FRANKLIN COUNTY, FLORIDA

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ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2025

FRANKLIN COUNTY, FLORIDA

THIS REPORT CONTAINS THE FOLLOWING SECTIONS

Franklin County, Florida (Government-wide) Basic Financial Statements, Auditor's Report, Reports on Internal Control and Compliance of Federal Awards and State Financial Assistance

Clerk of the Circuit Court's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Property Appraiser's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Sheriff's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Supervisor of Elections' Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Tax Collector's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Annual Financial Report
and Other Financial Information

Franklin County, Florida

Year Ended September 30, 2025
with Independent Auditor's Report

FRANKLIN COUNTY, FLORIDA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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Introductory Section

FRANKLIN COUNTY, FLORIDA
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2025

BOARD OF COUNTY COMMISSIONERS

Ricky Jones	District 1
Cheryl K. Sanders	District 2
Anthony Croom, Jr.	District 3
Ottice D. Amison	District 4
Jessica Varnes Ward	District 5

CLERK OF THE COURTS

Michele Maxwell

SHERIFF

A. J. "Tony" Smith

TAX COLLECTOR

Amy B. Cook

PROPERTY APPRAISER

Terry Tipton, Jr.

SUPERVISOR OF ELECTIONS

Heather Riley

Financial Section

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS
www.lanigancpa.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Commissioners of the
Board of County Commissioners and Constitutional Officers
Franklin County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Franklin County, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Franklin County, Florida's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements 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, Florida, as of September 30, 2025, 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.

We did not audit the financial statements of the George E. Weems Memorial Hospital ("Hospital"), which represents one hundred percent of the assets, net position, and revenues of the business-type activities of the Hospital fund (component unit). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hospital, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note 23 to the financial statements, the Tax Collector identified apparent unauthorized disbursements. Our opinion is not modified with respect to this matter.

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, Florida's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Franklin County, Florida's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Franklin County, Florida's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Franklin County, Florida's basic financial statements. The combining nonmajor fund financial statements and fiduciary financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rules of the Auditor General, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund and fiduciary financial statements, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed above is 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 our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of Franklin County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin County, Florida's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of the Board of County Commissioners of Franklin County (the "County") has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the County's financial activities, (c) identify changes in the County's financial position, (d) identify material deviations from the financial plan (approved budget), and (e) highlight significant issues in individual funds. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the County's financial statements.

The information presented in these financial statements is perhaps best understood when it is considered in the broader perspective of the environment in which the County operates.

General Information

Franklin County was established in 1832 and is in northwest Florida on the Gulf of Mexico. With an area of 545 square miles, 2020 Federal Census data shows Franklin County has a population of approximately 12,000. Franklin County is governed by a Board of County Commissioners.

The Board of County Commissioners (the "Board") is the legislative and policy making body of the County. Each of the five commissioners is elected from a separate district. Annually, the Board elects a chairman that serves as the presiding officer. Elections are held every two years for staggered four-year terms.

Franklin County provides a broad range of services, including law enforcement; fire protection; emergency medical services; maintenance of streets, highways, bridges and traffic signals; parks; library; and certain other community and human services.

Financial Highlights

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2025, by $135,599,614. Of this amount, $122,266,173 represents net investment in capital assets; $27,212,313 is restricted for specific purposes (restricted net position); and the remaining portion represents unrestricted net position of ($13,878,872).

- The County's total net position increased by $9,342,686 or 7.40% from September 30, 2024, to September 30, 2025.

- As of September 30, 2025 and 2024, the County's governmental funds reported combined ending fund balances of $40,549,836 and, $42,183,796 respectively.

- As of September 30, 2025, the County's general fund (primary operating fund) reported a total fund balance of $14,618,166, a decrease of ($418,716) from the prior year (fund balance).

- For the year ended September 30, 2025, the County's capital assets, net of accumulated depreciation, increased by $7,698,708 which represents an increase of 6.59% for the year.

- The County's loans (notes from direct borrowing) increased by $779,422 in fiscal year 2025. The County's percentage of loans compared to net position increased from 1.10% to 1.60%. The other components of long-term debt are discussed in further detail later in this report.

Non-Financial Highlights

American Rescue Plan

Franklin County received a total allocation of $2,355,139 from the American Rescue Plan. The county's spending plan addressed various unfunded infrastructure needs such as exterior joint sealant of the County Courthouse, acquisition of additional office space for administration and the Supervisor of Elections office, beach parking improvements, and the imaging of public records. The exterior joint sealant and waterproofing work at the historic County Courthouse was completed this fiscal year and was the last of the county's ARP projects.

Capital Improvement Projects

There are multiple state and federal grant funded improvement projects under construction at the County Airport in Apalachicola. The ongoing projects include obstruction removal efforts for the airport runways, runway rehabilitation, and a new hangar development. The Florida Department of Transportation also provided funding for major improvements completed in the current fiscal year including improvements to the airport's FBO hangar roof and storm water system.

The Florida Department of Transportation's Small County Road Assistance Program (SCRAP) provided $2,093,364 in construction funding to widen and resurface the final segment of CR67 from State Forest Road 172 to the Liberty County Line north of Carrabelle. The FDOT funded design for this roadway segment was completed in 2024, and construction will be completed in 2026. FDOT also provided $565,458 in construction funds through the Small County Outreach Program (SCOP) to widen and resurface Hickory Dip Road in Eastpoint.

In 2020, the county completed design work to replace the existing single-lane boat ramp at the west end of Old Ferry Dock Road in Eastpoint with two twenty-foot-wide ramps and loading dock with funding assistance provided by the Florida Fish and Wildlife Conservation Commission's Boating Improvement Program (FBIP). The county received the permits for the project in 2023 and upon receipt, was able to apply for and secure a $1.4 million dollar construction award agreement through the FBIP. The ramp was completed in May of 2025 at a total project cost of $1,123,058. The FBIP program paid 95% of the project cost and the county's 5% match share came from boater registration fees.

The RESTORE Act

Franklin County was named as one of the eight disproportionately impacted Florida Gulf coast counties as part of the settlement between the United States Treasury and BP for the Deepwater Horizon Oil Spill which occurred in April of 2010. The RESTORE Direct Component (also known as Pot 1 funds) objectives are environmental restoration, human use and economic development. BP made the first payment of the settlement in 2017 to the US Treasury and at that time, the county was estimated to receive approximately 22 million dollars paid out over roughly 15 years. There are currently three projects which have been included in the county's multi-year implementation plan. Construction has begun on the $1.2 million dollar county wide dune restoration project and the $4.5 million dollar St. George Island storm water improvements project and both are anticipated to be completed in 2026.

Franklin County is to receive 12 million dollars over 15 years as part (Gulf Consortium, Pot 3 funds) of the RESTORE settlement from the Deepwater Horizon oil spill. "Florida's 23 Gulf Coast Counties formed the Consortium to meet requirements of the RESTORE Act to develop a State Expenditure Plan for economic and environmental recovery of the Gulf coast in Florida following the Deepwater Horizon oil spill. The RESTORE Act was passed by the Congress on June 29, 2012, and signed into law on July 6, 2012, by the President." One out of the three Franklin County projects included in the State Expenditure Plan have been completed. The two project's remaining are the construction of a new Emergency Operations Center (EOC) and a restoration effort for the Apalachicola Bay. Design work has begun on the county's new EOC to be located on Highway 65 in Eastpoint and construction is anticipated to begin in late 2026. The cost to construct the new EOC will be funded through multiple state and federal grant awards in addition to the funds provided through the Gulf Consortium.

Discretionary Sales Surtax

In January of 2008, Franklin County began levying the 1% Discretionary Sales Surtax for health care on all taxable purchases. The proceeds of the 1% Discretionary Sales Surtax are split between capital outlay and operating expenses for the local Weems Memorial Hospital. On September 30, 2025, the balance available in the Health Care Trust Fund for capital improvements is $11,181,289.

Gross Taxable Value of Property

The 2024 gross taxable value of property in Franklin County saw an increase of 13.91% over the prior year. The County's 2024 gross taxable value as certified by the Franklin County Property Appraiser increased by approximately $423 million from the 2023 certified value. The millage rate was reduced to 5.2222 mills in fiscal year 2025 with budgeted property tax proceeds of $18,081,346. The budgeted proceeds were $1,453,100 more than the budgeted proceeds in fiscal year 2024. The total budgeted positions in the 2025 fiscal year were 192, just one additional position than the 2007's budgeted position count high of 191. The county implemented year five (in fiscal year 2025) of a five year pay and classification plan to address concerns with wage compression and to slowly increase wages to meet the $15 per hour minimum which goes into effect in 2026 and adjusted wages by an additional 4% for inflation.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the basic financial statements of the County. The basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to financial statements

In addition, this report presents certain required supplementary information.

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information related to the overall financial condition of the County similarly to those of a private-sector business. These statements combine and consolidate the governmental fund's current financial resources (short-term expendable resources) with capital assets and long-term obligations. They include a *Statement of Net Position* and a *Statement of Activities* that are designed to provide consolidated financial information about the governmental activities of the County presented on the accrual basis of accounting.

- The *Statement of Net Position* provides information about the County's financial position, its assets, and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the County.

- The *Statement of Activities* presents information showing how the County's net position changed during the 2025 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes earned, and earned but unused vacation leave). This statement is intended to summarize and simplify the user's analysis of cost of various governmental services. An increase or decrease in net position is an indication of whether the financial health of the County is improving or deteriorating.

These two financial statements present the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related activities. The business-type activities of the County include the hospital and airport.

Over time, changes in the net position of the County are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with

other nonfinancial factors, such as changes in the County's property tax base and the condition of the County's capital assets including infrastructure assets.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the County's financial activities, focusing on its most significant or major funds rather than fund types. This contrasts with the entity-wide perspective contained in the government-wide statements. All the County's funds may be classified in the broad category of *governmental funds, proprietary funds,* and *fiduciary (agency) funds* as discussed below.

- *Governmental funds* – These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resource measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the County's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds provide a reconciliation of governmental funds to governmental activities.

- *Proprietary funds* – The County maintains two types of proprietary funds which are the hospital and airport funds. These funds are used to report business-type activities in the government-wide financial statements. The County uses the hospital fund to account for the fiscal activities relating to the hospital and emergency medical services provided in Franklin County. The County uses the airport fund to account for the fiscal activities of the airport. Proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

- *Fiduciary (agency) funds* – Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support County programs. In its fiduciary capacity, the County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

Infrastructure Assets

Generally, a government's largest group of assets (infrastructure – roads, bridges, sidewalks, traffic signals, and underground pipes not associated with a utility, etc.) are not reported nor depreciated in governmental fund financial statements. GASB Statement No. 34 requires these assets be valued and reported in the governmental column of the government-wide statements. Additionally, the government must elect to either (a) depreciate the assets over the estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government elects the asset management (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its costs of maintenance in lieu of depreciation. The County has elected to depreciate its infrastructure assets.

Government-wide Financial Analysis

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows exceeded liabilities and deferred inflows (governmental and business-type activities) by $135,599,614 at the close of the fiscal year ended September 30, 2025, and $126,256,928 on September 30, 2024.

NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	$ 48,016,783	$ 44,953,559	$ 5,804,765	$ 6,650,981	$ 53,821,548	$ 51,604,540
Capital assets	108,129,036	101,904,025	16,465,776	14,992,079	124,594,812	116,896,104
Total assets	156,145,819	146,857,584	22,270,541	21,643,060	178,416,360	168,500,644
DEFERRED OUTFLOWS OF RESOURCES	5,937,959	6,389,129	-	-	5,937,959	6,389,129
LIABILITIES						
Current liabilities	4,988,576	2,569,979	1,679,167	3,185,339	6,667,743	5,755,318
Non-current liabilities	27,166,096	28,448,462	2,460,052	1,686,243	29,626,148	30,134,705
Total liabilities	32,154,672	31,018,441	4,139,219	4,871,582	36,293,891	35,890,023
DEFERRED INFLOWS OF RESOURCES	12,460,814	12,742,822	-	-	12,460,814	12,742,822
NET POSITION						
Net investment in capital assets	105,912,940	$100,463,516	16,353,233	$14,802,698	122,266,173	115,266,214
Restricted	26,987,411	27,371,278	224,902	332,901	27,212,313	27,704,179
Unrestricted	(15,432,059)	(18,349,344)	1,553,187	1,635,879	(13,878,872)	(16,713,465)
Total net position	$ 117,468,292	$ 109,485,450	$ 18,131,322	$ 16,771,478	$ 135,599,614	$ 126,256,928

Note: The current year beginning balances were adjusted (See Note 22).

Statement of Activities

The following schedule summarizes revenues and expenses for years ended September 30, 2025, and 2024.

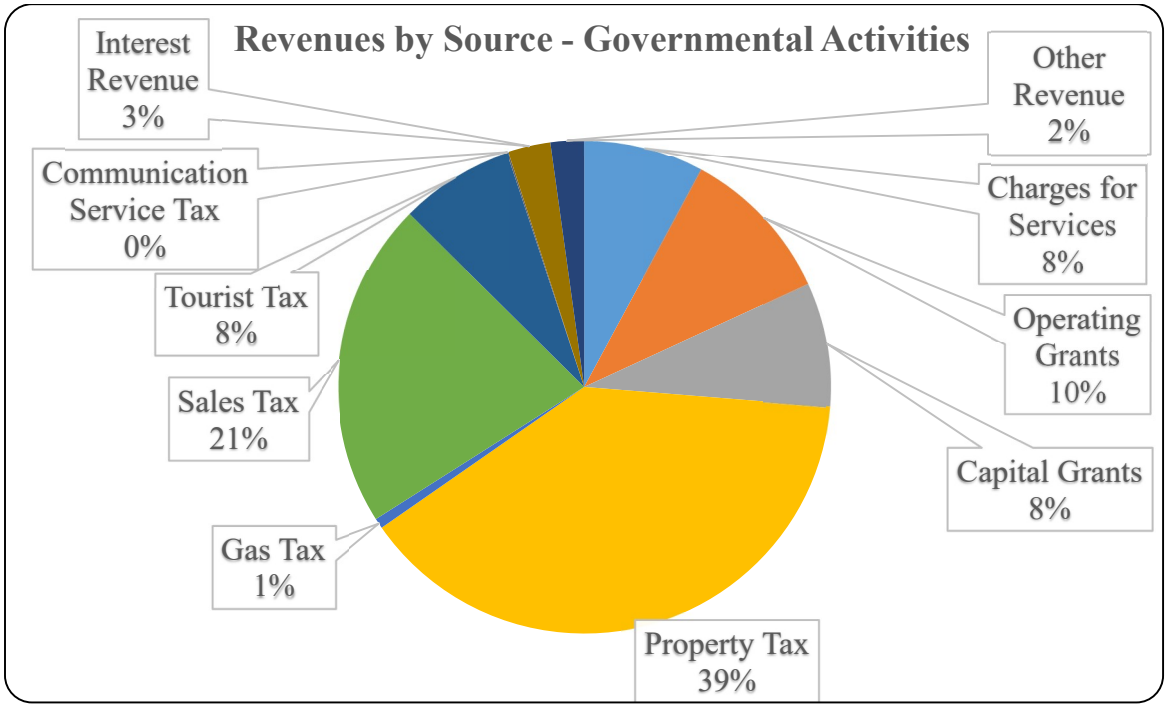
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 3,568,268	$ 2,916,728	$ 9,890,868	$ 10,556,709	$ 13,459,136	$ 13,473,437
Operating grants	4,627,717	6,377,893	967,167	564,133	5,594,884	6,942,026
Capital grants	3,688,541	3,944,218	1,948,038	136,248	5,636,579	4,080,466
General revenues:						
Property taxes	17,647,182	16,124,445	-	-	17,647,182	16,124,445
Other taxes	13,428,523	14,055,081	-	-	13,428,523	14,055,081
Investment earnings	1,259,492	1,266,369	43,442	66,807	1,302,934	1,333,176
Other	991,102	397,977	349,067	1,876,242	1,340,169	2,274,219
Total revenues	45,210,825	45,082,711	13,198,582	13,200,139	58,409,407	58,282,850
Expenses:						
General government	7,116,097	6,064,705	-	-	7,116,097	6,064,705
Public safety	12,207,123	10,976,282	-	-	12,207,123	10,976,282
Physical environment	2,650,371	3,008,575	-	-	2,650,371	3,008,575
Transportation	5,654,200	5,523,629	-	-	5,654,200	5,523,629
Economic environment	1,776,737	1,509,158	-	-	1,776,737	1,509,158
Human services	1,325,600	1,181,010	-	-	1,325,600	1,181,010
Culture/recreation	2,030,795	1,645,273	-	-	2,030,795	1,645,273
Court related	1,025,215	911,588	-	-	1,025,215	911,588
Interest on long-term debt	129,828	89,110	-	-	129,828	89,110
Business-type	-	-	15,150,755	14,395,811	15,150,755	14,395,811
Total expenses	33,915,966	30,909,330	15,150,755	14,395,811	49,066,721	45,305,141
Change in net position before transfers	11,294,859	14,173,381	(1,952,173)	(1,195,672)	9,342,686	12,977,709
Transfers	(3,312,017)	(2,126,579)	3,312,017	2,126,579	-	-
Change in net position	7,982,842	12,046,802	1,359,844	930,907	9,342,686	12,977,709
Net position - beginning, as adjusted	109,485,450	97,438,648	16,771,478	15,840,571	126,256,928	113,279,219
Net position - ending	$ 117,468,292	$ 109,485,450	$ 18,131,322	$ 16,771,478	$ 135,599,614	$ 126,256,928

Note: The current year beginning balances were adjusted (See Note 22).

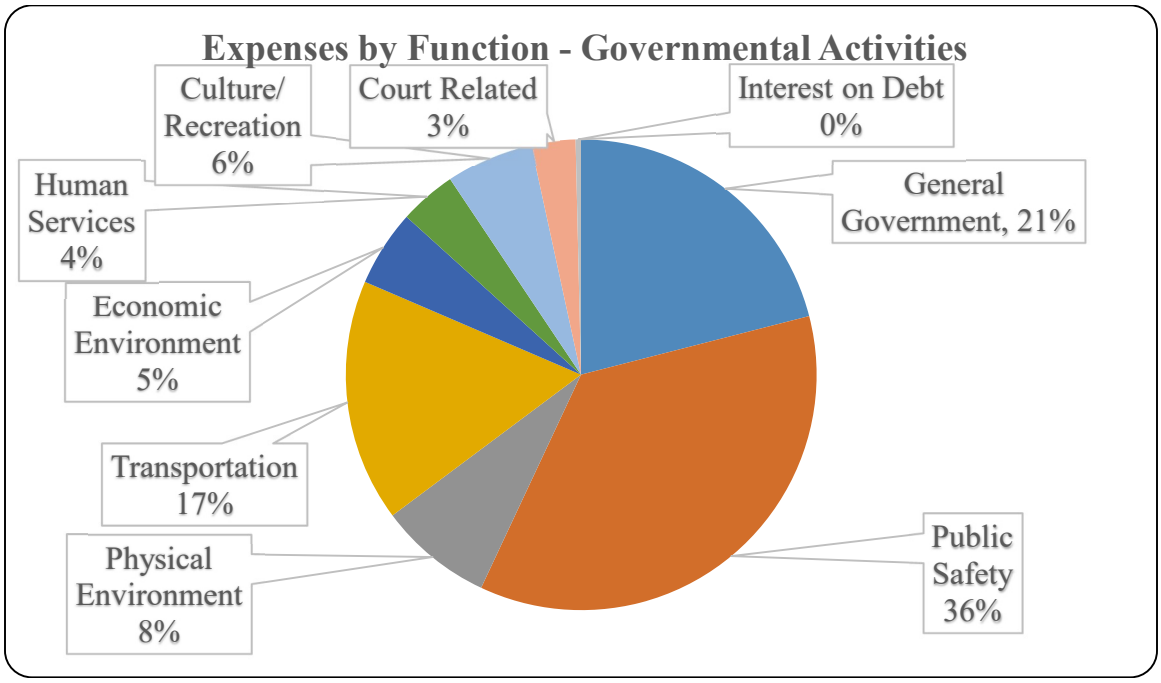
❖ Governmental Activities Revenues by Source

The following graph depicts the County's total governmental activities revenue by source for the fiscal year ending September 30, 2025.



❖ Governmental Activities Expenses by Functions

The following graph depicts the County's total governmental activities expenses by function for the fiscal year ending September 30, 2025.



Financial Analysis of Individual Funds

This section provides an analysis of the balances and transactions of individual funds. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- Governmental Funds
  The primary purpose of the County's Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balance – 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. In particular, unassigned fund balance may serve as useful measure of a government's net resources, available for spending, at the end of the current and prior fiscal year. As of September 30, 2025, Franklin County governmental funds reported combined fund balances of $40,549,836 a decrease of ($1,633,960) when compared to prior year combined fund balances. The governmental funds had nonspendable fund balances of $33,771. The restricted fund balance was $26,987,411 and consists of monies whose expenditure is externally constrained by grantors, creditors, binding law or enabling legislation. Of the remaining $13,528,654 in fund balance, $91,312 is classified as assigned and $13,437,342 is recorded as unassigned.

