	\$ 306,321	\$ 302,316
Contributions in relation to the actuarially determined contribution	\$ 426,375	\$ 437,239	\$ 363,227	\$ 358,988	\$ 352,209
Contributions deficiency (excess)	\$ (102,328)	\$ (35,706)	\$ (67,449)	\$ (52,667)	\$ (49,893)
Covered employee payroll	\$ 3,553,142	\$ 3,643,675	\$ 2,991,412	\$ 2,991,412	\$ 2,935,109
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.14%	12.00%	12.00%
	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Actuarially determined contribution	\$ 294,129	\$ 269,066	\$ 287,666	\$ 280,314	\$ 276,515
Contributions in relation to the actuarially determined contribution	\$ 334,871	\$ 319,051	\$ 329,388	\$ 312,037	\$ 298,937
Contributions deficiency (excess)	\$ (40,742)	\$ (49,985)	\$ (41,722)	\$ (31,723)	\$ (22,422)
Covered employee payroll	\$ 2,790,596	\$ 2,658,758	\$ 2,744,908	\$ 2,600,316	\$ 2,491,125
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	12.00%	12.00%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2023 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service, 4.7% average over career, including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

Mortality	135% of the PUB-2010 General Retirees Table for Males and 120% of the PUB-2010 General Retirees Table for Females, both projected with 100% of the MP-2021 Ultimate Scale after 2010.
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Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation mortality and other assumptions were reflected.
	2017: New mortality assumptions were reflected.
	2019: New inflation, mortality and other assumptions were reflected.
	2022: No changes in plan provisions were reflected in the Schedule.

Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule.
	2016: No Changes in plan provisions were reflected in the Schedule.
	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.
	2018: No changes in plan provisions were reflected in the Schedule.
	2019: No changes in plan provisions were reflected in the Schedule.
	2020: No changes in plan provisions were reflected in the Schedule.
	2021: No changes in plan provisions were reflected in the Schedule.
	2022: No changes in plan provisions were reflected in the Schedule.
	2023: No changes in plan provisions were reflected in the Schedule.

FRANKLIN COUNTY, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS-TCDRS
FOR THE YEAR ENDED DECEMBER 31, 2024

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability							
Service cost	\$ 6,208	\$ 10,028	\$ 8,661	\$ 8,099	\$ 5,082	\$ 5,269	\$ 4,544
Interest (on the Total OPEB liability)	7,268	5,259	5,678	6,410	7,789	7,138	7,652
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	3,975	(1,182)	(23,994)	729	(5,954)	(3,728)	(8,398)
Change of assumptions	15,286	(62,284)	4,090	25,928	41,894	(18,571)	7,482
Benefit payments, including refunds of employee contributions	(6,751)	(9,109)	(7,569)	(8,077)	(7,631)	(7,256)	(6,647)
Net Change in Total Pension Liability	25,986	(57,288)	(13,134)	33,089	41,180	(17,148)	4,633
Total OPEB Liability - Beginning	192,526	249,814	262,948	229,859	188,679	205,827	201,194
Total OPEB Liability - Ending	<u>\$ 218,512</u>	<u>\$ 192,526</u>	<u>\$ 249,814</u>	<u>\$ 262,948</u>	<u>\$ 229,859</u>	<u>\$ 188,679</u>	<u>\$ 205,827</u>
 Covered employee payroll	 \$3,553,142	 \$3,643,675	 \$ 3,027,408	 \$ 2,991,412	 \$2,935,109	 \$ 2,790,596	 \$ 2,658,758
 Total OPEB liability as a percentage of covered employee payroll	 6.15%	 5.28%	 8.25%	 8.79%	 7.83%	 6.76%	 7.74%

See accompanying notes to these financial statements for more detail.