Major Governmental Funds

The general fund, healthcare trust fund, tourist development fund, housing initiative partnership fund, local option gas tax fund, boating improvement fund, and landfill fund are reported as major funds.

- The general fund is the general operating fund of the County. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the general fund.

- General operating funds of the Clerk of the Circuit Court, Property Appraiser, Sheriff, Tax Collector, and Supervisor of Elections represent funds included in the County's general fund that are held and accounted for individually but are presented with the balance of the Board of County Commissioner's operating funds.

- The healthcare trust fund accounts for the local option discretionary sales tax that funds operations at the local hospital.

- The tourist development fund accounts for revenues generated from a 3% local option tourist development tax. The tax is a charge which is collected on all leases or rentals of any living quarters or accommodations with a term of less than six months. Funds are used to promote tourism in the County.

- The housing initiative partnership fund is used to account for grant funds to aid in producing and preserving affordable homeownership and multifamily housing.

- The local option gas tax fund is used to account for the gas tax proceeds.

- The boating improvement fund is used to account for activity relating to the County's boat ramps.

- The landfill fund is used to account for activities relating to the County's landfill.

Major Proprietary Funds

The County uses enterprise funds to account for the fiscal activities relating to the Hospital and Airport.

Budget Variances in Major Funds

The following budget variances occurred in the major funds during the year ended September 30, 2025.

- Intergovernmental revenue (federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes) is ($3,016,518) less than budgeted in the general fund. Grant revenues came in lower than expected during the year.

- Public safety, culture and recreation, and capital outlay expenditures are $927,431, $3,481,853, and $777,870, less than budgeted in the general fund, respectively.

- Intergovernmental revenue for the healthcare trust fund is $600,000 less than budgeted. Grant revenue received and available for current expenses was lower than expected.

- The healthcare trust fund shows a negative budget variance of $212,900 under expenditures. Expenditures were higher than anticipated.

- Interest revenue for the tourist development fund is $152,277 more than budgeted. Interest revenue came in higher than expected.

- Economic environment and capital outlay expenditures were $737,754 and $5,848,219 less than budgeted for the tourist development fund, respectively.

- The Housing Initiative Partnership fund shows a negative budget variance of $1,053,162 under intergovernmental revenue. Housing Initiative Partnership program expenses were lower than anticipated.

- The Local Option Gas Tax fund shows a negative budget variance of $5,297,816 under intergovernmental revenue. Road paving funds from federal and state grants were lower than anticipated.

- Transportation and capital outlay expenditures were $278,291 and $6,246,570 less than budgeted for the Local Option Gas Tax fund, respectively.

- The boating improvement fund shows a negative budget variance of $1,089,254 under intergovernmental revenue. State grant funds received and available for current expenses were lower than anticipated.

- Physical environment expenditures were $4,696,564 less than budgeted for the landfill fund.

Other variances disclosed on the major fund budget and actual statements and not noted herein are within expected ranges. It should be noted that budget expenditure variances shown on the individual major funds are favorable in total.

Capital Assets

The County's financial statements present capital assets in two categories: those assets subject to depreciation, such as buildings, infrastructure, and equipment; and those not subject to depreciation, such as land and construction in progress. At September 30, 2025, the County had $124,594,812 invested in a variety of capital assets, as reflected in the following schedule, which represents a net increase (additions less retirements and depreciation) of $7,698,708, or 6.59%, from the end of last year.

CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 7,572,510	$ 7,572,510	$ 13,400	$ 13,400	$ 7,585,910	$ 7,585,910
Buildings and improvements	13,771,123	12,400,894	6,097,230	6,323,544	19,868,353	18,724,438
Machinery and equipment	12,200,890	10,586,442	1,567,905	1,550,135	13,768,795	12,136,577
Infrastructure	69,603,125	67,615,038	8,596,329	4,638,950	78,199,454	72,253,988
Right-of-use asset	46,763	51,338	132,459	205,104	179,222	256,442
Construction in progress	4,934,625	3,677,803	58,453	2,260,946	4,993,078	5,938,749
Total	$ 108,129,036	$ 101,904,025	$ 16,465,776	$ 14,992,079	$ 124,594,812	$ 116,896,104

Below is a summary of the large projects that are still in progress at the end of the current fiscal year (many of these projects will take longer than one fiscal year to complete), large capital asset purchases during the year, and long-term debt status update.

- In 2019, the county financed a new Morbark Tub Grinder for the Solid Waste Department. Tipping Fee revenues fund the debt-service payments on this equipment and there was a balance of $272,051 at September 30, 2025.

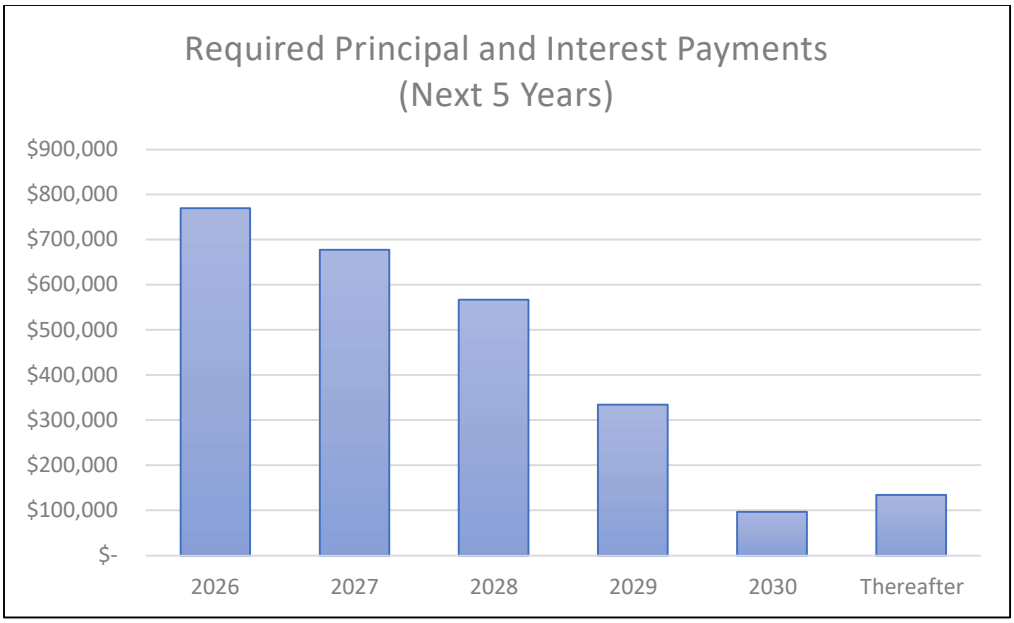
- In 2025, the County financed a new boom mower tractor for the Road Department. There was a balance of $218,275 at September 30, 2025.

- In 2025, the County financed a new wheel loader for the Road Department. There was a balance of $203,086 at September 30, 2025.

- In 2025, the County entered into a rolling lease/purchase agreement for (2) 2025 Mack GR64B Dump Trucks at $192,263 each.

Long-Term Obligations

The following graph depicts future principal and interest payments required to be paid by the County on outstanding debt as of September 30, 2025.

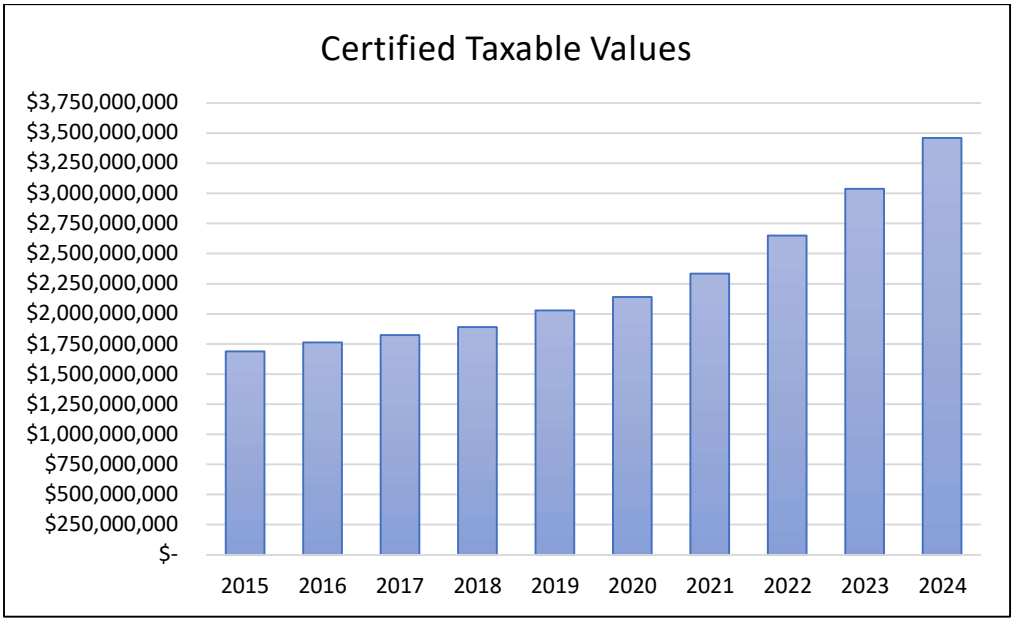


Significant Economic Factors

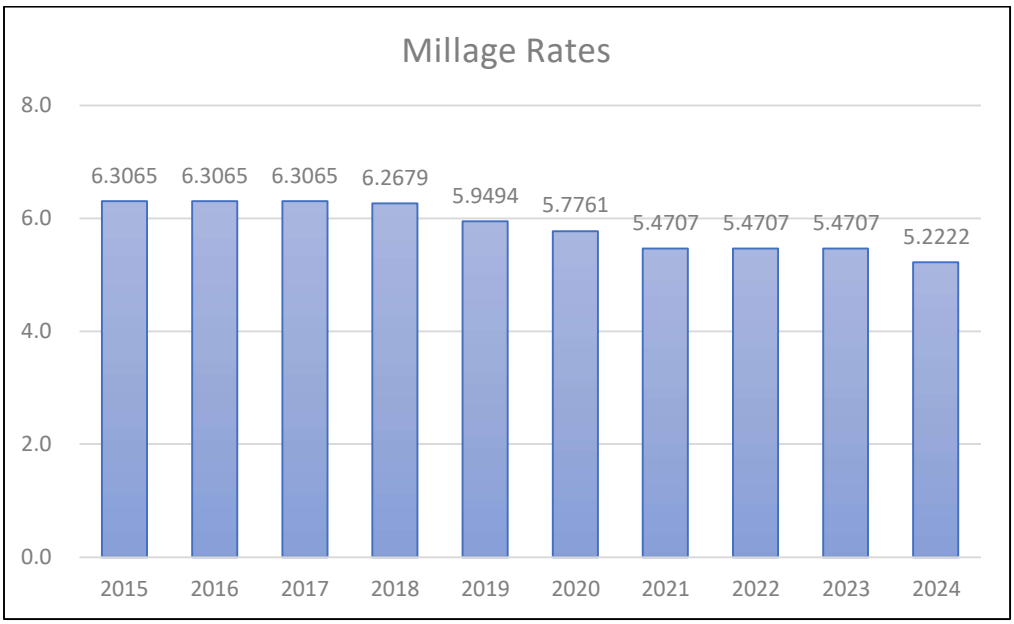
Taxable Value of Property and Millage Rates

For the year ended September 30, 2025, Franklin County calculated an estimate of $18,081,346 for property taxes based on the certified taxable value of property of $3,462,400,091.

Certified Taxable Value by Tax Year



Millage Rates by Tax Year



Requests for Information

This report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Michele Maxwell
Clerk of Circuit Court of Franklin County
33 Market Street, Suite 203
Apalachicola, FL 32320

BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 39,600,271	$ 3,153,510	$ 42,753,781
Patient accounts receivable, net of estimated uncollectibles of $1,080,025 in 2025	-	1,039,796	1,039,796
Accounts and other receivables	214,773	1,796,367	2,011,140
Notes receivable	195,580	-	195,580
Internal balances	348,588	(348,588)	-
Due from other governmental units	7,623,601	-	7,623,601
Prepaid items	33,970	69,721	103,691
Supplies inventory	-	93,959	93,959
Capital assets:			
Nondepreciable	12,507,135	71,853	12,578,988
Depreciable (net)	95,621,901	16,393,923	112,015,824
Total assets	156,145,819	22,270,541	178,416,360
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	4,327,914	-	4,327,914
Other postemployment benefit liability related	1,610,045	-	1,610,045
Total deferred outflows of resources	5,937,959	-	5,937,959
LIABILITIES			
Accounts payable and accrued liabilities	3,272,092	924,132	4,196,224
Due to other governmental units	249,777	-	249,777
Unearned revenue	1,466,707	755,035	2,221,742
Non-current liabilities:			
Due within one year	826,906	1,369,620	2,196,526
Due in more than one year	26,339,190	1,090,432	27,429,622
Total liabilities	32,154,672	4,139,219	36,293,891
DEFERRED INFLOWS OF RESOURCES			
Pension related	2,822,890	-	2,822,890
Other postemployment benefit liability related	9,637,924	-	9,637,924
Total deferred inflows of resources	12,460,814	-	12,460,814
NET POSITION			
Net investment in capital assets	105,912,940	16,353,233	122,266,173
Restricted	26,987,411	224,902	27,212,313
Unrestricted	(15,432,059)	1,553,187	(13,878,872)
Total net position	$ 117,468,292	$ 18,131,322	$ 135,599,614

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 7,116,097	$ 1,427,730	$ 1,022,640	$ 51,702	$ (4,614,025)	$ -	$ (4,614,025)
Public safety	12,207,123	444,475	1,106,362	600,000	(10,056,286)	-	(10,056,286)
Physical environment	2,650,371	1,173,218	264,172	1,041,284	(171,697)	-	(171,697)
Transportation	5,654,200	-	1,231,626	1,244,475	(3,178,099)	-	(3,178,099)
Economic environment	1,776,737	-	266,707	608,702	(901,328)	-	(901,328)
Human services	1,325,600	21,365	130,583	-	(1,173,652)	-	(1,173,652)
Culture and recreation	2,030,795	4,934	81,444	142,378	(1,802,039)	-	(1,802,039)
Court related	1,025,215	496,546	524,183	-	(4,486)	-	(4,486)
Interest on debt	129,828	-	-	-	(129,828)	-	(129,828)
Total governmental activities	33,915,966	3,568,268	4,627,717	3,688,541	(22,031,440)	-	(22,031,440)
Business-type activities:							
Hospital	13,992,446	9,430,284	815,689	-	-	(3,746,473)	(3,746,473)
Airport	1,158,309	460,584	151,478	1,948,038	-	1,401,791	1,401,791
Total business-type activities	15,150,755	9,890,868	967,167	1,948,038	-	(2,344,682)	(2,344,682)
Total primary government	$ 49,066,721	$ 13,459,136	$ 5,594,884	$ 5,636,579	(22,031,440)	(2,344,682)	(24,376,122)
	GENERAL REVENUES:						
	Property tax				17,647,182	-	17,647,182
	Local option sales tax				3,492,866	-	3,492,866
	Communication service tax				43,999	-	43,999
	Sales tax and other shared revenues				6,191,936	-	6,191,936
	Tourist tax				3,394,170	-	3,394,170
	Local option gas tax				305,552	-	305,552
	Interest revenue				1,259,492	43,442	1,302,934
	Other revenue				1,130,278	349,067	1,479,345
	Reversion to State of Florida				(139,176)	-	(139,176)
	Transfers				(3,312,017)	3,312,017	-
	Total general revenues				30,014,282	3,704,526	33,718,808
	Change in net position				7,982,842	1,359,844	9,342,686
	Net position, beginning of year				120,620,147	5,636,781	126,256,928
	Adjustments				(11,134,697)	11,134,697	-
	Net position, beginning of year, as adjusted				109,485,450	16,771,478	126,256,928
	Net position, end of year				$ 117,468,292	$ 18,131,322	$ 135,599,614

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	Healthcare Trust Fund	Tourist Development Fund	(Formerly Major Governmental Fund) Airport
ASSETS				
Cash and cash equivalents	$ 11,714,754	$ 11,181,289	$ 7,460,341	$ -
Accounts receivable	105,287	-	-	-
Notes receivable	-	-	-	-
Due from other funds	2,138,603	-	5,735	-
Due from other governmental units	3,008,558	1,169,009	461,035	-
Prepaid items	7,629	-	2,513	-
Total assets	$ 16,974,831	$ 12,350,298	$ 7,929,624	$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 1,918,427	$ 143,191	$ 184,334	$ -
Due to other funds	19,990	284,505	11,890	-
Due to other governmental units	43,141	-	508	-
Unearned revenue	375,107	9,813	-	-
Total liabilities	2,356,665	437,509	196,732	-
Deferred inflows of resources				
Grant related	-	600,000	-	-
Fund balances				
Nonspendable	7,629	-	2,513	-
Restricted	142,102	11,312,789	7,730,379	-
Assigned	-	-	-	-
Unassigned	14,468,435	-	-	-
Total fund balances	14,618,166	11,312,789	7,732,892	-
Total liabilities, deferred inflows of resources, and fund balances	$ 16,974,831	$ 12,350,298	$ 7,929,624	$ -

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Housing Initiative Partnership	Local Option Gas Tax	(Formerly Nonmajor) Boating Improvement	(Formerly Nonmajor) Landfill Fund
ASSETS				
Cash and cash equivalents	$ 1,365,926	$ 1,251,532	$ 8,381	$ 4,925,121
Accounts receivable	-	2,501	758	104,135
Notes receivable	195,580	-	-	-
Due from other funds	-	-	-	626
Due from other governmental units	-	1,488,028	1,146,905	-
Prepaid items	-	-	-	-
Total assets	$ 1,561,506	$ 2,742,061	$ 1,156,044	$ 5,029,882
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 62,127	$ 771,920	$ -	$ 24,107
Due to other funds	-	-	1,145,853	-
Due to other governmental units	-	-	-	421
Unearned revenue	1,076,787	-	-	5,000
Total liabilities	1,138,914	771,920	1,145,853	29,528
Deferred inflows of resources				
Grant related	195,580	641,507	1,041,284	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	227,012	1,328,634	-	5,000,354
Assigned	-	-	-	-
Unassigned	-	-	(1,031,093)	-
Total fund balances	227,012	1,328,634	(1,031,093)	5,000,354
Total liabilities, deferred inflows of resources, and fund balances	$ 1,561,506	$ 2,742,061	$ 1,156,044	$ 5,029,882

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Nonmajor Governmental Funds	Total
ASSETS		
Cash and cash equivalents	$ 1,692,927	$ 39,600,271
Accounts receivable	2,092	214,773
Notes receivable	-	195,580
Due from other funds	20,305	2,165,269
Due from other governmental units	350,066	7,623,601
Prepaid items	23,828	33,970
Total assets	$ 2,089,218	$ 49,833,464
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Accounts payable	$ 167,986	$ 3,272,092
Due to other funds	354,443	1,816,681
Due to other governmental units	205,707	249,777
Unearned revenue	-	1,466,707
Total liabilities	728,136	6,805,257
Deferred inflows of resources		
Grant related	-	2,478,371
Fund balances		
Nonspendable	23,629	33,771
Restricted	1,246,141	26,987,411
Assigned	91,312	91,312
Unassigned	-	13,437,342
Total fund balances	1,361,082	40,549,836
Total liabilities, deferred inflows of resources, and fund balances	$ 2,089,218	$ 49,833,464

See accompanying notes to financial statements.

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

Total fund balances of governmental funds		$ 40,549,836
Amounts reported for governmental activities in the statement of net position are different because:		
Some receivables will not be available to pay for current-period expenditures and are offset by unavailable revenues in the governmental funds and thus are not included in fund balance. Certain notes receivable and grant revenues that are considered unavailable for governmental funds but are recognized as revenue for the government-wide statements.		2,478,371
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is $194,597,620 and the accumulated depreciation is $86,468,584.		108,129,036
Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred outflows and inflows of resources at year-end consist of:		
Deferred outflows related to pensions	4,327,914	
Deferred inflows related to pensions	(2,822,890)	
Deferred outflows related to other postemployment benefit liability	1,610,045	
Deferred inflows related to other postemployment benefit liability	(9,637,924)	
		(6,522,855)
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in government funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:		
Long-term notes	(2,167,876)	
Lease liability	(48,220)	
Landfill closing costs	(5,783,229)	
Compensated absences	(1,165,269)	
Other postemployment benefit liability	(4,463,739)	
Net pension liability	(13,537,763)	
		(27,166,096)
Total net position of governmental activities		$ 117,468,292

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General	Healthcare Trust Fund	Tourist Development Fund	(Formerly Major Governmental Fund) Airport
REVENUES				
Taxes	$ 17,691,181	$ 3,492,866	$ 3,394,170	$ -
Licenses and permits	589,312	-	-	-
Intergovernmental	7,191,177	-	-	-
Charges for services	844,217	-	-	-
Fines and forfeitures	29,397	-	-	-
Interest revenue	292,656	430,817	243,627	-
Other	690,867	2,375	-	-
Total revenues	27,328,807	3,926,058	3,637,797	-
EXPENDITURES				
Current				
General government	7,144,140	-	-	-
Public safety	11,886,653	-	-	-
Physical environment	1,738,096	-	-	-
Transportation	16,440	-	-	-
Economic environment	87,043	-	1,538,692	-
Human services	826,646	11,380	-	-
Culture and recreation	1,760,492	-	-	-
Court related	271,285	-	-	-
Debt service				
Principal	406,139	-	-	-
Interest	81,948	-	-	-
Capital outlay	3,743,737	801,520	1,173,530	-
Total expenditures	27,962,619	812,900	2,712,222	-
Excess (deficiency) of revenues over (under) expenditures	(633,812)	3,113,158	925,575	-
OTHER FINANCING SOURCES (USES)				
Transfers in	383,309	-	-	-
Transfers (out)	(1,409,719)	(3,312,017)	(228,523)	-
Proceeds from debt financing	1,241,506	-	-	-
Reversion to State of Florida	-	-	-	-
Leases (as lessee)	-	-	-	-
Total other financing sources (uses)	215,096	(3,312,017)	(228,523)	-
Net changes in fund balances	(418,716)	(198,859)	697,052	-
Fund balances, beginning of year, as previously reported	15,036,882	11,511,648	7,035,840	332,901
Adjustments	-	-	-	(332,901)
Fund balances, beginning of year, as adjusted	15,036,882	11,511,648	7,035,840	-
Fund balances, end of year	$ 14,618,166	$ 11,312,789	$ 7,732,892	$ -

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Housing Initiative Partnership	Local Option Gas Tax	(Formerly Nonmajor) Boating Improvement	(Formerly Nonmajor) Landfill Fund
REVENUES				
Taxes	$ -	$ 289,583	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	140,013	1,834,594	16,311	-
Charges for services	-	-	-	1,168,256
Fines and forfeitures	-	-	-	-
Interest revenue	8,189	69,249	54	168,416
Other	5,453	10,005	-	-
Total revenues	153,655	2,203,431	16,365	1,336,672
EXPENDITURES				
Current				
General government	-	4,950	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	702,441
Transportation	-	44,800	-	-
Economic environment	140,013	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	-	-	-	-
Debt service				
Principal	-	-	-	121,817
Interest	-	-	-	17,328
Capital outlay	-	3,149,178	1,146,438	156,857
Total expenditures	140,013	3,198,928	1,146,438	998,443
Excess (deficiency) of revenues over (under) expenditures	13,642	(995,497)	(1,130,073)	338,229
OTHER FINANCING SOURCES (USES)				
Transfers in	-	334,068	-	-
Transfers (out)	-	-	-	-
Proceeds from debt financing	-	-	-	-
Reversion to State of Florida	-	-	-	-
Leases (as lessee)	-	-	-	-
Total other financing sources (uses)	-	334,068	-	-
Net changes in fund balances	13,642	(661,429)	(1,130,073)	338,229
Fund balances, beginning of year, as previously reported	213,370	1,990,063	-	-
Adjustments	-	-	98,980	4,662,125
Fund balances, beginning of year, as adjusted	213,370	1,990,063	98,980	4,662,125
Fund balances, end of year	$ 227,012	$ 1,328,634	$ (1,031,093)	$ 5,000,354

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Nonmajor Governmental Funds	Total
REVENUES		
Taxes	$ 15,969	$ 24,883,769
Licenses and permits	531,043	1,120,355
Intergovernmental	3,043,308	12,225,403
Charges for services	308,139	2,320,612
Fines and forfeitures	97,904	127,301
Interest revenue	46,484	1,259,492
Other	410,740	1,119,440
Total revenues	4,453,587	43,056,372
EXPENDITURES		
Current		
General government	-	7,149,090
Public safety	859,283	12,745,936
Physical environment	-	2,440,537
Transportation	2,015,744	2,076,984
Economic environment	-	1,765,748
Human services	392,800	1,230,826
Culture and recreation	-	1,760,492
Court related	789,271	1,060,556
Debt service		
Principal	331,773	859,729
Interest	30,552	129,828
Capital outlay	1,483,469	11,654,729
Total expenditures	5,902,892	42,874,455
Excess (deficiency) of revenues over (under) expenditures	(1,449,305)	181,917
OTHER FINANCING SOURCES (USES)		
Transfers in	1,076,651	1,794,028
Transfers (out)	(155,786)	(5,106,045)
Proceeds from debt financing	331,460	1,572,966
Reversion to State of Florida	(139,176)	(139,176)
Leases (as lessee)	62,350	62,350
Total other financing sources (uses)	1,175,499	(1,815,877)
Net changes in fund balances	(273,806)	(1,633,960)
Fund balances, beginning of year, as previously reported	6,395,993	42,516,697
Adjustments	(4,761,105)	(332,901)
Fund balances, beginning of year, as adjusted	1,634,888	42,183,796
Fund balances, end of year	$ 1,361,082	$ 40,549,836

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds		$ (1,633,960)
Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases ($11,654,729) exceeds depreciation ($5,444,760) in the current period.		6,209,969
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
Earned but unavailable grants		2,282,791
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		15,042
Under the modified accrual basis of accounting used in governmental funds, revenue is recognized as payments are made on notes receivable, however, at the government-wide level, they are not recognized in the statement of activities.		(4,204)
The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:		
Proceeds from the issuance of long-term debt	(1,572,966)	
Proceeds from the assumption of lease liabilities	(62,350)	
Principal repayments:		
Notes payable	793,544	
Lease liabilities	66,185	
		(775,587)
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment is as follows:		
Net pension liability and related deferred inflows and outflows	1,013,242	
Other postemployment benefit liability and related deferred inflows and outflows	1,343,145	
Bad debt expense	-	
Landfill closing costs	(229,811)	
Compensated absences	(237,785)	
		1,888,791
Change in net position of governmental activities		$ 7,982,842

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Hospital	(Formerly Major Governmental Fund) Airport	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 2,826,273	$ 327,237	$ 3,153,510
Patient accounts receivable, net of estimated uncollectibles of $1,080,025 in 2025	1,039,796	-	1,039,796
Due from other funds	284,505	-	284,505
Accounts and other receivables	1,372,082	424,285	1,796,367
Prepaid items	56,421	13,300	69,721
Supplies inventory	93,959	-	93,959
Total current assets	5,673,036	764,822	6,437,858
Non-current assets			
Capital assets			
Land	13,400	-	13,400
Construction in progress	-	58,453	58,453
Right-of-use lease assets, net	31,472	-	31,472
Right-of-use subscription assets, net	100,987	-	100,987
Depreciable capital assets, net	3,731,664	12,529,800	16,261,464
Total non-current assets	3,877,523	12,588,253	16,465,776
Total assets	9,550,559	13,353,075	22,903,634
LIABILITIES			
Current liabilities			
Current portion of lease liability	14,893	-	14,893
Current portion of subscription liability	69,720	-	69,720
Accounts payable and accrued liabilities	883,108	41,024	924,132
Due to other funds	159,053	474,040	633,093
Unearned revenue	730,179	24,856	755,035
Current portion of estimated third party settlements	1,046,541	-	1,046,541
Compensated absences	238,466	-	238,466
Total current liabilities	3,141,960	539,920	3,681,880
Non-current liabilities			
Subscription liability, less current portion	27,930	-	27,930
Estimated third-party settlements, less current portion	1,062,502	-	1,062,502
Total non-current liabilities	1,090,432	-	1,090,432
Total liabilities	4,232,392	539,920	4,772,312
NET POSITION			
Net investment in capital assets	3,764,980	12,588,253	16,353,233
Restricted	-	224,902	224,902
Unrestricted	1,553,187	-	1,553,187
Total net position	$ 5,318,167	$ 12,813,155	$ 18,131,322

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Hospital	(Formerly Major Governmental Fund) Airport	Total
Operating revenues			
Net patient service revenue before provision for uncollectible accounts	$ 11,018,045	$ -	$ 11,018,045
Provision for uncollectible accounts	(2,218,554)	-	(2,218,554)
Net patient service revenue	8,799,491	-	8,799,491
Charges for services	-	460,584	460,584
Other operating revenue	630,793	-	630,793
Total operating revenues	9,430,284	460,584	9,890,868
Operating expenses			
Salaries, wages, and benefits	7,261,876	64,075	7,325,951
Other contract services	3,362,573	238,156	3,600,729
Supplies	1,093,946	15,652	1,109,598
Depreciation and amortization	784,258	529,555	1,313,813
Repairs and maintenance	342,625	78,508	421,133
Insurance	499,274	142,015	641,289
Other current expenses	160,250	72,418	232,668
Utilities	186,559	13,118	199,677
Licenses, permits, and fees	141,192	-	141,192
Communications	102,122	123	102,245
Lease and rental	50,340	4,689	55,029
Other patient care related costs	4,923	-	4,923
Total operating expenses	13,989,938	1,158,309	15,148,247
Operating (loss)	(4,559,654)	(697,725)	(5,257,379)
Nonoperating revenues (expenses)			
Interest revenue	41,964	1,478	43,442
Grants and contributions	815,689	2,099,516	2,915,205
Other revenue	73,878	275,189	349,067
Interest expense	(2,508)	-	(2,508)
Total nonoperating revenues (expenses)	929,023	2,376,183	3,305,206
Income (loss) before transfers	(3,630,631)	1,678,458	(1,952,173)
Transfers			
Transfers in	3,312,017	-	3,312,017
Change in net position	(318,614)	1,678,458	1,359,844
Total net position, beginning of year, as previously reported	5,636,781	-	5,636,781
Adjustments	-	11,134,697	11,134,697
Total net position, beginning of year, as adjusted	5,636,781	11,134,697	16,771,478
Total net position, end of year	$ 5,318,167	$ 12,813,155	$ 18,131,322

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Hospital	(Formerly Major Governmental Fund) Airport	Total
Cash flows from operating activities			
Receipts from and on behalf of patients and customers	$ 8,793,236	$ 445,912	$ 9,239,148
Payments to suppliers and others	(6,183,977)	(931,715)	(7,115,692)
Payments to and on behalf of employees	(7,236,499)	(64,075)	(7,300,574)
Other receipts (payments), net	630,793	52	630,845
Net cash (used in) operating activities	(3,996,447)	(549,826)	(4,546,273)
Cash flows from noncapital financing activities			
Other receipts (payments), net	73,878	275,189	349,067
Operating related grants	-	151,478	151,478
Net change in due to other funds	(351,726)	(758,628)	(1,110,354)
Noncapital related transfers in	3,511,330	-	3,511,330
Net cash provided by (used in) noncapital financing activities	3,233,482	(331,961)	2,901,521
Cash flows from capital and related financing activities			
Purchase of capital assets	(444,498)	(2,316,012)	(2,760,510)
Capital related grants and transfers in	1,195,662	3,372,111	4,567,773
Principal paid on lease liabilities	(37,868)	-	(37,868)
Principal paid on subscription liabilities	(65,970)	-	(65,970)
Interest paid	(2,508)	-	(2,508)
Net cash provided by capital and related financing activities	644,818	1,056,099	1,700,917
Cash flows from investing activities			
Interest income	41,964	1,478	43,442
Net cash provided by investing activities	41,964	1,478	43,442
Net increase (decrease) in cash and cash equivalents	(76,183)	175,790	99,607
Cash and cash equivalents, beginning of year	2,902,456	151,447	3,053,903
Cash and cash equivalents, end of year	$ 2,826,273	$ 327,237	$ 3,153,510
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	$ (4,559,654)	$ (697,725)	$ (5,257,379)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	784,258	529,555	1,313,813
Provision for bad debts	2,218,554	-	2,218,554
Changes in operating assets and liabilities			
Patient accounts receivable	(2,069,329)	-	(2,069,329)
Due from other funds	-	52	52
Accounts and other receivables	(935,736)	328	(935,408)
Prepaid items	12,743	(13,300)	(557)
Supplies inventory	(13,189)	-	(13,189)
Accounts payable and accrued liabilities	(284,744)	(353,736)	(638,480)
Unearned revenue	-	(15,000)	(15,000)
Compensated absences	21,757	-	21,757
Estimated third-party settlements	828,893	-	828,893
Total adjustments	563,207	147,899	711,106
Net cash (used in) operating activities	$ (3,996,447)	$ (549,826)	$ (4,546,273)
Noncash investing, capital and financing activities			
Capital additions under subscription liability	$ 31,143	$ -	$ 31,143

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

ASSETS		
Cash and cash equivalents	$	1,591,947
LIABILITIES		
Accounts payable		5,981
Due to other governments		582,944
Due to other county agencies		404,056
Total liabilities		992,981
NET POSITION		
Restricted		598,966
Total net position	$	598,966

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

ADDITIONS	$ 49,209,197
DEDUCTIONS	
Deductions	49,269,804
Apparent unauthorized transactions	13,376
Total deductions	49,283,180
Net increase (decrease) in fiduciary net position	(73,983)
Net position, beginning of year	672,949
Net position, end of year	$ 598,966

See accompanying notes to financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Franklin County, Florida (the "County") have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes U.S. GAAP for governmental units.

A. Reporting Entity

The County, located in Northwest Florida, is a political subdivision of the State of Florida and provides services to approximately 12,000 residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. It is governed by a five-member elected Board of County Commissioners (the "Board"), which derives its authority from Florida Statutes and regulations. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections.

The elected offices of the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. The offices of the Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections operate on a budget system whereby County appropriated funds are received from the Board with unexpended funds returned to the Board. The Clerk of the Circuit Court operates as a fee officer by retaining various fees collected by this office and billing the Board for certain services provided. Separate accounting records and budgets are maintained by each individual office.

As required by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, the financial reporting entity consists of the primary government (composed of the Board of County Commissioners and Constitutional Officers) and the County's component units, for which the primary government is financially accountable. Also included are other entities whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each potential component unit is individually evaluated using specific criteria outlined in GASB Statement No. 14 to determine whether the entity is: a) part of the primary government; b) a component unit which should be included in the reporting entity (blended or discretely presented); or c) an organization which should be excluded from the reporting entity entirely. The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from the primary government's ability to impose its will on the potential component unit's fiscal dependency on the primary government. Based upon the application of these criteria, the Hospital Fund of Franklin County, Florida d/b/a George E. Weems Memorial Hospital required inclusion as a component unit within the County's financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Hospital Fund is included in the County's reporting entity as a blended component unit due to the significance of the operational and financial relationships with the County. Although it is a legally separate agency, financial support has been pledged, and its financial and operational policies may be significantly influenced by the County. The Hospital Fund Board is appointed by the Board of County Commissioners, and the county owns the hospital's assets (land, building, and equipment). The Hospital Fund is accounted for as if it is a part of the County's operations and reported as a County Enterprise Fund. The County assumed the operations of Weems Memorial Hospital from a private provider in December of 2006. The Hospital Fund has been a part of the county's financial statements since the date of the assumption.

There is an inactive special district named George E. Weems Memorial Hospital as listed by the Department of Economic Opportunity's Special District Accountability program under Section 218.39, Florida Statutes. This special district was established on May 5, 1951, by a special act of the Florida Legislature. The governing body of which was supposed to be appointed by the governor. This special district has never been activated, there were never any special assessments collected or levied, and the county has attempted to dissolve the inactive special district multiple times without success as the creation documents needed for dissolution cannot be located.

Complete financial statements of the Hospital Fund component unit can be obtained as follows:

George E. Weems Memorial Hospital
135 Avenue G
Apalachicola, Florida 32320

The County was established by the constitution of the State of Florida, Article VIII, Section 1 (e).

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units, if any, for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 segment; and, b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports seven major governmental funds:

- General Fund – The general fund is the County's primary operating fund. It is used to account for all resources traditionally associated with governmental activities except those required to be accounted for in other funds.
- Healthcare Trust Fund – This fund is used to account for the sales tax proceeds restricted for use at the county hospital.
- Tourist Development Fund – This fund is used to account for tourist development tax proceeds.
- Housing Initiative Partnership – This fund is used to account for activity relating to the program's revenues and expenses.
- Local Option Gas Tax Fund – This fund is used to account for the gas tax proceeds.
- Boating Improvement – This fund is used to account for activity relating to the County's boat ramps.
- Landfill Fund – This fund is used to account for activities relating to the County's Landfill.

The County reports two major proprietary funds:

- Hospital – This fund is used to account for balances and activities of the George E. Weems Memorial Hospital.
- Airport – This fund accounts for the fiscal activities of the airport.

The County reports one type of fiduciary fund, custodial funds, which are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if 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 are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

D. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Estimates that are particularly susceptible to significant change in the near term are related to the determination of the Hospital's allowances for uncollectible accounts and contractual adjustments and estimated third-party payor settlements. In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs will change by a material amount in the near term.

E. Enterprise Activities

For enterprise activities, the County applies all applicable GASB pronouncements.

F. Budgets and Budgetary Accounting

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the County's operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund's budget must be approved by the Board.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The budgetary information presented for the general fund and any major governmental funds is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be reappropriated in the subsequent year.

G. Cash and Cash Equivalents and Investments

Cash and cash equivalents include all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. Investments are reported at fair value. Additional cash and cash equivalents and investment information and fair values are presented in Note 2.

H. Accounts and Notes Receivable

The County's accounts and notes receivable, other than hospital accounts receivable as described below, are deemed to be entirely collectible. Therefore, an allowance for uncollectible accounts receivable has not been recorded.

Patient accounts receivable are reduced by estimated contractual and other adjustments and estimated uncollectible accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowances for third-party contractual and other adjustments and bad debt. Management reviews data about these major payor sources of revenue on a monthly basis in evaluating the sufficiency of the allowances. On a continuing basis, management analyzes delinquent receivables and writes them off against the allowance when deemed uncollectible. No interest is charged on patient accounts receivable balances.

For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for contractual adjustments and, if necessary, a provision for bad debts (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with uninsured patients (also known as 'self-pay'), which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many uninsured patients are often either unable or unwilling to pay the full portion of their bill for which they are financially responsible. The difference between standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Hospital has not materially altered its accounts receivable and revenue recognition policies during fiscal year 2025 and did not have significant write-offs from third-party payors related to collectability in fiscal year 2025.

I. Due from (to) Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances" when applicable.

J. Supplies Inventory

Supply inventories are stated at the lower of cost or net realizable value, determined using the first-in, first-out method. When evidence exists that the net realizable value of inventories is lower than its cost, the difference is recognized as a loss in the statement of revenues, expenses, and changes in net position in the period in which it occurs.

Pharmaceutical inventories are subject to a capitalization threshold, resulting in the expensing of insignificant drugs during the year.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, stormwater system, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Machinery and equipment with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year are recorded as capital assets. Buildings, roads, bridges, and sidewalks are capitalized when their initial costs exceed $25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost when purchased or constructed or estimated historical cost if actual cost is unknown. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend its useful life is expensed as incurred.

Property, plant, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Buildings	50 years
Improvements	50 years
Machinery and equipment	5-20 years
Infrastructure	15-25 years
Right-of-use assets	Lease term

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during the construction period is not capitalized.

L. Leases

The County is a lessee for various lease agreements and recognizes a lease liability and an intangible right-of-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial individual value of $15,000 or more. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made at or before the lease commencement date, plus initial direct costs. Subsequently, the lease asset is amortized in accordance with principal amounts attributed over the term of the lease liability.

Key estimates and judgements related to leases include how the County determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Subscription-Based Information Technology Arrangements

Under GASB No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, all contracts allowing for the County to use another entity's information technology software alone or in combination with tangible capital assets (the underlying IT assets) for a period greater than 12 months are recorded as both a right-of-use (ROU) asset and a subscription liability. The liability is measured using the present value of total expected payments over the subscription term, discounted for the interest rate (whether explicit or implicit). Scheduled payments thereafter are allocated between the discount amortization to interest expense and the principal payment in the reduction of the outstanding liability. The ROU asset should be measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Amortization of the ROU subscription asset flows through amortization expense monthly using the straight-line basis over the life of the subscription.

The County uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and term options that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets, reported with capital assets, and subscription liabilities, are reported on the statements of net position.