Note: Years will continue to be added until there are 10 years for comparison

FRANKLIN COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts			variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUE				
Property taxes	\$ 5,052,216	\$ 5,052,216	\$ 4,756,833	\$ (295,383)
Sales tax	683,500	683,500	718,064	34,564
Beverage	18,000	18,000	31,954	13,954
Charge for services	549,480	549,480	601,232	51,752
Fines and forfeitures	162,720	162,720	175,726	13,006
Licenses and permits	82,500	82,500	118,983	36,483
Donations	16,000	16,000	28,120	12,120
Intergovernmental - state & local	481,700	481,700	634,504	152,804
Grant income	134,000	134,000	1,277,639	1,143,639
Investment income	145,900	145,900	500,174	354,274
Miscellaneous	22,600	22,600	64,720	42,120
Total Revenues	7,348,616	7,348,616	8,907,949	1,559,333
EXPENDITURES				
Current:				
General government	2,440,042	2,440,042	3,162,566	(722,524)
Health and public welfare	251,565	251,565	211,461	40,104
Public safety	1,833,766	1,833,766	2,009,467	(175,701)
Judicial	2,624,606	2,624,606	2,597,729	26,877
Parks and recreation	59,145	59,145	41,070	18,075
Library	253,290	253,290	268,824	(15,534)
Capital Outlays:				-
General government	-	-	344,859	(344,859)
Judicial	-	-	24,520	(24,520)
Public safety	-	-	230,967	(230,967)
Total Expenditures	7,462,414	7,462,414	8,891,463	(1,429,049)
Excess (deficiency) of revenues over (under) expenditures	(113,798)	(113,798)	16,486	130,284
Other Revenues and Financing Sources (uses)				
Sale of assets	10,000	10,000	2,791	(7,209)
Debt proceeds	-	-	326,921	326,921
Transfers	178,000	178,000	(309,883)	(487,883)
Total Other Financing Sources (uses)	188,000	188,000	19,829	(168,171)
Net change in Fund Balances	74,202	74,202	36,315	(37,887)
Fund Balances/Equity, beginning of year	5,142,399	5,142,399	5,142,399	
Fund Balances/Equity, end of year	\$ 5,216,601	\$ 5,216,601	\$ 5,178,714	

The accompanying notes to the financial statements are an integral part of this financial statement.



SUPPLEMENTARY INFORMATION

FRANKLIN COUNTY, TEXAS
COMBINING BALANCE SHEET
ROAD AND BRIDGE FUNDS
DECEMBER 31, 2024

	Road and Bridge Fund # 1	Road and Bridge Fund # 2	Road and Bridge Fund # 3	Road and Bridge Fund # 4	Total Road and Bridge Funds
ASSETS					
Cash and Investments:					
Unrestricted	\$ 981,599	\$ 364,482	\$ 478,868	\$ 280,189	\$ 2,105,138
Receivables (net of allowances for uncollectible)	56,228	38,350	44,730	40,909	180,217
Total Assets	<u>1,037,827</u>	<u>402,832</u>	<u>523,598</u>	<u>321,098</u>	<u>2,285,355</u>
LIABILITIES					
Accounts Payable	42,981	4,768	3,351	6,263	57,363
Other Liabilities	-	-	-	-	-
Total Liabilities	<u>42,981</u>	<u>4,768</u>	<u>3,351</u>	<u>6,263</u>	<u>57,363</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property tax	108,222	73,813	86,092	78,739	346,866
Total Deferred Inflows of Resources	<u>108,222</u>	<u>73,813</u>	<u>86,092</u>	<u>78,739</u>	<u>346,866</u>
FUND BALANCES					
Assigned:					
Road and bridge	886,624	324,251	434,155	236,096	1,881,126
Total Fund Balances	<u>886,624</u>	<u>324,251</u>	<u>434,155</u>	<u>236,096</u>	<u>1,881,126</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,037,827</u>	<u>\$ 402,832</u>	<u>\$ 523,598</u>	<u>\$ 321,098</u>	<u>\$ 2,285,355</u>

FRANKLIN COUNTY, TEXAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ROAD AND BRIDGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Road and Bridge Fund # 1	Road and Bridge Fund # 2	Road and Bridge Fund # 3	Road and Bridge Fund # 4	Total Road and Bridge Funds
REVENUE					
Property taxes	\$ 93,837	\$ 64,002	\$ 74,649	\$ 68,272	\$ 300,760
Charges for services	39,408	26,878	31,349	28,672	126,307
Intergovernmental revenue	4,387	2,992	3,490	3,192	14,061
Interest on investments	48,535	16,683	23,660	18,450	107,328
Miscellaneous	278,422	56,983	19,821	9,328	364,554
Total Revenues	<u>464,589</u>	<u>167,538</u>	<u>152,969</u>	<u>127,914</u>	<u>913,010</u>
EXPENDITURES					
Current:					
Public works	657,244	506,636	469,506	566,359	2,199,745
Capital outlay:					
Public works	284,223	443,162	184,281	379,100	1,290,766
Total Expenditures	<u>941,467</u>	<u>949,798</u>	<u>653,787</u>	<u>945,459</u>	<u>3,490,511</u>
Excess (deficiency) of revenues over (under) expenditures	(476,878)	(782,260)	(500,818)	(817,545)	(2,577,501)
Other Revenues and Financing Sources (uses)					
Transfers In(Out)	672,062	565,941	642,195	596,529	2,476,727
Grant proceeds	-	-	-	-	-
Principal retirement	(70,144)	(25,613)	-	-	(95,757)
Interest and fiscal agent fees	(1,518)	(4,101)	-	-	(5,619)
Debt proceeds	-	314,696	-	267,949	582,645
Total Other Financing Sources (uses)	<u>600,400</u>	<u>850,923</u>	<u>642,195</u>	<u>864,478</u>	<u>2,957,996</u>
Net Change in Fund Balances	123,522	68,663	141,377	46,933	380,495
Fund Balances/Equity, beginning of year	763,102	255,588	292,778	189,163	1,500,631
Fund Balances/Equity, end of year	<u>\$ 886,624</u>	<u>\$ 324,251</u>	<u>\$ 434,155</u>	<u>\$ 236,096</u>	<u>\$ 1,881,126</u>

FRANKLIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Record Retention	County Record Retention	Archival Fund	Record Management District Clerk	District Clerk Technology	Courthouse Security	Justice Court Technology	Revolving Loan	Attorney Check Collection	State Agency	Hotel / Motel Tax
ASSETS											
Cash and Investments:											
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	271,265	74,376	242,835	10,397	7,850	113,420	15,764	374,980	11,373	30,209	186,033
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables (net of allowances for uncollectible)	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-
Total Assets	271,265	74,376	242,835	10,397	7,850	113,420	15,764	374,980	11,373	30,209	186,033
LIABILITIES											
Accounts Payable	-	142	-	-	-	-	48	-	-	30,209	5,000
Deferred grant income	-	-	-	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	142	-	-	-	-	48	-	-	30,209	5,000
DEFERRED INFLOWS OF RESOURCES											
Unavailable Revenue - Property Tax	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES											
Nonexpendable:											
Endowment	-	-	-	-	-	-	-	-	-	-	-
Restricted for:											
Library	-	-	-	-	-	-	-	-	-	-	-
Hotel	-	-	-	-	-	-	-	-	-	-	181,033
Court	271,265	74,234	242,835	10,397	7,850	113,420	15,716	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Attorney	-	-	-	-	-	-	-	-	11,373	-	-
Revolving loan	-	-	-	-	-	-	-	374,980	-	-	-
Commissary	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	271,265	74,234	242,835	10,397	7,850	113,420	15,716	374,980	11,373	-	181,033
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 271,265	\$ 74,376	\$ 242,835	\$ 10,397	\$ 7,850	\$ 113,420	\$ 15,764	\$ 374,980	\$ 11,373	\$ 30,209	\$ 186,033

FRANKLIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	County Law Library	Commissary	Sherrif SB 22	County Attorney SB22	Total	Permanent Fund Bruce Endowment Fund	Debt Service Fund Interest & Sinking	Total Nonmajor Governmental Funds
ASSETS								
Cash and Investments:								
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,233	\$ -	\$ 1,233
Restricted	59,508	52,828	443,955	295,955	2,190,748	271,626	241,629	2,704,003
Investments	-	-	-	-	-	-	-	-
Receivables (net of allowances for uncollectible)	-	-	-	-	-	-	230,525	230,525
Prepaid expenses	-	-	-	-	-	-	-	-
Inventory	-	9,226	-	-	9,226	-	-	9,226
Total Assets	59,508	62,054	443,955	295,955	2,199,974	272,859	472,154	2,944,987
LIABILITIES								
Accounts Payable	806	(648)	346	14	35,917	-	-	35,917
Deferred grant income	-	-	432,933	289,197	722,130	-	-	-
Other Liabilities	-	-	1	-	1	-	-	1
Total Liabilities	806	(648)	433,280	289,211	758,048	-	-	35,918
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Property Tax	-	-	-	-	-	-	413,493	413,493
Total Deferred Inflows of Resources	-	-	-	-	-	-	413,493	413,493
FUND BALANCES								
Nonexpendable:								
Endowment	-	-	-	-	-	272,859	-	272,859
Restricted for:								
Library	-	-	-	-	-	-	-	-
Hotel	-	-	-	-	181,033	-	-	181,033
Court	58,702	-	-	-	794,419	-	-	794,419
Debt service	-	-	-	-	-	-	58,661	58,661
Public safety	-	-	10,675	-	10,675	-	-	10,675
Attorney	-	-	-	6,744	18,117	-	-	18,117
Revolving loan	-	-	-	-	374,980	-	-	374,980
Commissary	-	62,702	-	-	62,702	-	-	62,702
Total Fund Balances	58,702	62,702	10,675	6,744	1,441,926	272,859	58,661	1,773,446
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 59,508	\$ 62,054	\$ 443,955	\$ 295,955	\$ 2,199,974	\$ 272,859	\$ 472,154	\$ 2,222,857

FRANKLIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Record Retention	County Record Retention	Archival Fund	Management District Clerk	District Clerk Technology	Courthouse Security	Justice Court Technology	Revolving Loan	Attorney Check Collection	State Agency	Hotel / Motel Tax	County Law Library
REVENUES												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel	-	-	-	-	-	-	-	-	-	-	87,843	-
Charge for services	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	48,922	6,626	32,526	150	280	9,305	3,715	-	532	133,240	-	6,736
Licenses and permits	-	-	-	-	-	-	-	-	-	2,077	-	-
Investment income	14,698	3,276	14,238	474	354	5,124	655	18,066	504	-	-	2,790
Grant proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	63,620	9,902	46,764	624	634	14,429	4,370	18,066	1,036	135,317	87,843	9,526
EXPENDITURES												
Current:												
General government	124,761	-	111,981	-	-	-	-	-	-	617	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	3,805	541	-	-	134,700	-	10,237
Parks and recreation	-	-	-	-	-	-	-	-	-	-	95,613	-
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal agent fees	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlays:												
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	124,761	-	111,981	-	-	3,805	541	-	-	135,317	95,613	10,237
Excess (deficiency) of revenues over (under) expenditures	(61,141)	9,902	(65,217)	624	634	10,624	3,829	18,066	1,036	-	(7,770)	(711)
Other Revenues and Financing Sources (uses)												
Transfers	-	-	-	-	-	-	-	(12,800)	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-	-	-	-	(12,800)	-	-	-	-
Net Change in Fund Balance	(61,141)	9,902	(65,217)	624	634	10,624	3,829	5,266	1,036	-	(7,770)	(711)
Fund Balances, January 1	332,406	64,332	308,052	9,773	7,216	102,796	11,887	369,714	10,337	-	188,803	59,413
Fund Balances, December 31	\$ 271,265	\$ 74,234	\$ 242,835	\$ 10,397	\$ 7,850	\$ 113,420	\$ 15,716	\$ 374,980	\$ 11,373	\$ -	\$ 181,033	\$ 58,702

FRANKLIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CAPITAL
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Record Retention	Commissary	Sherrif SB 22	County Attorney SB22	Total	Permanent Fund Bruce Endowment Fund	Debt Service Fund Interest & Sinking	Total Nonmajor Governmental Funds
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,268	\$ 252,268
Hotel	-	-	-	-	87,843	-	-	87,843
Charge for services	-	115,501	-	-	115,501	-	-	115,501
Fines and forfeitures	48,922	-	-	-	242,032	-	-	242,032
Licenses and permits	-	-	-	-	2,077	-	-	2,077
Investment income	14,698	2,020	10,675	6,744	79,618	4,295	7,328	91,241
Grant proceeds	-	-	267,067	60,803	327,870	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	63,620	117,521	277,742	67,547	854,941	4,295	259,596	790,962
EXPENDITURES								
Current:								
General government	124,761	-	-	-	237,359	4,000	-	241,359
Public safety	-	88,511	267,067	-	355,578	-	-	355,578
Judicial	-	-	-	60,803	210,086	-	-	210,086
Parks and recreation	-	-	-	-	95,613	-	-	95,613
Principal retirement	-	-	-	-	-	-	207,077	207,077
Interest and fiscal agent fees	-	-	-	-	-	-	32,358	32,358
Capital Outlays:								
Public safety	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Total Expenditures	124,761	88,511	267,067	60,803	898,636	4,000	239,435	1,142,071
Excess (deficiency) of revenues over (under) expenditures	(61,141)	29,010	10,675	6,744	(43,695)	295	20,161	(351,109)
Other Revenues and Financing Sources (uses)								
Transfers	-	-	-	-	(12,800)	-	-	(12,800)
Total Other Financing Sources (uses)	-	-	-	-	(12,800)	-	-	(12,800)
Net Change in Fund Balance	(61,141)	29,010	10,675	6,744	(56,495)	295	20,161	(36,039)
Fund Balances, January 1	332,406	33,692	-	-	1,498,421	272,564	38,500	1,809,485
Fund Balances, December 31	\$ 271,265	\$ 62,702	\$ 10,675	\$ 6,744	\$ 1,441,926	\$ 272,859	\$ 58,661	\$ 1,773,446