N. Long-Term Obligations

In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt issuance costs are reported as other financing sources (uses) in the period incurred.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Pension Liability

In the government-wide statements, the net pension liability represents the County's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This liability represents a share of the present value of projected benefit payments to be provided through cost-sharing plans, less the amount of the cost-sharing plans' fiduciary net position. The County participates in both the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy Program (HIS) defined benefit plan administered by the Florida Division of Retirement. The County allocated the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense to the funds and functions/activities based on their respective contribution made to the pension plans for that fiscal year.

P. Other Postemployment Benefits

The County has recorded a liability in the government-wide statements for postemployment benefits other than pensions ("OPEB"). The financial reporting requirements for governments whose employees are provided with OPEB, include the recognition and measurement of liabilities, deferred outflows of resources, deferred inflows of resources, and expenses.

Q. Deferred Outflows/Inflows of Resources

The statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The County also has items related to its retirement plan and OPEB plan which are reported in the government-wide statement of net position as deferred outflows of resources and deferred inflows of resources. Certain changes in the net pension liability and net OPEB liability are recognized as expense over time instead of all being recognized in the year of occurrence.

Experience gains or losses result from actuarial studies which adjust the net pension/OPEB liability (asset) for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension/OPEB liability (asset) are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The net difference between projected and actual earnings on pension/OPEB plan investments is deferred and amortized against pension expense over a five-year period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs, are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay.

S. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2025 tax year millage rate assessed by the County was 5.2222 mills.

The tax levy of the County is established by the Board prior to October 1 of each year and the Property Appraiser incorporates the County millage rates into the total tax levy, which includes the various municipalities, the county school board, and other taxing authorities.

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1, following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold tax certificates are held by the County.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered including estimated retroactive adjustments under reimbursement agreements with third-party payors.

Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined or as years are no longer subject to such audits, reviews, and investigations.

The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potentially significant wrongdoing. However, compliance with such laws and regulations is subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid program, and in recent years there has been an increase in regulatory initiatives at the state and federal levels including the Recovery Audit Contractor ("RAC") and Medicaid Integrity Contractor ("MIC") programs, among others. These programs were created to review Medicare and Medicaid claims for medical necessity and coding appropriateness. The RAC's have authority to pursue 'improper' (in their judgment) payments with a three year look back from the date the claim was paid.

U. Charity Care

The Hospital provides care without charge, or at a reduced charge, to patients who meet certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify pursuant to this policy, these charges are not reported as revenue. The amount of charges foregone for services and supplies furnished under the Hospital's charity care policy was approximately $461,000 for the year ended September 30, 2025, and estimated costs and expenses incurred to provide charity care totaled approximately $324,000. The estimated costs and expenses incurred to provide charity care were determined by applying the Hospital's cost to charge ratio from its latest filed Medicare cost report to its charges foregone for charity care, at established rates.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Implementation of New Governmental Accounting Standards

GASB Statement No. 101, *Compensated Absences*

Effective October 1, 2024, the County implemented Statement No. 101. The objective of this statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement required the County to recognize a liability for leave that has not been used if (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement has no material impact on the County's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*

Effective October 1, 2024, the County implemented Statement No. 102. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement has no material impact on the County's financial statements.

W. Subsequent Events

The County evaluated subsequent events through September 30, 2026, the date which the financial statements were available to be issued and determined.

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits Policies

The County's cash and cash equivalents include cash on hand, demand deposits, and short-term highly liquid debt instruments with original maturities of three months or less from the date of acquisition.

Investments Policies

Florida Statutes, Section 218.415, authorizes the County to invest surplus funds in the following:

NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)

- The Local Government Surplus Funds Trust Fund (State Board of Administration) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s.163.01.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in state-certified qualified public depositories as defined in s. 280.02.
- Direct obligations of the United States Treasury.
- Federal agencies and instrumentalities.
- Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C.ss. 80a-1 et. seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

Florida Statutes provide that funds awaiting clearing may be invested. Pursuant to an agreement with a local financial institution, cash on deposit, including the County's float, was invested overnight in United States Treasury Obligations per the repurchase agreement.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Trust Fund (Florida PRIME) created by Florida Statutes, Section 218.405.

Florida PRIME meets the criteria in GASB 79 to measure all of its investments at amortized cost enabling it to maintain a constant Net Asset Value (NAV) of $1.00 per share. As of September 30, 2025, Florida PRIME had no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Custodial Credit Risk of Deposits

All cash resources of the County are placed in banks that are qualified public depositories, as required by law (Florida Security for Public Deposits Act). Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that the County's funds are entirely collateralized throughout the fiscal year. In the event of failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

At September 30, 2025, the County did not hold any investments other than those disclosed below that were considered to be an interest rate risk. The dollar weighted average days to maturity for Florida PRIME was 47 days as of September 30, 2025.

Credit Risk

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as a credit risk because the County investments are not evidenced by specific, identifiable investment securities. As of September 30, 2025, Florida PRIME is rated by Standard and Poor's and has a current rating of AAAm.

Custodial Risk

At September 30, 2025, the County held no deposits or investments that were considered to be a custodial risk.

Concentration of Credit Risk

At September 30, 2025, the County did not hold any investments that were considered to be a concentration of credit risk.

At September 30, 2025, the County's cash and investments consisted of the following:

	Current	0-5 Years	5-10 Years	Total Carrying Amount
Cash including money market fund	$ 37,092,563	$ -	$ -	$ 37,092,563
Local Government Surplus Funds Trust Fund (Florida PRIME)	5,661,218	-	-	5,661,218
Total	$ 42,753,781	$ -	$ -	$ 42,753,781

NOTE 3: PATIENT ACCOUNTS RECEIVABLE

The Hospital is located in Apalachicola, Florida. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30, 2025, was:

Medicare	$ 387,246
Medicaid	194,849
Other third-party payers	1,822,253
Patients	1,042,333
Total patient accounts receivable	3,446,681
Less allowance for contractual and other adjustments	(1,326,860)
Less allowance for uncollectible accounts	(1,080,025)
Patient accounts receivable, net	$ 1,039,796

NOTE 4: NOTES RECEIVABLE

The County holds various notes with start dates ranging from August 1994 through April 2010 related to its State Housing Initiatives Partnership Program whereby the County made loans ranging from $5,000 to $98,046. The majority of the loans are to be repaid over a thirty-year period and have annual interest rates of 1%.

At September 30, 2025, notes receivable consisted of the following:

	Balance, September 30, 2024	Additions	Deductions	Balance, September 30, 2025
SHIP	$ 199,784	$ -	$ (4,204)	$ 195,580

NOTE 5: INTERFUND TRANSACTIONS

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are eliminated in the government-wide financial statement totals.

As of September 30, 2025, the County maintained the following interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
General fund	Tourist development fund	$ 11,890
	Boating Improvement	1,145,853
	Other nonmajor funds	348,234
	Enterprise - Hospital	158,799
	Enterprise - Airport	473,827
Tourist development fund	General fund	5,735
Landfill fund	General fund	626
Other nonmajor funds	General fund	13,629
	Other nonmajor funds	6,209
	Enterprise - Hospital	254
	Enterprise - Airport	213
Enterprise - Hospital	Healthcare Trust Fund	284,505
		$ 2,449,774

All remaining balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Operating transfers between funds were as follows for the year ended September 30, 2025:

Transfers in	Transfers out	Amount
General fund	Tourist development fund	$ 228,523
	Other nonmajor funds	154,786
Local Option Gas Tax	General fund	334,068
Other nonmajor funds	General fund	1,075,651
	Other nonmajor funds	1,000
Enterprise - Hospital	Healthcare Trust Fund	3,312,017
		$ 5,106,045

The transfers above were for budgeted operations.

NOTE 6: CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended September 30, 2025, was as follows:

Governmental activities:	Beginning Balance**	Additions	Reductions	Adjustments*	Ending Balance
Capital assets not being depreciated:					
Land	$ 7,572,510	$ -	$ -	$ -	$ 7,572,510
Construction in progress	3,677,803	8,995,191	-	(7,738,369)	4,934,625
Total capital assets not being depreciated	11,250,313	8,995,191	-	(7,738,369)	12,507,135
Capital assets being depreciated:					
Buildings	14,926,490	155,760	-	1,963,425	17,045,675
Improvements other than buildings	7,812,565	-	-	-	7,812,565
Machinery and equipment	24,081,588	2,441,428	(717,538)	-	25,805,478
Infrastructure	125,589,473	-	-	5,774,944	131,364,417
Right-of-use asset	192,095	62,350	(192,095)	-	62,350
Total capital assets being depreciated	172,602,211	2,659,538	(909,633)	7,738,369	182,090,485
Less accumulated depreciation for:					
Buildings	(6,952,957)	(524,574)	-	-	(7,477,531)
Improvements other than buildings	(3,385,203)	(224,383)	-	-	(3,609,586)
Machinery and equipment	(13,495,146)	(878,692)	769,250	-	(13,604,588)
Infrastructure	(57,974,436)	(3,786,856)	-	-	(61,761,292)
Right-of-use asset	(140,757)	(30,255)	155,425	-	(15,587)
Total accumulated depreciation	(81,948,499)	(5,444,760)	924,675	-	(86,468,584)
Total capital assets being depreciated, net	90,653,712	(2,785,222)	15,042	7,738,369	95,621,901
Total governmental activities, capital assets, net	$ 101,904,025	$ 6,209,969	$ 15,042	$ -	$ 108,129,036

NOTE 6: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 327,206
Court related	62,872
Public safety	632,544
Physical environment	265,649
Economic environment	4,411
Transportation	3,692,307
Human services	129,827
Culture and recreation	329,944
Total depreciation expense - governmental activities	$ 5,444,760

Capital asset activity for business-type activities for the fiscal year ended September 30, 2025, was as follows:

Business-type activities:	Beginning Balance**	Additions	Reductions	Adjustments*	Ending Balance
Capital assets not being depreciated:					
Land	$ 13,400	$ -	$ -	$ -	$ 13,400
Construction in progress	2,260,946	2,137,828	-	(4,340,321)	58,453
Total capital assets not being depreciated	2,274,346	2,137,828	-	(4,340,321)	71,853
Capital assets being depreciated:					
Buildings	5,734,009	19,886	-	-	5,753,895
Improvements other than buildings	4,351,600	-	-	-	4,351,600
Equipment and furniture	5,519,027	580,916	(273,994)	44,519	5,870,468
Infrastructure	7,557,529	-	-	4,295,802	11,853,331
Right-of-use asset - equipment	569,655	-	-	-	569,655
Right-of-use asset - SBITA	464,529	31,143	-	-	495,672
Total capital assets being depreciated	24,196,349	631,945	(273,994)	4,340,321	28,894,621
Less accumulated depreciation for:					
Buildings	(1,446,319)	(120,202)	-	-	(1,566,521)
Improvements other than buildings	(2,315,747)	(125,997)	-	-	(2,441,744)
Equipment and furniture	(3,968,892)	(607,665)	273,994	-	(4,302,563)
Infrastructure	(2,918,578)	(338,424)	-	-	(3,257,002)
Right-of-use asset - equipment	(501,171)	(37,012)	-	-	(538,183)
Right-of-use asset - SBITA	(327,909)	(66,776)	-	-	(394,685)
Total accumulated depreciation	(11,478,616)	(1,296,076)	273,994	-	(12,500,698)
Total capital assets being depreciated, net	12,717,733	(664,131)	-	4,340,321	16,393,923
Total business-type activities, capital assets, net	$ 14,992,079	$ 1,473,697	$ -	$ -	$ 16,465,776

**Adjustments reflect capital assets moved from construction in progress into service during the fiscal year.*
***The Airport fund was reclassified as a business-type activity from a governmental activity. The beginning balances reflect this change.*

NOTE 6: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to business-type activities functions/programs as follows:

Business-type activities:	
Hospital	$ 766,521
Airport	529,555
Total depreciation expense - business-type activities	$ 1,296,076

NOTE 7: LONG-TERM DEBT

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Board of County Commissioners are reported in the government-wide statement of net position. The following sections address specific long-term liabilities which are included in the government-wide presentation:

Auto and Equipment Loans – The County regularly purchases vehicles and other equipment through loans and lease finance options. The total due on the lease finance agreements and loans as of September 30, 2025, was $238,489 and $1,780,265, respectively. These loans include interest rates ranging from 2.65% to 8.80% and maturities ranging from 2025 to 2030.

Library Loans – In 2024, the County signed a lease agreement with a bargain purchase option to pay the Friends of the Franklin County Public Library, Inc.'s mortgage in exchange for ownership of the Library's land and building. The total due on the loans as of September 30, 2025, was $149,122. These loans include interest rates of 3.50% and 4.00% and mature in 2042. Subsequent to year end, the County formally assumed the loans and ownership of the land and building.

NOTE 7: LONG-TERM DEBT (CONTINUED)

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Auto and equipment loans	$ 1,384,382	$ 1,417,206	$ (782,834)	$ 2,018,754	$ 571,954
Credit card	4,072	-	(4,072)	-	-
Library loans	-	155,760	(6,638)	149,122	6,825
Lease liability	52,055	62,350	(66,185)	48,220	15,073
Long-term landfill closure and postclosure liability	5,553,418	229,811	-	5,783,229	-
Other postemployment benefits	4,820,836	-	(357,097)	4,463,739	-
Net pension liability	15,706,215	-	(2,168,452)	13,537,763	-
Liability for compensated absences*	927,484	237,785	-	1,165,269	233,054
Total governmental activities long-term liabilities	$ 28,448,462	$ 2,102,912	$ (3,385,278)	$ 27,166,096	$ 826,906

**The change in the compensated absences liability is presented as a net change.*

DEBT SERVICE REQUIREMENTS

The scheduled payments of principal and interest on long-term debt, including lease liabilities, for the year ending September 30, are as follows:

Year	Principal	Interest	Total
2026	$ 593,852	$ 91,770	$ 685,622
2027	586,947	67,100	654,047
2028	520,379	43,502	563,881
2029	312,754	22,164	334,918
2030	89,452	7,727	97,179
Thereafter	112,712	22,143	134,855
	$ 2,216,096	$ 254,406	$ 2,470,502

NOTE 7: LONG-TERM DEBT (CONTINUED)

Long-term liabilities related to business-type activities as of and for the year ended September 30, 2025:

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Subscription liability	$ 136,620	$ 27,000	$ (65,970)	$ 97,650	$ 69,720
Lease liability	52,761	-	(37,868)	14,893	14,893
Compensated absences	216,709	307,392	(285,635)	238,466	238,466
Total business-type activities long-term liabilities	$ 406,090	$ 334,392	$ (389,473)	$ 351,009	$ 323,079

See Note 8: Leases for scheduled payments of principal and interest for business-type activities.

NOTE 8: LEASES

Operating Lease Obligations – Governmental Activities

Capital Assets

The County, as a lessee, has entered into a lease agreement for tower antenna space. The total of the County's lease assets for the year ended September 30, 2025, was recorded at a cost of $62,350, less accumulated amortization of $15,587.

Asset Class	Lease Asset Value	Accumulated Amortization
Buildings	$ 62,350	$ (15,587)

Principal and Interest Requirements to Maturity

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 15,073	$ 1,202	$ 16,275
2027	21,700	901	22,601
2028	11,447	129	11,576
Total	$ 48,220	$ 2,232	$ 50,452

NOTE 8: LEASES (CONTINUED)

Leases – Business-Type Activities

The Hospital has entered into lease agreements to obtain the right-to-use to various specialized medical equipment and office equipment. The leases range from 24 to 60 months, often with one year renewal periods.

As of September 30, 2025, lease liabilities were $14,893. The Hospital is required to make monthly principal and interest payments on the leases totaling approximately $8,000. The leases have interest rates of approximately 3.25%.

The following is a schedule of minimum future lease payments from lease agreements as of September 30. Future interest payments are not material.

Fiscal Year	Principal Payments
2026	$ 14,893

Subscription-Based Information Technology Arrangements – Business-Type Activities

The right-of-use assets and related subscription liabilities largely involve the following:

- Licensing and remote hosting agreements with global suppliers of health information technology solutions which provide software/applications, managed/shared services, and remote hosting services. The contracts end in fiscal year 2028.

As of September 30, 2025, the balance of the subscription liability was $ 97,650. The Hospital is required to make monthly principal and interest payments totaling approximately $11,000. The subscriptions do not have stated interest rates. The Hospital used an estimate of its incremental borrowing rate, 3.25%.

The following is a schedule of minimum future payments from subscription agreements. Future interest amounts on these subscription agreements are not material.

Fiscal Year	Principal Payments
2026	$ 69,720
2027	24,180
2028	3,750
Total	$ 97,650

NOTE 9: EMPLOYEE BENEFITS

FLORIDA RETIREMENT SYSTEM

General Information – All of the County's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("FRS Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website: www.dms.myflorida.com/workforce_operations/retirement/publications.

FRS PLAN

Plan Description – The FRS Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided – Benefits under the FRS Plan are computed on the basis of age, average final compensation, and service credit. For FRS Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement

NOTE 9: EMPLOYEE BENEFITS (CONTINUED)

benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2024 through June 30, 2025, and from July 1, 2025, through September 30, 2025, respectively, were as follows: Regular—13.63% and 14.03%; Special Risk Administrative Support—39.82% and 39.48%; Special Risk—32.79% and 35.19%; Senior Management Service—34.52% and 33.24%; Elected Officers'—58.68% and 54.57%; and DROP participants—21.13% and 22.02%. These employer contribution rates include the 2.00% and 2.00% HIS Plan subsidy for the period October 1, 2024, through June 30, 2025, and July 1, 2025, through September 30, 2025, respectively.

NOTE 9: EMPLOYEE BENEFITS (CONTINUED)

The County's contributions, including employee contributions, to the FRS Plan totaled $2,101,293 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the County reported a liability of $10,513,030 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The County's proportionate share of the net pension liability was based on the County's 2024-25 fiscal year contributions relative to the 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the County's proportionate share was 0.03387 percent.

For the fiscal year ended September 30, 2025, the County recognized pension (benefit) of ($926,640). In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,122,902	$ -
Change of assumptions	1,220,836	-
Net difference between projected and actual earnings on FRS Plan investments	-	(1,755,257)
Changes in proportion and differences between County FRS Plan contributions and proportionate share of contributions	1,010,197	(259,502)
County FRS Plan contributions subsequent to the measurement date	547,389	-
Total	$ 3,901,324	$ (2,014,759)

NOTE 9: EMPLOYEE BENEFITS (CONTINUED)

The deferred outflows of resources related to the FRS Plan, totaling $547,389 resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Plan will be recognized in pension expense as follows:

Reporting period ending September 30,	FRS Expense
2026	$ 3,876,997
2027	(688,839)
2028	(1,030,873)
2029	(818,109)
Total	$ 1,339,176

Actuarial Assumptions – The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality assumptions for the FRS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

The most recent experience study for the FRS Pension Plan was completed in 2024 for the period July 1, 2018, through June 30, 2023.

The long-term expected rate of return remained 6.70%.

NOTE 9: EMPLOYEE BENEFITS (CONTINUED)

The long-term expected rate of return on FRS Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	100.00%			
Assumed inflation - mean			2.4%	1.5%

(1) As outlined in the Pension Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 6.70%. The FRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

FRS Net Pension Liability		
1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
$ 20,631,660	$ 10,513,030	$ 2,029,718

NOTE 9: EMPLOYEE BENEFITS (CONTINUED)

FRS Plan Fiduciary Net Position – Detailed information regarding the FRS Plan's fiduciary net position is available in the separately issued FRS Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS PLAN

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $45 and a maximum HIS payment of $225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the HIS contribution for the period October 1, 2024, through June 30, 2025, was 2.00%, and the period July 1, 2025, through September 30, 2025 was 2.00%. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled $216,714 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the County reported a liability of $3,024,733 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The County's proportionate share of the net pension liability was based on the County's 2024-25 fiscal year contributions relative to the 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the County's proportionate share was 0.02359 percent.

NOTE 9: EMPLOYEE BENEFITS (CONTINUED)

For the fiscal year ended September 30, 2025, the County recognized pension (benefit) of ($86,602). In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,056	$ (4,798)
Change of assumptions	26,772	(731,605)
Net difference between projected and actual earnings on HIS Plan investments	-	(2,518)
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	327,135	(69,210)
County HIS Plan contributions subsequent to the measurement date	54,627	-
Total	$ 426,590	$ (808,131)

The deferred outflows of resources related to the HIS Plan, totaling $54,627, resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Reporting period ending September 30,	HIS Expense
2026	$ (96,219)
2027	(115,198)
2028	(96,989)
2029	(77,726)
2030	(50,036)
Thereafter	-
Total	$ (436,168)

NOTE 9: EMPLOYEE BENEFITS (CONTINUED)

Actuarial Assumptions – The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Municipal bond rate	5.20%, net of pension plan investment

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan. The most recent experience study for the FRS Pension Plan was completed in 2024 for the period July 1, 2018, through June 30, 2023.

The following changes in actuarial assumptions occurred in 2025 for the HIS Program:

- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.
- The assumption changes were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2025 FRS Actuarial Assumption Conference during its October 2025 meeting.
- The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

Discount Rate – The discount rate used to measure the total pension liability was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

NOTE 9: EMPLOYEE BENEFITS (CONTINUED)

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate:

HIS Net Pension Liability		
1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
$ 3,410,873	$ 3,024,733	$ 2,700,884

HIS Plan Fiduciary Net Position – Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued Florida Retirement System Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

INVESTMENT PLAN

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

Allocations to the investment member's accounts during the 2024-25 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 11.30%, Special Risk Administrative Support class 12.95%, Special Risk class 19.00%, Senior Management Service class 12.67% and County Elected Officers class 16.34%.

NOTE 9: EMPLOYEE BENEFITS (CONTINUED)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the pension plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The County has established the Retiree's Health Insurance Other Postemployment Benefits Plan, a single employer plan. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the County and eligible dependents, may continue to participate in the group insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The County subsidizes the premium rates paid by the retirees by paying 50% of the premium for the retiree, excluding dependent coverage, and also by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The County currently has approximately 228 total active and retired employees eligible to receive these benefits. No stand-alone report is issued for this plan.

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

On March 17, 2017, the County adopted the Transitional Sunset provision where the County will contribute 50% towards the cost of an eligible retiree's health insurance premium up to a maximum of 50% of the cost of the monthly insurance premium paid on behalf of active employees for eligible retirees with retirement dates from October 1, 2022, through September 30, 2047 (Retirees in the next 6-30 Years). This premium subsidy will cease when the retiree becomes eligible for Medicare. Any employee hired after October 1, 2017, shall not be eligible for the subsidy.

Eligibility

A participant is eligible to receive benefits from the plan upon retirement under the Florida Retirement System plan provisions. To be eligible for retiree benefits, the participant must be covered under the medical plan as an active employee immediately prior to retirement. Participants not eligible for retirement at the time of their termination are not eligible for immediate or future benefits from the plan.

Funding Policy

Although the contribution requirement is established by Statute, the contribution amount required by plan members and the government are established and may be amended by the Franklin County Board of County Commissioners. Currently, members receiving benefits pay the full costs (total premium) for medical coverage for individual coverage and 100% of the full cost for dependent coverage.

The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. Rather, the funding is based on a pay-as-you-go basis. During the fiscal year, the County provided no contributions toward the annual OPEB cost. A Schedule of Employer Contributions can be found in the required supplementary information immediately following the notes.

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions

The actuarial assumptions used represent a reasonable long-term expectation of future OPEB outcomes. As national economic and County experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary updated. Significant methods and assumptions were as follows:

Actuarial Valuation Date	September 30, 2024
Measurement Date	September 30, 2025
Actuarial Cost Method	Entry Age Normal
Discount Rate	4.90%
Projected Cash Flows	Pay as you go
Municipal Bond Rate	20-Year Tax Exempt General Obligation
Bond Rate Basis	AA/Aa or higher
Projected Salary Increases	3.50%
Healthcare Cost Trend Rate	6.10% initial; 3.7% ultimate

Changes in Total OPEB Liability and Related Ratios

Below are the details regarding the total OPEB liability for the period from October 1, 2024 to September 30, 2025:

Total OPEB liability (TOL) at October 1, 2024	$	4,820,836
Changes for the fiscal year		
Service cost		196,391
Interest		186,833
Assumption changes		(511,267)
Benefit payments		(229,054)
Net changes in total OPEB liability		(357,097)
Total OPEB liability at September 30, 2025	$	4,463,739
TOL as a percentage of covered employee payroll		N/A

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate.

OPEB Liability		
1% Decrease 3.90%	Current Discount Rate 4.90%	1% Increase 5.90%
$ 4,923,287	$ 4,463,739	$ 4,068,361

Comparison of total OPEB liability using alternative healthcare cost trend rates.

OPEB Liability		
1% Decrease	Current Trend Rate	1% Increase
$ 3,933,714	$ 4,463,739	$ 5,108,670

OPEB Expense and Deferred Outflows (Inflows) of Resources

At September 30, 2025, the County reported deferred outflows and deferred inflows of resources related to OPEB for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance at October 1, 2024	$ 1,839,152	$ (10,853,079)
Recognition of liability gains or losses	(100,982)	695,976
Recognition of assumption changes or inputs	(128,125)	1,030,446
Effect of assumption changes or inputs	-	(511,267)
Balance at September 30, 2025	$ 1,610,045	$ (9,637,924)

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Year Ended September 30,	Total
2026	$ (1,497,315)
2027	(1,464,806)
2028	(1,334,778)
2029	(1,334,780)
2030	(923,874)
Thereafter	(1,472,326)
Total	$ (8,027,879)

NOTE 11: LANDFILL CLOSURE AND POSTCLOSURE

State and federal laws and regulations require the County to place a final cover on its landfill sites when it ceases accepting waste and perform certain maintenance and monitoring functions at the site for thirty years after closure. Currently, the County monitors one closed landfill. Receipt of waste at the County's Class I central landfill has been indefinitely suspended and the County contracts for waste to be transported out of the County. In the event operations were to resume at the Class I landfill, there are about two years remaining capacity. Currently, the County also operates a Class III landfill.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Board reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The $5,783,229 balance reported as landfill closure and postclosure care liability at September 30, 2025, represents the cumulative amount reported to date based on the use of 82% of the Class I and Class III landfill estimated capacity. Total estimated costs are projected at $5,185,345 for closure and $1,883,046 for postclosure care at current prices. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Board is required by state and federal laws to make annual contributions to an escrow account to finance a minimum of all closure costs. At September 30, 2025, the Board held deposits with a fair value of $4,684,206 for these purposes that are reported as restricted assets on the balance sheet. The Board expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care costs are determined to be required, these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE 12: NET PATIENT SERVICE REVENUE

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare – Inpatient and substantially all outpatient services related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for certain services at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare Administrative Contractor.

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid contractor. The inpatient rates are established by the Agency for Health Care Administration ("AHCA") for which the Hospital is a provider. Outpatient services are reimbursed based on a per diem amount established by utilization on a semi-annual basis.

Other – The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

A summary of gross revenue from patient services provided under contracts with third-party payors follows:

For the year ended September 30,	2025
Medicare	27%
Medicaid	1%
Blue Cross	8%
Commercial/HMO/PPO	51%

The composition of net patient service revenue was as follows:

For the year ended September 30,	2025
Gross patient service revenue	$ 16,152,876
Less provision for contractual and other adjustments	(5,134,831)
Less provision for uncollectible accounts	(2,218,554)
Net patient service revenue	$ 8,799,491

NOTE 13: MEDICAID SUBSIDIES AND ASSESSMENTS

The Agency for Health Care Administration ("AHCA") is the entity designated by the State of Florida to administer its Medicaid program. AHCA and the State of Florida have established various programs that provide additional payments from the state to qualifying Florida hospitals that service a disproportionate share of Medicaid, underinsured, uninsured, and low-income patients. Notably, these programs include Medicaid disproportionate share ("DSH") and the low-income pool ("LIP"). The Hospital generally qualifies as a DSH and LIP provider and receives payments based on formulas established by AHCA. The possibility exists that the formulas may continue to change, pending federal and/or state legislation.

The net amount of DSH and LIP payments recognized in net patient service revenue (included in contractual deductions) was approximately $1,380,000 (before recognition of the LIP payback discussed below) for fiscal year 2025. DSH and LIP payments receivable of approximately $1,312,000 as of September 30, 2025, are included in other receivables on the accompanying statements of net position.

These program payments, in connection with other payments received from the State of Florida for providing health services to Medicaid, uninsured and underinsured people of the State of Florida, are subject to audit, and payments received in excess of costs may be required to be refunded to the State of Florida.

In 2024, the Hospital received a demand letter from AHCA totaling $335,674 related to calculated overpayments of LIP for state fiscal years ended June 30, 2014 – June 30, 2018. This issue was pursuant to a settlement agreement between CMS and AHCA, signed on September 28, 2023. In 2025, the Hospital received a demand letter totaling $176,859 for state fiscal year ended June 30, 2019 and a demand letter totaling $294,976 for state fiscal year ended June 30, 2020. Therefore, the total demanded amounts for state fiscal years ended June 30, 2014 – June 30, 2020 is $807,509.

As a result of that settlement agreement, the share of alleged LIP overpayments representing the federal financial participation (FFP) are to be repaid from AHCA to CMS. In turn, AHCA has demanded these monies back from the participating, affected hospitals.

The Hospital closely coordinated and communicated with AHCA in determining the potential total exposure as of September 30, 2024. In addition to the demand letters noted above, it is possible AHCA may issue demand letters for state fiscal years after June 30, 2020. The Hospital estimated the repayment for state fiscal years after 2020, using the third party examination results letters received (LIP paid in excess of costs), multiplied by the estimated FFP.

At September 30, 2025, the Hospital recorded $807,509 of current liabilities, which were netted against current receivables in "estimated third party settlements" on the accompanying statement of net position. Additionally, the Hospital recorded $1,062,502 of noncurrent liabilities, included in "estimated third party settlements", long-term portion.

NOTE 13: MEDICAID SUBSIDIES AND ASSESSMENTS (CONTINUED)

For state fiscal years ending after June 30, 2020, an exposure exists related to any potential LIP overpayments. The third- party examinations of the LIP program are conducted three years in arrears, and, as such, the actual overpayments, if any, will not be known until such examinations are completed. The Hospital used the best information available, including the CMS / AHCA settlement agreement, third party examination results, and other information to calculate a most likely exposure, included in the non-current liability discussed above.

During fiscal year 2025, no payments were made on the LIP liabilities discussed above.

The Hospital anticipates payments will begin in fiscal year 2026. The ultimate timing and resolution of the remaining portion (classified as noncurrent) is unclear.

It is possible that this matter is not limited only to LIP. In 2025, other hospitals throughout the State of Florida received demands for repayments related to DSH, which appeared to begin with State fiscal year 2020. As of the date these financials were available for release, the Hospital's management has not received a DSH demand letter, and, accordingly, the Hospital's management has determined that neither the likelihood of a potential liability nor the amount of any such liability can be reasonably estimated. No amounts are recorded on the accompanying financial statements related to any potential liabilities associated with DSH recoveries from previous fiscal years.

These matters are complex and fluid. It is possible that additional information may arise in the future, such as a future settlement agreement between CMS and AHCA that could result in additional repayments from the Hospital to AHCA, and such amounts could be significant to the financial statements. Likewise, it is possible that negotiations between CMS and AHCA may result in lower liabilities than were originally estimated and recorded by the Hospital.

During fiscal year 2025, net patient service revenue increased by approximately $73,000, due to changes in estimates for outstanding and filed cost reports.

Section 395.701 of the Florida Statutes imposes an annual assessment on all hospitals operating in the State of Florida. The assessment is currently calculated as 1.5% of annual net operating revenues for inpatient services; 1% of annual net operating revenues for outpatient services; and .4% of annual gross operating expenses (per AHCA's definition). The assessments are due on a quarterly basis to AHCA and are used, among other purposes, to obtain federal financial participation for medical assistance payments to providers on behalf of Medicaid recipients, which serve to increase payments to Medicaid provider hospitals throughout the state.

Approximately $109,000 of expenses related to these assessments are included in operating expenses on the accompanying statements of revenues, expenses, and changes in net position for fiscal year 2025. Estimated assessments payable totaling approximately $232,000 as of September 30, 2025, are included in estimated third-party payor settlements on the accompanying statements of net position.

NOTE 14: MEDICAL MALPRACTICE INSURANCE

The Hospital purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. U.S. GAAP requires a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Hospital's claims experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

In addition, other claims may be asserted arising from services provided to patients in the past. In the opinion of management, adequate provision has been made for losses which may occur from such asserted and unasserted claims that are not covered by liability insurance, if any. It is reasonably possible that this estimate could change materially in the near term.

NOTE 15: GRANTS

The County participates in several state and federal grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for, or including, the year ended September 30, 2025, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

NOTE 16: NET POSITION/FUND BALANCE CLASSIFICATION

Net position represents the difference between total assets and liabilities and is categorized as follows:

Government-Wide Statement of Net Position

- Net investment in capital assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted: Net position, the use of which is subject to constraints imposed by external parties, including creditors, grantors, and laws and regulations of other governments, or imposed by enabling legislation. Nonexpendable amounts are required to remain intact under such constraints.
- Unrestricted: Remaining net position not considered "invested in capital assets, net of related debt" or "restricted."

NOTE 16: NET POSITION/FUND BALANCE CLASSIFICATION (CONTINUED)

Governmental Fund Financial Statements

Governmental funds report fund balances as either spendable or non-spendable. Spendable fund balances are further classified as restricted, committed, assigned, or unassigned depending upon the extent to which there are external or internal constraints on the spending of these fund balances.

- Non-spendable fund balance: Amounts that are not in spendable form or that are legally or contractually required to be maintained intact. Items that are not spendable also include inventories, prepaid amounts and long-term portions of loans and notes receivable, as well as property held for resale.
- Restricted fund balance: Amounts that can be spent only for specific purposes through restrictions placed upon them by external resource providers such as creditors, grantors, or contributors; or imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance: Amounts that can be spent only for specific purposes determined by the County's highest decision-making authority, the Board of County Commissioners. Commitments may be modified or removed only by the Board of County Commissioners through the same formal action that created the original commitment.
- Assigned fund balance: Amounts that are intended to be spent for specific purposes as determined by the Board of County Commissioners, but that are neither restricted nor committed to the specific purpose.
- Unassigned fund balance: Unassigned fund balance is the residual classification for the County's general fund. Amounts in this classification are spendable but have not been deemed restricted, committed, or assigned. Unassigned fund balance may also include negative balances for any governmental fund whose expenditures have exceeded the amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted amounts are available the County spends the restricted amounts first, unless prohibited by law, grant agreements or other contractual arrangement. Further, when committed fund balance is available the County will use it first, followed by assigned fund balance and then unassigned fund balance for purposes in which any of the unrestricted fund balance classifications could be used.

NOTE 16: NET POSITION/FUND BALANCE CLASSIFICATION (CONTINUED)

A detailed schedule of fund balances at September 30, 2025, is as follows:

Nonspendable:		
General fund	$	7,629
Tourist development fund		2,513
911 trust		23,629
Total nonspendable fund balance		33,771
Restricted:		
General fund		142,102
Healthcare trust fund		11,312,789
Tourist development fund		7,730,379
Housing initiatives partnership		227,012
Local option gas tax		1,328,634
Landfill fund		5,000,354
County road and bridge		178,855
911 trust		677,880
Clerk modernization trust		235,070
Sheriff special revenue		89,159
Law enforcement educational trust		61,924
Law enforcement trust		3,253
Total restricted fund balance		26,987,411
Assigned:		
Mosquito control		91,312
Unassigned:		
General fund		14,468,435
Boating improvement		(1,031,093)
Total unassigned fund balance		13,437,342
Total fund balance	$	40,549,836

NOTE 17: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The County is a member of the Florida Association of Counties Trust (the "Trust") for its general liability insurance coverage. The County pays an annual premium to the Trust and a debt service payment to the pooled liability insurance program revenue bond. The Trust is to be self-sustaining through member premiums and will reinsure through commercial companies for certain claims. The County continues to purchase commercial insurance to cover their other risks of loss.

Insurance against losses is provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment

The County's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the County's experience for this type of risk.

The Sheriff participates in the Florida Sheriff's Self-Insurance Fund Program, administered by the Florida Sheriff's Association. The program is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under this program includes general liability, public officials' liability, and public employees' blanket bond.

The funding agreements provide that the self-insurance fund will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies.

The Sheriff provides for automobile liability coverage and workers' compensation coverage through the Board. The Board established a risk management program to administer both its uninsured and insured risk of loss.

The Hospital purchases medical malpractice under claims-made policies. Under these policies, only claims made and reported to the insurer are covered during the policy term, regardless of when the incident giving rise to the claim occurred.

NOTE 18: UNCERTAINTIES

Current Healthcare Environment

The Hospital monitors economic conditions closely, both with respect to potential impacts on the healthcare industry and from a more general business perspective. Management recognizes that economic conditions may continue to impact the Hospital in a number of ways, including, but not limited to, uncertainties associated with the United States and state political landscape and rising uninsured patient volumes and corresponding increases in uncompensated care. Additionally, the general healthcare industry environment is increasingly uncertain, especially with respect to the ongoing impacts of the federal healthcare reform legislation. Potential impacts of ongoing healthcare industry transformation include, but are not limited to:

- Significant capital investment in healthcare information technology
- Continuing volatility in state and federal government reimbursement programs
- Effective management of multiple major regulatory mandates, including the previously mentioned audit activity
- Significant potential business model changes throughout the healthcare system, including within the healthcare commercial payor industry

The business of healthcare in the current economic, legislative, and regulatory environment is volatile. Any of the above factors, along with others both currently in existence and which may or may not arise in the future, could have a material adverse impact on the Hospital's financial position and operating results.

NOTE 19: COMMITMENTS AND CONTINGENCIES

Contracts

The Hospital has various contracts with healthcare service providers. These contracts allow the various providers to perform their services at the Hospital under the terms of each agreement.

Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's legal counsel that the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE 19: COMMITMENTS AND CONTINGENCIES (CONTINUED)

In the normal course of business, the Hospital is, from time to time, subject to allegations that may or do result in litigation. The Hospital evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Supplemental Medicaid Reimbursements

The Hospital receives reimbursements from various programs in relation to the Medicaid uninsured and underinsured patients they serve. Funding received in excess of costs to provide these services is subject to audit and payments received in excess of costs may be required to be refunded to the State of Florida.

Contingencies

The Hospital may be subject to some financial risk associated with potential violations of certain healthcare laws. The potential amount of exposure to the Hospital as a result of this matter cannot be estimated at this time, but it is not expected to be material.

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

Current Healthcare Environment

Revenue from the Medicare and Medicaid programs accounted for approximately 27% and 1%, respectively, of the Hospital's net patient revenue for the year ended 2025. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

NOTE 20: LOCAL OPTION GAS TAX

The County adopted a six-cent per gallon local option gas tax on fuel sold in the County. The proceeds of this tax are being spent on road construction and road maintenance. The tax generates approximately $250,000 in annual revenue.

NOTE 21: EMPLOYEE LEASING

On July 5, 2021, the Hospital entered into an agreement with DecisionHR (formerly Modern Business Associates, Inc.), to provide employees for the Hospital. Under the agreement, DecisionHR is the employer of all persons working at the Hospital and is reimbursed by the Hospital for all wages and management fees associated with the lease. Employee leasing costs totaled $6,012,095, for the year ended September 30, 2025.

NOTE 22: ADJUSTMENTS TO BEGINNING BALANCES

For the fiscal year ended September 30, 2025, the County has determined that the Boating Improvement fund and Landfill fund should be reported as major governmental funds.

During the year ended September 30, 2025, the County changed the financial reporting classification of the Airport Fund from a special revenue fund to an enterprise fund. The County determined that enterprise-fund reporting more appropriately reflects the nature of the airport's operations because the airport provides services to external users and is financed, at least in part, through fees and charges associated with those services.

As a result of the change, the Airport Fund is reported as a business-type activity and proprietary fund in the current-year financial statements. Beginning net position of the Airport Fund was adjusted to transfer the previously reported governmental fund balance and to recognize capital assets, accumulated depreciation, and other applicable assets, deferred outflows of resources, liabilities, and deferred inflows of resources required under the economic resources measurement focus.

NOTE 22: ADJUSTMENTS TO BEGINNING BALANCES (CONTINUED)

The effect of the changes within the financial reporting entity are summarized in the following table.

	Beginning net position/fund balance as previously reported	Adjustment - Boating Improvement fund change to major fund	Adjustment - Landfill fund change to major fund	Adjustment - Airport fund change to proprietary fund	Beginning net position/fund balance as adjusted
Government-wide					
Governmental activities	$ 120,620,147	$ -	$ -	$ (11,134,697)	$ 109,485,450
Business-type activities	5,636,781	-	-	11,134,697	16,771,478
Total government-wide	$ 126,256,928	$ -	$ -	$ -	$ 126,256,928
Governmental funds					
Major funds					
General	$ 15,036,882	$ -	$ -	$ -	$ 15,036,882
Healthcare Trust Fund	11,511,648	-	-	-	11,511,648
Tourist Development	7,035,840	-	-	-	7,035,840
Airport	332,901	-	-	(332,901)	-
Housing Initiative Partnership	213,370	-	-	-	213,370
Local Option Gas Tax	1,990,063	-	-	-	1,990,063
Boating Improvement	-	98,980	-	-	98,980
Landfill Fund	-	-	4,662,125	-	4,662,125
Nonmajor funds	6,395,993	(98,980)	(4,662,125)	-	1,634,888
Total governmental funds	$ 42,516,697	$ -	$ -	$ (332,901)	$ 42,183,796
Proprietary funds					
Major funds:					
Hospital	$ 5,636,781	$ -	$ -	$ -	$ 5,636,781
Airport	-	-	-	11,134,697	11,134,697
Total proprietary funds	$ 5,636,781	$ -	$ -	$ 11,134,697	$ 16,771,478

NOTE 23: APPARENT UNAUTHORIZED DISBURSEMENTS

During the fiscal year ended September 30, 2024, the Tax Collector identified unauthorized disbursements totaling approximately $116,169. While investigating this matter, management also determined that approximately $90,774 of unauthorized disbursements occurred in prior fiscal years, and approximately $13,437 occurred during the fiscal year ended September 30, 2025. For the fiscal year ended September 30, 2025, $61 is reported in general government expenditures for the General Fund and $13,376 is reported in “Apparent Unauthorized Disbursements” for the custodial funds.

REQUIRED SUPPLEMENTARY INFORMATION

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2018
Total OPEB liability							
Service cost	$ 196,391	$ 239,306	$ 137,282	$ 191,523	$ 377,559	$ 833,224	$ 882,052
Interest	186,833	182,419	173,417	325,569	351,160	604,841	525,108
Differences between actual and expected experience	-	-	-	-	-	-	-
Effect of economic gain or (losses)	-	1,171,388	-	(7,116,256)	-	(50,770)	-
Assumption changes	(511,267)	(871,156)	(30,073)	(3,499,290)	1,281,246	(4,058,312)	(1,592,861)
Benefit payments	(229,054)	(241,436)	(231,493)	(299,333)	(288,000)	(288,000)	(352,978)
Net change in total OPEB liability	(357,097)	480,521	49,133	(10,397,787)	1,721,965	(2,959,017)	(538,679)
Total OPEB liability, beginning of year	4,820,836	4,340,315	4,291,182	14,688,969	12,967,004	15,926,021	16,464,700
Total OPEB liability, end of year	$ 4,463,739	$ 4,820,836	$ 4,340,315	$ 4,291,182	$ 14,688,969	$ 12,967,004	$ 15,926,021
Franklin County's covered-employee payroll	N/A	N/A	N/A	N/A	$ 7,155,463	$ 7,177,335	$ 6,628,676
Total OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	205.28%	180.67%	240.26%

*The amounts presented for each fiscal year were determined as of the measurement date, which was September 30th of the current fiscal year.

*This is a 10-year schedule; however the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF FRANKLIN COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021
Franklin County's proportion of the net pension liability	0.033874612%	0.031995638%	0.031099162%	0.030386594%	0.029121590%
Franklin County's proportionate share of the net pension liability	$ 10,513,030	$ 12,377,418	$ 12,392,032	$ 11,306,255	$ 2,199,805
Franklin County's covered-employee payroll	11,306,055	9,963,730	8,957,304	8,464,325	7,440,414
Franklin County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	92.99%	124.22%	138.35%	133.58%	29.57%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%

	2020	2019	2018	2017	2016
Franklin County's proportion of the net pension liability	0.031298925%	0.033285343%	0.335879050%	0.348897700%	0.035702040%
Franklin County's proportionate share of the net pension liability	$ 13,565,415	$ 11,463,009	$ 10,116,851	$ 10,320,160	$ 9,014,793
Franklin County's covered-employee payroll	7,147,225	7,177,335	6,547,976	6,628,676	6,504,034
Franklin County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.80%	159.71%	154.50%	155.69%	138.60%
Plan fiduciary net position as a percentage of the total pension liability	84.30%	85.16%	154.50%	83.89%	84.88%

*The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.
*Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP for the measurement period ending June 30, 2025.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF FRANKLIN COUNTY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021
Contractually required contribution	$ 2,101,293	$ 1,839,140	$ 1,581,447	$ 1,652,574	$ 1,219,778
Contributions in relation to the contractually required contribution	(2,101,293)	(1,839,140)	(1,581,447)	(1,652,574)	(1,219,778)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Franklin County's covered-employee payroll	$ 11,306,055	$ 9,963,730	$ 8,957,304	$ 8,464,325	$ 7,440,414
Contributions as a percentage of covered-employee payroll	18.59%	18.46%	17.66%	19.52%	16.39%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,106,353	$ 1,090,412	$ 1,204,537	$ 1,144,081	$ 1,099,477
Contributions in relation to the contractually required contribution	(1,106,353)	(1,090,412)	(1,204,537)	(1,144,081)	(1,099,477)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Franklin County's covered-employee payroll	$ 7,147,225	$ 7,177,335	$ 6,547,976	$ 6,628,676	$ 6,504,034
Contributions as a percentage of covered-employee payroll	15.48%	15.19%	18.40%	17.26%	16.90%

*The amounts presented for each fiscal year were determined as of June 30, except for the covered payroll, which was determined as of September 30.
*Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP for the measurement period ending June 30, 2025.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF FRANKLIN COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021
Franklin County's proportion of the net pension liability	0.023598565%	0.022190537%	0.021890273%	0.022397613%	0.020849016%
Franklin County's proportionate share of the net pension liability	$ 3,024,733	$ 3,328,797	$ 3,476,467	$ 2,372,265	$ 2,557,445
Franklin County's covered-employee payroll	11,306,055	9,963,730	8,957,304	8,464,325	7,440,414
Franklin County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	26.75%	33.41%	38.81%	28.03%	34.37%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%

	2020	2019	2018	2017	2016
Franklin County's proportion of the net pension liability	0.020373401%	0.021328500%	0.020588662%	0.020661452%	0.020633701%
Franklin County's proportionate share of the net pension liability	$ 2,487,559	$ 2,386,447	$ 2,179,127	$ 2,209,218	$ 2,404,772
Franklin County's covered-employee payroll	7,147,225	7,177,335	6,547,976	6,628,676	6,504,034
Franklin County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.80%	33.25%	33.28%	33.33%	36.97%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	2.10%	1.64%	0.97%	0.97%

*The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.
*Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP for the measurement period ending June 30, 2025.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF FRANKLIN COUNTY'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021
Contractually required contribution	$ 216,714	$ 191,558	$ 154,772	$ 169,892	$ 134,743
Contributions in relation to the contractually required contribution	(216,714)	(191,558)	(154,772)	(169,892)	(134,743)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Franklin County's covered-employee payroll	$ 11,306,055	$ 9,963,730	$ 8,957,304	$ 8,464,325	$ 7,440,414
Contributions as a percentage of covered-employee payroll	1.92%	1.92%	1.73%	2.01%	1.81%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 128,164	$ 126,317	$ 139,537	$ 137,061	$ 133,367
Contributions in relation to the contractually required contribution	(128,164)	(126,317)	(139,537)	(137,061)	(133,367)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Franklin County's covered-employee payroll	$ 7,147,225	$ 7,177,335	$ 6,547,976	$ 6,628,676	$ 6,504,034
Contributions as a percentage of covered-employee payroll	1.79%	1.76%	2.13%	2.07%	2.05%

*The amounts presented for each fiscal year were determined as of June 30, except for the covered payroll, which was determined as of September 30.
*Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP for the measurement period ending June 30, 2025.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget - Favorable (Unfavorable)
REVENUES				
Taxes	$ 18,130,517	$ 18,130,517	$ 17,691,181	$ (439,336)
Licenses and permits	545,331	545,331	589,312	43,981
Intergovernmental	7,995,679	10,207,695	7,191,177	(3,016,518)
Charges for services	364,382	364,382	844,217	479,835
Fines and forfeitures	20,000	20,000	29,397	9,397
Interest revenue	266,277	266,277	292,656	26,379
Other	186,016	196,016	690,867	494,851
Total revenues	27,508,202	29,730,218	27,328,807	(2,401,411)
EXPENDITURES				
Current				
General government	6,701,506	7,149,282	7,144,140	5,142
Public safety	12,892,121	12,814,084	11,886,653	927,431
Physical environment	2,035,164	2,035,164	1,738,096	297,068
Transportation	389,952	389,952	16,440	373,512
Economic environment	94,417	94,417	87,043	7,374
Human services	895,316	895,316	826,646	68,670
Culture and recreation	5,088,659	5,242,345	1,760,492	3,481,853
Court related	553,131	553,131	271,285	281,846
Debt service				
Principal	49,954	49,954	406,139	(356,185)
Interest	15,593	15,593	81,948	(66,355)
Capital outlay	2,270,907	4,521,607	3,743,737	777,870
Total expenditures	30,986,720	33,760,845	27,962,619	5,798,226
Excess (deficiency) of revenues over (under) expenditures	(3,478,518)	(4,030,627)	(633,812)	3,396,815
OTHER FINANCING SOURCES (USES)				
Transfers in	235,400	235,400	383,309	147,909
Transfers (out)	(1,409,719)	(1,409,719)	(1,409,719)	-
Proceeds from debt financing	-	775,150	1,241,506	466,356
Total other financing sources (uses)	(1,174,319)	(399,169)	215,096	614,265
Net changes in fund balances	(4,652,837)	(4,429,796)	(418,716)	4,011,080
Fund balances, beginning of year	15,036,882	15,036,882	15,036,882	-
Fund balances, end of year	$ 10,384,045	$ 10,607,086	$ 14,618,166	$ 4,011,080

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
HEALTHCARE TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	$ 3,480,489	$ 3,480,489	$ 3,492,866	$ 12,377
Intergovernmental	-	600,000	-	(600,000)
Interest revenue	360,722	360,722	430,817	70,095
Other	-	-	2,375	2,375
Total revenues	3,841,211	4,441,211	3,926,058	(515,153)
EXPENDITURES				
Current				
Human services	-	-	11,380	(11,380)
Capital outlay	-	600,000	801,520	(201,520)
Total expenditures	-	600,000	812,900	(212,900)
Excess (deficiency) of revenues over (under) expenditures	3,841,211	3,841,211	3,113,158	(728,053)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(14,673,795)	(14,673,795)	(3,312,017)	11,361,778
Net changes in fund balances	(10,832,584)	(10,832,584)	(198,859)	10,633,725
Fund balances, beginning of year	11,511,648	11,511,648	11,511,648	-
Fund balances, end of year	$ 679,064	$ 679,064	$ 11,312,789	$ 10,633,725

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
TOURIST DEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	$ 3,363,044	$ 3,363,044	$ 3,394,170	$ 31,126
Interest revenue	91,350	91,350	243,627	152,277
Total revenues	3,454,394	3,454,394	3,637,797	183,403
EXPENDITURES				
Current				
Economic environment	2,276,446	2,276,446	1,538,692	737,754
Capital outlay	7,021,749	7,021,749	1,173,530	5,848,219
Total expenditures	9,298,195	9,298,195	2,712,222	6,585,973
Excess (deficiency) of revenues over (under) expenditures	(5,843,801)	(5,843,801)	925,575	6,769,376
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(135,000)	(135,000)	(228,523)	(93,523)
Net changes in fund balances	(5,978,801)	(5,978,801)	697,052	6,675,853
Fund balances, beginning of year	7,035,840	7,035,840	7,035,840	-
Fund balances, end of year	$ 1,057,039	$ 1,057,039	$ 7,732,892	$ 6,675,853

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
HOUSING INITIATIVE PARTNERSHIP
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget - Favorable (Unfavorable)
REVENUES				
Intergovernmental	$ 1,193,175	$ 1,193,175	$ 140,013	$ (1,053,162)
Interest revenue	12,000	12,000	8,189	(3,811)
Other	9,000	9,000	5,453	(3,547)
Total revenues	1,214,175	1,214,175	153,655	(1,060,520)
EXPENDITURES				
Current				
Economic environment	1,425,827	1,425,827	140,013	1,285,814
Excess (deficiency) of revenues over (under) expenditures	(211,652)	(211,652)	13,642	225,294
Net changes in fund balances	(211,652)	(211,652)	13,642	225,294
Fund balances, beginning of year	213,370	213,370	213,370	-
Fund balances, end of year	$ 1,718	$ 1,718	$ 227,012	$ 225,294

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
LOCAL OPTION GAS TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	$ 296,135	$ 296,135	$ 289,583	$ (6,552)
Intergovernmental	7,132,410	7,132,410	1,834,594	(5,297,816)
Interest revenue	35,985	35,985	69,249	33,264
Other	10,004	10,004	10,005	1
Total revenues	7,474,534	7,474,534	2,203,431	(5,271,103)
EXPENDITURES				
Current				
General government	-	-	4,950	(4,950)
Transportation	323,091	323,091	44,800	278,291
Capital outlay	9,395,748	9,395,748	3,149,178	6,246,570
Total expenditures	9,718,839	9,718,839	3,198,928	6,519,911
Excess (deficiency) of revenues over (under) expenditures	(2,244,305)	(2,244,305)	(995,497)	1,248,808
OTHER FINANCING SOURCES (USES)				
Transfers in	334,068	334,068	334,068	-
Net changes in fund balances	(1,910,237)	(1,910,237)	(661,429)	1,248,808
Fund balances, beginning of year	1,990,063	1,990,063	1,990,063	-
Fund balances, end of year	$ 79,826	$ 79,826	$ 1,328,634	$ 1,248,808

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
BOATING IMPROVEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 1,060,115	$ 1,105,565	$ 16,311	$ (1,089,254)
Interest revenue	197	197	54	(143)
Total revenues	1,060,312	1,105,762	16,365	(1,089,397)
EXPENDITURES				
Capital outlay	1,159,415	1,204,865	1,146,438	58,427
Excess (deficiency) of revenues over (under) expenditures	(99,103)	(99,103)	(1,130,073)	(1,030,970)
Net changes in fund balances	(99,103)	(99,103)	(1,130,073)	(1,030,970)
Fund balances, beginning of year	98,980	98,980	98,980	-
Fund balances, end of year	$ (123)	$ (123)	$ (1,031,093)	$ (1,030,970)

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
LANDFILL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Charges for services	$ 1,089,000	$ 1,089,000	$ 1,168,256	$ 79,256
Interest revenue	184,180	184,180	168,416	(15,764)
Total revenues	1,273,180	1,273,180	1,336,672	63,492
EXPENDITURES				
Current				
Physical environment	5,399,005	5,399,005	702,441	4,696,564
Debt service				
Principal	121,818	121,818	121,817	1
Interest	17,728	17,728	17,328	400
Capital outlay	170,100	170,100	156,857	13,243
Total expenditures	5,708,651	5,708,651	998,443	4,710,208
Excess (deficiency) of revenues over (under) expenditures	(4,435,471)	(4,435,471)	338,229	4,773,700
Net changes in fund balances	(4,435,471)	(4,435,471)	338,229	4,773,700
Fund balances, beginning of year	4,662,125	4,662,125	4,662,125	-
Fund balances, end of year	$ 226,654	$ 226,654	$ 5,000,354	$ 4,773,700

See accompanying notes to financial statements.

SUPPLEMENTAL INFORMATION

FRANKLIN COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds			
	County Road and Bridge	911 Trust	Fire Protection	American Recovery Plan
ASSETS				
Cash and cash equivalents	$ 157,692	$ 657,755	$ 130,749	$ 38,737
Accounts receivable	44	-	2,048	-
Due from other funds	15,498	-	-	-
Due from other governmental units	244,541	66,697	-	-
Prepaid items	-	23,629	-	-
Total assets	$ 417,775	$ 748,081	$ 132,797	$ 38,737
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 21,811	$ 10,352	$ 109,937	$ -
Due to other funds	217,109	36,220	22,860	38,737
Due to other governmental units	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	238,920	46,572	132,797	38,737
Fund balances				
Nonspendable	-	23,629	-	-
Restricted	178,855	677,880	-	-
Assigned	-	-	-	-
Total fund balances	178,855	701,509	-	-
Total liabilities and fund balances	$ 417,775	$ 748,081	$ 132,797	$ 38,737

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2025

	Special Revenue Funds			
	Mosquito Control	Clerk Fine and Forfeitures	Clerk Modernization Trust	Sheriff Special Revenue
ASSETS				
Cash and cash equivalents	$ 99,490	$ 222,492	$ 232,156	$ 89,159
Accounts receivable	-	-	-	-
Due from other funds	4,481	222	104	-
Due from other governmental units	-	33,337	5,011	-
Prepaid items	-	199	-	-
Total assets	$ 103,971	$ 256,250	$ 237,271	$ 89,159
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 2,370	$ 21,315	$ 2,201	$ -
Due to other funds	10,289	29,228	-	-
Due to other governmental units	-	205,707	-	-
Unearned revenue	-	-	-	-
Total liabilities	12,659	256,250	2,201	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	-	235,070	89,159
Assigned	91,312	-	-	-
Total fund balances	91,312	-	235,070	89,159
Total liabilities and fund balances	$ 103,971	$ 256,250	$ 237,271	$ 89,159

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2025

	Special Revenue Funds			
	Law Enforcement Educational Trust	Law Enforcement Trust	(Formerly Nonmajor) Landfill Fund	(Formerly Nonmajor) Boating Improvement
ASSETS				
Cash and cash equivalents	$ 61,444	$ 3,253	$ -	$ -
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governmental units	480	-	-	-
Prepaid items	-	-	-	-
Total assets	$ 61,924	$ 3,253	$ -	$ -
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	61,924	3,253	-	-
Assigned	-	-	-	-
Total fund balances	61,924	3,253	-	-
Total liabilities and fund balances	$ 61,924	$ 3,253	$ -	$ -

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2025

	Special Revenue Funds	
		Total
ASSETS		
Cash and cash equivalents	$	1,692,927
Accounts receivable		2,092
Due from other funds		20,305
Due from other governmental units		350,066
Prepaid items		23,828
Total assets	$	2,089,218
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$	167,986
Due to other funds		354,443
Due to other governmental units		205,707
Unearned revenue		-
Total liabilities		728,136
Fund balances		
Nonspendable		23,629
Restricted		1,246,141
Assigned		91,312
Total fund balances		1,361,082
Total liabilities and fund balances	$	2,089,218

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	County Road and Bridge	911 Trust	Fire Protection	American Recovery Plan
REVENUES				
Taxes	$ 15,969	$ -	$ -	$ -
Licenses and permits	-	-	531,043	-
Intergovernmental	1,443,719	230,707	-	765,694
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest revenue	15,092	23,900	510	-
Other	272,103	-	-	-
Total revenues	1,746,883	254,607	531,553	765,694
EXPENDITURES				
Current				
Public safety	-	150,127	515,803	55,093
Physical environment	-	-	-	-
Transportation	2,015,744	-	-	-
Human services	-	-	-	-
Court related	-	-	-	-
Debt service				
Principal	303,773	-	14,130	-
Interest	28,182	-	1,620	-
Capital outlay	467,387	147,472	62,350	710,601
Total expenditures	2,815,086	297,599	593,903	765,694
Excess (deficiency) of revenues over (under) expenditures	(1,068,203)	(42,992)	(62,350)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	724,222	-	-	-
Transfers (out)	(85,558)	(54,386)	-	-
Proceeds from debt financing	275,955	-	-	-
Reversion to State of Florida	-	-	-	-
Leases (as lessee)	-	-	62,350	-
Total other financing sources (uses)	914,619	(54,386)	62,350	-
Net changes in fund balances	(153,584)	(97,378)	-	-
Fund balances, beginning of year, as previously reported	332,439	798,887	-	-
Adjustments	-	-	-	-
Fund balances, beginning of year, as adjusted	332,439	798,887	-	-
Fund balances, end of year	$ 178,855	$ 701,509	$ -	$ -

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Mosquito Control	Clerk Fine and Forfeitures	Clerk Modernization Trust	Sheriff Special Revenue
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	67,479	535,709	-	-
Charges for services	-	244,440	57,856	-
Fines and forfeitures	-	97,904	-	-
Interest revenue	4,982	-	1,687	-
Other	-	-	-	138,637
Total revenues	72,461	878,053	59,543	138,637
EXPENDITURES				
Current				
Public safety	-	-	-	121,197
Physical environment	-	-	-	-
Transportation	-	-	-	-
Human services	392,800	-	-	-
Court related	-	738,877	50,394	-
Debt service				
Principal	-	-	-	13,870
Interest	-	-	-	750
Capital outlay	40,154	-	-	55,505
Total expenditures	432,954	738,877	50,394	191,322
Excess (deficiency) of revenues over (under) expenditures	(360,493)	139,176	9,149	(52,685)
OTHER FINANCING SOURCES (USES)				
Transfers in	352,429	-	-	-
Transfers (out)	(15,842)	-	-	-
Proceeds from debt financing	-	-	-	55,505
Reversion to State of Florida	-	(139,176)	-	-
Leases (as lessee)	-	-	-	-
Total other financing sources (uses)	336,587	(139,176)	-	55,505
Net changes in fund balances	(23,906)	-	9,149	2,820
Fund balances, beginning of year, as previously reported	115,218	-	225,921	86,339
Adjustments	-	-	-	-
Fund balances, beginning of year, as adjusted	115,218	-	225,921	86,339
Fund balances, end of year	$ 91,312	$ -	$ 235,070	$ 89,159

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Law Enforcement Educational Trust	Law Enforcement Trust	(Formerly Nonmajor) Landfill Fund	(Formerly Nonmajor) Boating Improvement
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	5,843	-	-	-
Fines and forfeitures	-	-	-	-
Interest revenue	299	14	-	-
Other	-	-	-	-
Total revenues	6,142	14	-	-
EXPENDITURES				
Current				
Public safety	17,063	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Human services	-	-	-	-
Court related	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	17,063	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(10,921)	14	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Proceeds from debt financing	-	-	-	-
Reversion to State of Florida	-	-	-	-
Leases (as lessee)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(10,921)	14	-	-
Fund balances, beginning of year, as previously reported	72,845	3,239	4,662,125	98,980
Adjustments	-	-	(4,662,125)	(98,980)
Fund balances, beginning of year, as adjusted	72,845	3,239	-	-
Fund balances, end of year	$ 61,924	$ 3,253	$ -	$ -

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds
	Total
REVENUES	
Taxes	$ 15,969
Licenses and permits	531,043
Intergovernmental	3,043,308
Charges for services	308,139
Fines and forfeitures	97,904
Interest revenue	46,484
Other	410,740
Total revenues	4,453,587
EXPENDITURES	
Current	
Public safety	859,283
Physical environment	-
Transportation	2,015,744
Human services	392,800
Court related	789,271
Debt service	
Principal	331,773
Interest	30,552
Capital outlay	1,483,469
Total expenditures	5,902,892
Excess (deficiency) of revenues over (under) expenditures	(1,449,305)
OTHER FINANCING SOURCES (USES)	
Transfers in	1,076,651
Transfers (out)	(155,786)
Proceeds from debt financing	331,460
Reversion to State of Florida	(139,176)
Leases (as lessee)	62,350
Total other financing sources (uses)	1,175,499
Net changes in fund balances	(273,806)
Fund balances, beginning of year, as previously reported	6,395,993
Adjustments	(4,761,105)
Fund balances, beginning of year, as adjusted	1,634,888
Fund balances, end of year	$ 1,361,082

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

	Clerk of the Circuit Court	Sheriff	Tax Collector	Custodial Funds Total
ASSETS				
Cash and cash equivalents	$ 644,987	$ 44,978	$ 901,982	$ 1,591,947
LIABILITIES				
Accounts payable	5,981	-	-	5,981
#REF!	-	-	-	-
Due to other governments	85,048	-	497,896	582,944
Due to other county agencies	-	-	404,056	404,056
Total liabilities	91,029	-	901,952	992,981
NET POSITION				
Restricted	553,958	44,978	30	598,966
Total net position	$ 553,958	$ 44,978	$ 30	$ 598,966

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Clerk of the Circuit Court	Sheriff	Tax Collector	Custodial Funds Total
ADDITIONS	$ 4,460,195	$ 200,073	$ 44,548,929	$ 49,209,197
DEDUCTIONS				
Deductions	4,392,584	192,504	44,684,716	49,269,804
Apparent unauthorized transactions	-	-	13,376	13,376
Total deductions	4,392,584	192,504	44,698,092	49,283,180
Net increase (decrease) in fiduciary net position	67,611	7,569	(149,163)	(73,983)
Net position, beginning of year	486,347	37,409	149,193	672,949
Net position, end of year	$ 553,958	$ 44,978	$ 30	$ 598,966

See accompanying notes to financial statements.

COMPLIANCE SECTION

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS
www.lanigancpa.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Chairman and Commissioners
The Board of County Commissioners and Constitutional Officers
Franklin County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Franklin County, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Franklin County, Florida's basic financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin County, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Franklin County, Florida's Response to Findings

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

Purpose of this Report

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

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS
www.lanigancpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

The Honorable Board of County Commissioners
The Board of County Commissioners and Constitutional Officers
Franklin County, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

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

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

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Franklin County, Florida, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of Franklin County, Florida's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Franklin County, Florida's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Franklin County, Florida's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Franklin County, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Franklin County, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of Franklin County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal/State Agency Pass-Through Entity Federal Program/State Project or Cluster Title	Federal Assistance Listing or CSFA No.	Pass-Through Entity Identifying No./ Contract Grant No.	Total Federal/State Expenditures
FEDERAL AWARDS			
U.S. Department of Housing and Urban Development			
Community Development Block Grants			
Pass through Florida Department of Economic Opportunity			
Community Development Block Grants	14.228	M0149	$ 152,175
Pass through Florida Department of Commerce			
Community Development Block Grants	14.228	23DB-H01	113,750
Total U.S. Department of Housing and Urban Development			265,925
U.S. Department of the Interior			
Payments in Lieu of Taxes Program			
Payments in Lieu of Taxes	15.226	2024 PILT	65,475
Secure Rural Schools and Community Self-Determination Program			
Secure Rural Schools and Community Self-Determination	15.234	N/A	4,247
Fish and Wildlife Cluster			
Sport Fish Restoration Program			
Passed through Florida Fish and Wildlife Conservation Commission			
Sport Fish Restoration	15.605	F23AF02952-00	822,066
Sport Fish Restoration	15.605	F20AF11284-A4	60,000
Total Fish and Wildlife Cluster			882,066
National Wildlife Refuge Fund Program			
National Wildlife Refuge Fund	15.659	Refuge Revenue Sharing Act Funds	147,891
Total U.S. Department of the Interior			1,099,679
U.S. Department of Justice			
Crime Victim Assistance Program			
Pass through Office of the Attorney General			
Crime Victim Assistance	16.575	VOCA-C-2024-Franklin County Sheriff's Office-00135	32,546
Edward Byrne Memorial Justice Assistance Grant Program			
Pass through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6N080	42,490
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6N026	2,508
Edward Byrne Memorial Justice Assistance Grant Program	16.738	R7246	70,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	R7236	14,242
Total Edward Byrne Memorial Justice Assistance Grant Program			129,240
Total U.S. Department of Justice			161,786

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal/State Agency Pass-Through Entity Federal Program/State Project or Cluster Title	Federal Assistance Listing or CSFA No.	Pass-Through Entity Identifying No./ Contract Grant No.	Total Federal/State Expenditures
U.S. Department of Transportation			
Airport Improvement Program			
Pass through Federal Aviation Administration			
Airport Improvement Program	20.106	3-12-001-014-2023	$ 34,540
Airport Improvement Program	20.106	3-12-0001-015-2024	1,823
Airport Improvement Program	20.106	3-12-0001-016-2024	5,468
Airport Improvement Program	20.106	3-12-0001-017-2025	1,900
Total Airport Improvement Program			43,731
Highway Planning and Construction Program			
Passed through Florida Department of Transportation			
Highway Planning and Construction	20.205	42985446801 G1M95	3,060
Recreational Trails Program			
Passed through Florida Department of Environmental Protection			
Recreational Trails Program	20.219	T2323	36,500
Total U.S. Department of Transportation			83,291
U.S. Department of the Treasury			
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Program			
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR090560	724,562
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	RDCGR090518	44,854
Total Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States			769,416
Coronavirus State and Local Fiscal Recovery Funds Program			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	American Rescue Plan Allocation	765,693
Passed through Florida Department of Transportation			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	45177015401 G2T54	641,507
Total Coronavirus State and Local Fiscal Recovery Funds Program			1,407,200
Local Assistance and Tribal Consistency Fund Program			
Local Assistance and Tribal Consistency Fund	21.032	RDCGR090145	51,702
Total U.S. Department of the Treasury			2,228,318
Election Assistance Commission			
HAVA Election Security Grants Program			
Pass through Florida Department of State, Division of Elections			
HAVA Election Security Grants	90.404	24.e.an.000.018	11,160

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal/State Agency Pass-Through Entity Federal Program/State Project or Cluster Title	Federal Assistance Listing or CSFA No.	Pass-Through Entity Identifying No./ Contract Grant No.	Total Federal/State Expenditures
U.S. Department of Health and Human Services			
Child Support Services Program			
Pass through Florida Department of Revenue			
Child Support Services	93.563	CST-19	$ 462
		Incentive Funds Federal Fiscal Year	
Child Support Services	93.563	2020	77
Child Support Services	93.563	COC19	63,027
Total U.S. Department of Health and Human Services			63,566
U.S. Department of Homeland Security			
Disaster Grant - Public Assistance Program			
Pass through Florida Division of Emergency Management			
Disaster Grant - Public Assistance	97.036	PA-00-02-29-02-041	5,077
Disaster Grant - Public Assistance	97.036	PA-00-02-29-02-001 PW1648	10,751
Disaster Grant - Public Assistance	97.036	4828DRFLP00003391	226,120
Disaster Grant - Public Assistance	97.036	PA-04-FL-4399-PW-01252	2,377
Disaster Grant - Public Assistance	97.036	4828DR-FL PW 339	16,107
Disaster Grant - Public Assistance	97.036	PA-00-02-29-02	1,811
Total Disaster Grant - Public Assistance Program			262,243
Hazard Mitigation Grant			
Pass through Florida Division of Emergency Management			
Hazard Mitigation Grant	97.039	H0683	456,527
Emergency Management Performance Grant			
Pass through Florida Division of Emergency Management			
Emergency Management Performance Grant	97.042	G0519	47,206
Emergency Operations Center Program			
Pass through Florida Division of Emergency Management			
Emergency Operations Center	97.052	R1287	50,161
Total U.S. Department Homeland Security			816,137
Total Expenditures of Federal Awards			$ 4,729,862
STATE FINANCIAL ASSISTANCE			
Executive Office of the Governor			
Emergency Management Programs			
Division of Emergency Management			
Emergency Management Programs	31.063	A0482	$ 101,119
Emergency Management Programs	31.063	G0605	26,452
Total Executive Office of the Governor			127,571

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal/State Agency Pass-Through Entity Federal Program/State Project or Cluster Title	Federal Assistance Listing or CSFA No.	Pass-Through Entity Identifying No./ Contract Grant No.	Total Federal/State Expenditures
Florida Department of Environmental Protection			
Beach Management Funding Assistance Program			
Beach Management Funding Assistance Program	37.003	22FR1	$ 16,440
Small County Consolidated Grants			
Small County Consolidated Grants	37.012	SC507	96,516
Florida Recreation Development Assistance Program			
Florida Recreation Development Assistance Program	37.017	P5060	16,851
Florida Recreation Development Assistance Program	37.017	A3033	2,836
Total Florida Recreation Development Assistance Program			19,687
Restoration Deepwater Horizon Oil Spill Program			
Restoration Deepwater Horizon Oil Spill	37.081	OGC111	15,854
Resilient Florida Program			
Resilient Florida Program	37.098	23PLN39	85,000
Total Florida Department of Environmental Protection			233,497
Florida Department of Commerce			
Growth Management Implementation Program			
Growth Management Implementation	40.024	P0508	105,000
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program (SHIP)			
State Housing Initiatives Partnership Program (SHIP)	40.901	2021/2022	136,513
State Housing Initiatives Partnership Program (SHIP)	40.901	2023/2024	3,500
Total Florida Housing Finance Corporation			140,013
Florida Department of Agriculture			
Mosquito Control Program			
Mosquito Control	42.003	FDACS #031617	67,479
Florida Department of State			
State Aid to Libraries Program			
State Aid to Libraries	45.030	25-ST-94	77,944
Acquisition, Restoration of Historic Properties Program			
Acquisition, Restoration of Historic Properties	45.032	23.h.sc.200.029	86,192
Total Florida Department of State			164,136
Florida Department of Education			
Guardian Program			
Guardian Program	48.999	97B-90210-5D001	75,947

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal/State Agency Pass-Through Entity Federal Program/State Project or Cluster Title	Federal Assistance Listing or CSFA No.	Pass-Through Entity Identifying No./ Contract Grant No.	Total Federal/State Expenditures
Florida Department of Transportation			
Aviation Grant Programs			
Aviation Grant Programs	55.004	41604789401 G2L11	$ 720,340
Aviation Grant Programs	55.004	41604779401 G2194	835,995
Aviation Grant Programs	55.004	45110019401 G2L13	358,590
Aviation Grant Programs	55.004	44975919401 G2210	13,130
Aviation Grant Programs	55.004	44856129401 G2R39	3,838
Aviation Grant Programs	55.004	44976129401 G3641	810
Aviation Grant Programs	55.004	42561369401 G2R11	18,083
Total Aviation Grant Programs			1,950,786
Small County Outreach Program			
Small County Outreach Program	55.009	45523015401 G3B74	13,342
Small County Outreach Program	55.009	44861015401 G2V82	565,457
Total Small County Outreach Program			578,799
Small County Road Assistance Program			
Small County Road Assistance Program	55.016	45177013401 G2G15	24,169
Small County Road Assistance Program	55.016	44064435401 G2Q69	1,170,236
Small County Road Assistance Program	55.016	44064425401 G1Z87	61,390
Total Small County Road Assistance Program			1,255,795
Total Florida Department of Transportation			3,785,380
Florida Department of Health			
Rural Hospital Capital Improvement Program			
Rural Hospital Capital Improvement	64.106	MOE55	88,816
Franklin County St. James/Lanark - EMS Substation Project			
Franklin County St. James/Lanark - EMS Substation Project	N/A	General Appropriations 466A	600,000
Grants and Aids to Local Governments and Nonstate Entities Program			
Grants and Aids to Local Governments and Nonstate Entities - Fixed Capital Outlay Rural Hospitals from General Revenue Fund	N/A	General Appropriations 474A	11,937
Total Florida Department of Health			700,753
Florida Department of Law Enforcement			
Florida Incident Based Reporting System Program			
Florida Incident Based Reporting System	71.043	2021-FBSFA-F2-018	24,480
Law Enforcement Salary Assistance for Fiscally Constrained Counties Program			
Law Enforcement Salary Assistance for Fiscally Constrained Counties	71.067	LG007	164,901
Law Enforcement Salary Assistance for Fiscally Constrained Counties	71.067	ME007	404,342
Total Law Enforcement Salary Assistance for Fiscally Constrained Counties Program			569,243
Law Enforcement Apprenticeship Grant Program			
Law Enforcement Apprenticeship Grant Program	71.165	EP006	42,339
Total Florida Department of Law Enforcement			636,062

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal/State Agency Pass-Through Entity Federal Program/State Project or Cluster Title	Federal Assistance Listing or CSFA No.	Pass-Through Entity Identifying No./ Contract Grant No.	Total Federal/State Expenditures
Florida Department of Management Services			
Prepaid Next Generation 911 (NG911) State Grant Program			
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S17-21-02-57	$ 50,588
Florida Fish and Wildlife Conservation Commission			
Florida Boating Improvement Program			
Florida Boating Improvement Program	77.006	FWC Agreement #21115	219,218
Florida Boating Improvement Program	77.006	FWC Agreement #21107	3,500
Total Florida Fish and Wildlife Conservation Commission			222,718
Total Expenditures of State Financial Assistance			$ 6,309,144

FRANKLIN COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Financial Reporting Entity

The Franklin County, Florida (the "County") reporting entity is defined in Note 1 of the County's Basic Financial Statements.

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal award and state financial assistance activity of Franklin County, Florida, under programs of the federal and state governments for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of Franklin County, Florida, it is not intended to and does not present the financial position, changes in financial position, or cash flows of Franklin County, Florida.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

Franklin County, Florida, has not elected to use the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	X	Yes		No
Significant deficiency(ies) identified?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major federal programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		Yes	X	No
Identification of major federal programs:				

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
15.605	Fish and Wildlife Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000			
Auditee qualified as a low-risk auditee?		Yes	X	No

SECTION I - SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

State Projects

Internal control over major state projects:			
Material weakness(es) identified?	_____ Yes	X	No
Significant deficiency(ies) identified?	_____ Yes	X	None reported
Type of auditor's report issued on compliance for major state projects:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General?	_____ Yes	X	No
Identification of major state projects:			

CSFA Numbers	Name of State Project
55.004	Aviation Grant Programs
55.009	Small County Outreach Program
71.067	Law Enforcement Salary Assistance for Fiscally Constrained Counties
N/A	Franklin County St. James/Lanark - EMS Substation Project

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000

SECTION II - SCHEDULE OF FINANCIAL STATEMENT FINDINGS

2025–001: Accounting and Finance Staffing / Segregation of Duties (Repeat of 2024–002) - Hospital

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting and presenting financial statements in accordance with generally accepted accounting principles. Such responsibility includes hiring and retaining effective and experienced staff to conduct such activities. Additionally, internal controls should be in place to ensure that proper segregation of duties are implemented by the Hospital, in order to mitigate material misstatement or other reporting errors, and to ensure that assets are safeguarded against loss.

Condition: Accounting and finance staffing is currently limited at the Hospital, increasing the possibility that misstatements may occur that are not identified. Processes and controls in place were not sufficient to maintain effective internal control over financial reporting. Additionally, limited resources and financial and administrative staffing requires staff to serve multiple roles and prevents optimal segregation of duties. A lack of segregation of duties can result in intentional or unintentional errors that could be made and not detected.

Cause: Limited staffing resulted in a lack of optimal segregation of duties.

Effect: Lack of optimal segregation of duties.

Recommendation: The Hospital should focus on retention of existing staff to ensure that existing control activities can be properly conducted and new policies and controls, necessary to address the findings noted herein, can be established and followed. We also recommend that the Hospital evaluate existing controls and improve segregation of duties, to the extent possible with existing resources and staffing.

Views of Responsible Officials and Planned Corrective Actions: Management will continue to work with the Alliant Financial Services team to aid in the strengthening of internal controls. Due to staffing constraints, hospital is not able to separate all duties. Additionally, management will continue to support the training and advancement opportunities of current staff.

SECTION II - SCHEDULE OF FINANCIAL STATEMENT FINDINGS (CONTINUED)

2025-002: Misappropriation of Assets & Segregation of Duties – Tax Collector (Repeat of 2024-006)

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting and presenting financial statements in accordance with generally accepted accounting principles. Such responsibilities include establishing internal controls to ensure that proper segregation of duties are implemented by the Tax Collector's office in order to mitigate material misstatement or other reporting errors, and to ensure that assets are safeguarded against misappropriation.

Condition: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate. The limited number of employees precludes ideal segregation of duties. One employee had the ability to perpetrate and conceal apparent unauthorized disbursements in the amount of $13,437 during the fiscal year-end September 30, 2025, and approximately $206,943 prior to this fiscal year.

Context: During the fiscal year ended September 30, 2025, the Tax Collector's Office experienced apparent unauthorized disbursements totaling approximately $13,437.

Cause: Budget constraints and improper segregation of duties.

Effect: Failure to maintain adequate segregation of duties directly contributed to the apparent misappropriation of assets identified and continues to expose the Tax Collector's office to an increased risk that material misstatements due to error or fraud may occur and not be detected in a timely manner.

Recommendation: We recommend that management implement alternative control procedures, such as enhanced oversight and independent review of certain functions, to mitigate the risks created by limited staffing and inadequate segregation of duties.

Views of Responsible Officials and Planned Corrective Actions:

We agree with the finding and recommendations.

The Franklin County Tax Collector will make the appropriate adjustments and reclassification in all account payables funds and balances. So that these adjustments will show proper presentation of cash, accounts payable, funds and balances, net position, additions, deductions and expenses.

SECTION II - SCHEDULE OF FINANCIAL STATEMENT FINDINGS (CONTINUED)

2025-002: Misappropriation of Assets & Segregation of Duties – Tax Collector (Repeat of 2024-006) (Continued)

Proactive Monitoring: All accounts are actively monitored, with daily reconciliation performed by staff. The Franklin County Tax Collector recognizes the trust placed in us to safeguard funds. Our vision is simple but powerful: To provide service to our citizens in a manner that demonstrates Transparency and Accountability- Every day, in Every way.

The Franklin County Tax Collector will focus on strengthening internal controls by proactive monitoring: All accounts are actively monitored, with daily reconciliation performed by staff members who do not sign checks. Segregation of Duties: The individual reconciling daily accounts does not have check- signing authority. Controlled Access: Only three authorized staff members have access to accounting and payroll systems, as well as secured check stock. Verification: Every check is locked daily, signatures are reconciled monthly by authorized staff and verified by leadership.

SECTION III - FEDERAL AWARD AND STATE PROJECT FINDINGS AND QUESTIONED COSTS

None noted.

FRANKLIN COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SCHEDULE OF PRIOR AUDIT FINANCIAL STATEMENT FINDINGS

2024–001: Accrual Basis Accounting - Hospital
Corrective action has been taken.

2024–002: Accounting and Financing Staffing/Segregation of Duties - Hospital
Repeated. See finding 2025-001.

2024–003: Information Technology - Hospital
Corrective action has been taken.

2024-004: Material Audit Adjustments - Tax Collector
Corrective action has been taken.

2024-005: Material Audit Adjustments - Sheriff
Corrective action has been taken.

2024-006: Misappropriation of Assets & Segregation of Duties – Tax Collector
Repeated. See finding 2025-002.

2024-007: Bank Reconciliations – Tax Collector
Corrective action has been taken.

FEDERAL AWARD PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

2024-009: Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
Corrective action has been taken.

STATE PROJECT PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

2024-008: Inaccurate Schedule of Expenditures of State Financial Assistance
Corrective action has been taken.

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS
www.lanigancpa.com

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Board of County Commissioners and Constitutional Officers
Franklin County, Florida

Report on the Financial Statements

We have audited the financial statements of Franklin County, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated September 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. The status of each finding noted in the preceding annual financial audit report is noted below.

Finding No.	Original Finding No.	Description	Status
	2024-001	Accrual Basis Accounting - Hospital	Cleared
2025-001	2024-002	Accounting & Finance Staffing - Hospital	Not Cleared
	2024-003	Information Technology - Hospital	Cleared
	2024-004	Material Audit Adjustments - Tax Collector	Cleared
	2024-005	Material Audit Adjustments – Sheriff	Cleared
2025-002	2024-006	Misappropriation of Assets & Segregation of Duties – Tax Collector	Not Cleared
	2024-007	Bank Reconciliations – Tax Collector	Cleared
	2024-008	Inaccurate Schedule of Expenditures of State Financial Assistance	Cleared
	2024-009	Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	Cleared
	2024-010	Implementation of Account Numbers	Cleared
	2024-011	Maintaining Accounting Records– Supervisor of Elections	Cleared
	2024-012	Bank Reconciliations – Sheriff	Cleared

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Franklin County, Florida, has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Franklin County, Florida, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Franklin County, Florida. It is management's responsibility to monitor Franklin County, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have no recommendations in addition to those found on our schedule of findings and questioned cost.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within Franklin County, Florida's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

There is an inactive special district named George E. Weems Memorial Hospital as listed by the Department of Economic Opportunity's Special District Accountability program under Section 218.39, Florida Statutes. This special district was established on May 5, 1951, by a special act of the Florida Legislature. The governing body of which was supposed to be appointed by the governor. This special district has never been activated, there were never any special assessments collected or levied, and the county has attempted to dissolve the inactive special district multiple times without success as the creation documents needed for dissolution cannot be located.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

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REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES

The Honorable Chairman and Commissioners of the
Board of County Commissioners
Franklin County, Florida

Report on Compliance

We have examined the Franklin County, Florida, Board of County Commissioner's (the "Board") compliance with Sections 365.172(10) and 365.173(2)(d), Florida Statutes, regarding E911 funding as required by Section 10.556(10)(b), Rules of the Auditor General, during the year ended September 30, 2025. Management is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Board complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. Our examination does not provide a legal determination on the Board's compliance with the specified requirements.

Opinion

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

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REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Chairman and Commissioners of the
Board of County Commissioners
Franklin County, Florida

Report on Compliance

We have examined the Franklin County, Florida, Board of County Commissioner's (the "Board") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2025. Management is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Board complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. Our examination does not provide a legal determination on the Board's compliance with the specified requirements.

Opinion

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

Special Purpose
Financial Statements

Franklin County, Florida
Clerk of the Circuit Court

❖

Year Ended September 30, 2025
with Independent Auditor's Report

Franklin County, Florida
Clerk of the Circuit Court

Special Purpose Financial Statements

Year Ended September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Honorable Michele Maxwell
Clerk of the Circuit Court
Franklin County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Franklin County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Franklin County, Florida, that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Franklin County, Florida, as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 the Clerk's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clerk's basic financial statements. The combining fiduciary statements ("supplementary information"), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
June 29, 2026

FRANKLIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Major Funds			
	General	Fines and Forfeitures Fund	Modernization Trust Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 157,134	$ 222,492	$ 232,156	$ 611,782
Due from other funds	28,611	222	104	28,937
Due from other governments	72,010	33,337	5,011	110,358
Other assets	675	199	-	874
Total assets	$ 258,430	$ 256,250	$ 237,271	$ 751,951
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 12,053	$ 21,315	$ 2,201	$ 35,569
Due to other funds	104,275	29,228	-	133,503
Due to other governments	-	205,707	-	205,707
Total liabilities	116,328	256,250	2,201	374,779
Fund balance:				
Restricted	142,102	-	235,070	377,172
Total liabilities and fund balance	$ 258,430	$ 256,250	$ 237,271	$ 751,951

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Major Funds			
	General	Fines and Forfeitures Fund	Modernization Trust Fund	Total Governmental Funds
REVENUES				
Intergovernmental	$ 63,027	$ 535,709	$ -	$ 598,736
Charges for services	114,026	244,440	57,856	416,322
Fines and forfeitures	-	97,904	-	97,904
Interest revenue	1,449	-	1,687	3,136
Other	5,900	-	-	5,900
Total revenues	184,402	878,053	59,543	1,121,998
EXPENDITURES				
Current				
General government	600,377	-	-	600,377
Court related	52,092	738,877	50,394	841,363
Capital Outlay	2,423	-	-	2,423
Total expenditures	654,892	738,877	50,394	1,444,163
Excess (deficiency) of revenues over (under) expenditures	(470,490)	139,176	9,149	(322,165)
OTHER FINANCING SOURCES (USES)				
Transfers in	593,828	-	-	593,828
Transfers (out)	(102,650)	-	-	(102,650)
Reversion to State of Florida	-	(139,176)	-	(139,176)
Total other financing sources (uses)	491,178	(139,176)	-	352,002
Net changes in fund balances	20,688	-	9,149	29,837
Fund balances - beginning	121,414	-	225,921	347,335
Fund balances - ending	$ 142,102	$ -	$ 235,070	$ 377,172

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 60,000	$ 60,000	$ 63,027	$ 3,027
Charges for services	108,000	108,000	114,026	6,026
Interest revenue	1,500	1,500	1,449	(51)
Other	3,000	3,000	5,900	2,900
Total revenues	172,500	172,500	184,402	11,902
EXPENDITURES				
Current				
General government	676,468	676,468	600,377	76,091
Court related	177,025	177,025	52,092	124,933
Capital Outlay	120,228	120,228	2,423	117,805
Total expenditures	973,721	973,721	654,892	318,829
Excess (deficiency) of revenues over (under) expenditures	(801,221)	(801,221)	(470,490)	330,731
OTHER FINANCING SOURCES (USES)				
Transfers in	680,221	680,221	593,828	(86,393)
Transfers (out)	-	-	(102,650)	(102,650)
Total other financing sources (uses)	680,221	680,221	491,178	(189,043)
Net changes in fund balances	(121,000)	(121,000)	20,688	141,688
Fund balances - beginning	121,000	121,000	121,414	414
Fund balances - ending	$ -	$ -	$ 142,102	$ 142,102

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
FINES AND FORFEITURES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 511,437	$ 511,437	$ 535,709	$ 24,272
Charges for services	179,739	179,739	244,440	64,701
Fines and forfeitures	60,260	60,260	97,904	37,644
Interest revenue	520	520	-	(520)
Total revenues	751,956	751,956	878,053	126,097
EXPENDITURES				
Current				
Court related	751,956	751,956	738,877	13,079
Total expenditures	751,956	751,956	738,877	13,079
Excess of revenues over expenditures	-	-	139,176	139,176
OTHER FINANCING (USES)				
Reversion to State of Florida	-	-	(139,176)	(139,176)
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
MODERNIZATION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Charges for services	$ 57,000	$ 57,000	$ 57,856	$ 856
Interest revenue	2,000	2,000	1,687	(313)
Total revenues	59,000	59,000	59,543	543
EXPENDITURES				
Current				
General government	173,600	173,600	-	173,600
Court related	110,400	110,400	50,394	60,006
Total expenditures	284,000	284,000	50,394	233,606
Excess (deficiency) of revenues over (under) expenditures	(225,000)	(225,000)	9,149	234,149
Net changes in fund balances	(225,000)	(225,000)	9,149	234,149
Fund balances - beginning	225,921	225,921	225,921	-
Fund balances - ending	$ 921	$ 921	$ 235,070	$ 234,149

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

ASSETS	
Cash and cash equivalents	$ 644,987
LIABILITIES	
Accounts payable	5,981
Due to other governments	85,048
NET POSITION	
Restricted	$ 553,958

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

ADDITIONS	$ 4,460,195
DEDUCTIONS	4,392,584
Net increase in fiduciary net position	67,611
Net position - beginning	486,347
Net position - ending	$ 553,958

See accompanying notes to financial statements.

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Franklin County, Florida, Clerk of the Circuit Court (the "Clerk") conform with generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

Franklin County, Florida (the "County") is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the "Board"). The Clerk is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d).

The Clerk is a part of the primary government of the County. The Clerk is responsible for the administration and operation of the Clerk's office, and the Clerk's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

The Clerk funds non-court operations as a Budget Officer and a Fee Officer pursuant to Florida Statutes, Chapters 28, 129, and 218, respectively. As a Budget Officer, the operations of the Clerk are funded by the County general fund. The receipts from the County general fund are recorded as other financing sources on the Clerk's general fund financial statements. Any excess of revenues and other financing sources received over expenditures of the general fund are remitted to the County general fund at year-end. The court-related operations of the Clerk are funded from fees and charges authorized under Chapter 2013-44, Laws of Florida and are reported in the court fund. Such provisions may be amended at any time by further action from the Florida Legislature. At year-end, any excess of revenues over court-related expenditures of the court fund are remitted to the State of Florida pursuant to Florida Statute 28.37.

Basis of Presentation

The Clerk's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk of Courts has not presented the government-wide financial statements, reconciliations to the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Basis of Presentation (Continued)

The financial transactions of the Clerk are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Clerk reports the following major governmental funds:

Governmental Fund Types

- General Fund – The general fund is the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in other funds.

- Fines and Forfeitures Fund – This fund accounts for funds collected and disbursed pursuant to statutes, administrative orders and ordinances.

- Modernization Trust Fund – The modernization trust fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Fund Type

- Custodial Funds – The custodial funds are used to account for assets held by the Clerk as an agent for individuals, private organizations, other governments, and/or other funds.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available, spendable resources" during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. 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.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Measurement Focus/Basis of Accounting (Continued)

For this purpose, the government considered revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

The custodial funds are accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Clerk to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval, or condition is required to be taken or not by the beneficiary to release the assets.

Budget and Budgetary Accounting

Expenditures, other than those for certain agency funds, are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Clerk. Appropriations lapse at the end of the fiscal year to the extent they have not been expended. The budgeted revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

Florida Statutes Chapter 218.35 governs the preparation, adoption, and administration of the Clerk's annual budget. The Clerk establishes an annual budget for the office which clearly reflects the revenues available to the office and the functions for which the money is to be expended.

The Clerk prepares the budget in three parts:

1. The budget relating to the requirements of the Clerk as the Ex Officio Clerk to the Board, County Auditor, County Recorder, and Custodian or Treasurer of all County funds and other county related duties, and for chapter 29 obligations;
2. The budget relating to the Florida court system, which is filed with the Clerk of Courts Operations Corporation (CCOC) in the format required by the CCOC. Section 28.36, Florida Statutes, defines the maximum annual budget permitted; and
3. The budget for all other operations of the Clerk.

Cash and Cash Equivalents

The Clerk considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Capital Assets

Capital assets purchased in the governmental fund type are recorded as expenditures (capital outlay) at the time of purchase. Assets acquired by the Clerk are reported as capital assets in the statement of net position as part of the basic financial statement for Franklin County. The Clerk maintains custodial responsibility for the capital assets used by their office.

Liability for Compensated Absences

The Clerk maintains a policy that permits employees to accumulate earned but unused leave time and compensatory time benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused leave time and compensatory time hours accrued up to a maximum amount.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements of Franklin County. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay.

Related Organizations – Common Expenses

Certain expenditures, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Clerk. These expenses relating to the Clerk's courthouse facilities are:

- Occupancy costs
- Janitorial services
- Utilities
- Property insurance

Fund Balance Reporting

The Clerk has implemented the provisions of Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

- Non-Spendable: This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Clerk does not have any non-spendable funds.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Fund Balance Reporting (Continued)

- Restricted: This component of fund balances consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- Committed: This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy, ordinance, or resolution) of the Clerk's governing authority.
- Assigned: This component of fund balance consists of amounts that are constrained by a less-than formal action of the Clerk's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Clerk has not delegated the responsibility to assign fund balances to any individual or body.
- Unassigned: This classification is used for fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Clerk's policy to use committed resources first, then assigned, and then unassigned as needed.

Distribution of Excess Revenues

Florida Statutes require that the Clerk distribute any excess of revenues over expenditures within the general fund to the board within 31 days following the end of the fiscal year. Accordingly, the amount of excess revenues distributed to the Board at the end of the year is presented in the accompanying special-purpose financial statements as "other financing uses."

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements and notes. Actual results could differ from estimates.

Implementation of New Governmental Accounting Standards

GASB Statement No. 101, *Compensated Absences*

Effective October 1, 2024, the County implemented Statement No. 101. The objective of this statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

This statement required the County to recognize a liability for leave that has not been used if (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement has no material impact on the County's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*

Effective October 1, 2024, the County implemented Statement No. 102. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement has no material impact on the County's financial statements.

Subsequent Events

The Clerk of the Court evaluated subsequent events through June 29, 2026, the date which the financial statements were available to be issued. The Clerk of the Court did not have any subsequent events requiring disclosure or recording in these financial statements.

NOTE 2: *Cash and Cash Equivalents*

All Clerk depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Clerk cash consists of checking accounts and interest-bearing time deposits in a local bank.

[INTENTIONALLY LEFT BLANK]

NOTE 3: *Inter-fund Transactions*

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The inter-fund transactions are not eliminated, and no interest is charged on such advances.

Inter-fund receivable and payable balances at September 30, 2025, were as follows:

Receivable Fund	Payable Fund	Amount
Clerk Operating	Clerk Fines and Forfeitures Fund	$ 28,342
	Board of County Commissioners	269
Clerk Fines and Forfeitures Fund	Board of County Commissioners	222
Clerk Modernization Trust Fund	Clerk Fines and Forfeitures Fund	75
	Board of County Commissioners	29
Board of County Commissioners	Clerk Operating	104,275
	Clerk Fines and Forfeitures Fund	811
Total		$ 134,023

Operating transfers between funds during the year were as follows:

Transfers in	Transfers Out	Amount
Clerk Operating	Board of County Commissioners	$ 593,828
Board of County Commissioners	Clerk Operating	102,650
Total		$ 696,478

NOTE 4: *Long-Term Liabilities*

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Clerk are reported in the government-wide Statement of Net Position. The compensated absences of the Clerk are accounted for in the Statement of Net Position as follows:

	Balance October 01, 2024	Additions*	Balance September 30, 2025
Compensated absences	$ 68,956	$ (1,489)	$ 67,467

**The change in compensated absences liability is presented as a net change.*

NOTE 5: *Retirement*

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Clerk is deemed to be part of the primary government of the County. A liability related to the Clerk's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2025.

NOTE 6: *Risk Management*

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Clerk participates in the risk management program through the Franklin County Board of County Commissioners, which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and personal property damage
- Public employee's bond
- Workers' compensation
- General and automobile liability

SUPPLEMENTARY INFORMATION

FRANKLIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

	General Trust	Child Support	Registry of Court	Total Custodial Funds
ASSETS				
Cash and cash equivalents	$ 85,613	$ 5,416	$ 553,958	$ 644,987
LIABILITIES				
Accounts payable	637	5,344	-	5,981
Due to other governments	84,976	72	-	85,048
Total liabilities	85,613	5,416	-	91,029
NET POSITION				
Restricted	$ -	$ -	$ 553,958	$ 553,958

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Trust	Child Support	Registry of Court	Total Custodial Funds
ADDITIONS	$ 4,014,467	$ 15,464	$ 430,264	$ 4,460,195
DEDUCTIONS	4,014,876	15,808	361,900	4,392,584
Net increase (decrease) in fiduciary net position	(409)	(344)	68,364	67,611
Net position - beginning	409	344	485,594	486,347
Net position - ending	$ -	$ -	$ 553,958	$ 553,958

See accompanying notes to financial statements.

INTERNAL CONTROL AND COMPLIANCE SECTION

September 30, 2025

LANIGAN & ASSOCIATES, P.C.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Michele Maxwell
Clerk of the Circuit Court
Franklin County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of each major fund and the aggregate remaining fund information of Franklin County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Lanigan & Associates, PC

Tallahassee, Florida
June 29, 2026

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Michele Maxwell
Florida Clerk of the Circuit Court
Franklin County, Florida

Report on the Financial Statements

We have audited the financial statements of Franklin County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the fiscal year ended September 30, 2025, and have issued our report dated June 29, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, and schedule, which are dated June 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding annual financial audit report, there were no significant findings or recommendations.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be

disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to the financial statements. There are no component units related to the Clerk.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners, the Clerk, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lanigan & Associates, PC

Tallahassee, Florida
June 29, 2026

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REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES, ARTICLE V REQUIREMENTS AND DEPOSITORY REQUIREMENTS OF SECTIONS 218.415, 28.35, 28.36 AND 61.181, FLORIDA STATUTES

The Honorable Michele Maxwell
Florida Clerk of the Circuit Court
Franklin County, Florida

Report on Compliance

We have examined the Franklin County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, and depository requirements for alimony transactions, support, maintenance and support payments of Section 61.181, Florida Statutes, for the year ended September 30, 2025. Management is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

Opinion

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

Lanigan & Associates, PC

Tallahassee, Florida
June 29, 2026

Special Purpose
Financial Statements

Franklin County, Florida
Property Appraiser

❖

Year Ended September 30, 2025
with Independent Auditor's Report

Franklin County, Florida
Property Appraiser

Special Purpose Financial Statements

Year Ended September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Honorable Terry Tipton, Jr., CFA
Property Appraiser
Franklin County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the General Fund of the Franklin County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the General Fund of the Property Appraiser as of September 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General Fund attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Franklin County, Florida, as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 the Property Appraiser's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

FRANKLIN COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
AS OF SEPTEMBER 30, 2025

ASSETS	
Total assets	$ -
LIABILITIES AND FUND BALANCE	
Total liabilities	$ -
Fund balance	-
Total liabilities and fund balance	$ -

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with final budget - favorable (unfavorable)
	Original	Final	Actual	
REVENUES				
Total revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current				
General government	856,851	894,642	882,434	12,208
Excess (deficiency) of revenues over (under) expenditures	(856,851)	(894,642)	(882,434)	12,208
OTHER FINANCING SOURCES (USES)				
Transfers in	856,851	894,642	882,434	(12,208)
Net changes in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Franklin County, Florida, Property Appraiser (the "Property Appraiser") conform with generally accepted accounting principles (GAAP), as applicable to other governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

Franklin County, Florida (the "County") is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (the "Board"). The Property Appraiser is an elected official of Franklin County, Florida, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d).

The Property Appraiser is part of the primary government of Franklin County, Florida. Although the Board and the Florida Department of Revenue approve the Property Appraiser's total operating budget, the Property Appraiser is responsible for the administration and the operation of the Property Appraiser's office. There are no separate legal entities (component units) for which the Property Appraiser is considered to be financially accountable.

The operations of the Property Appraiser are funded by the Franklin County Board of County Commissioners. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financial sources received over expenditures are remitted to the Board at year end.

Basis of Presentation

The Property Appraiser's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented the government-wide financial statements, reconciliations to the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

The financial transactions of the Property Appraiser are recorded in an individual fund. The fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The fund is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Basis of Presentation (Continued)

The Property Appraiser reports the following governmental fund:

Governmental Fund Types

- General Fund – The General Fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in other funds.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statement presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available, spendable resources" during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the Property Appraiser considered revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Budget and Budgetary Accounting

Florida Statutes, Chapter 195.087 governs the preparation, adoption and administration of the annual budget of the Property Appraiser. The budget and subsequent budget amendments of the Property Appraiser are submitted to the Florida Department of Revenue (FDOR) for approval. A copy of the budget is also provided to the Board.

Line-item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriation categories (personal services, operating expenditures, capital outlay, and debt service) must be approved by FDOR. Transfers between expenditure items within the same appropriation category do not need approval by FDOR. The budget is prepared on the modified accrual basis of accounting. General Fund appropriations lapse at the end of the fiscal year to the extent they have not been expended.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Cash and Cash Equivalents

The Property Appraiser considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Liability for Compensated Absences

Effective January 1, 2025, employees may accumulate a limited amount of earned but unused annual leave. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Franklin County Government-Wide Financial Statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

Related Organizations – Common Expenses

Certain expenditures, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Property Appraiser. These expenses relating to the Property Appraiser's facilities are:

- Occupancy costs
- Janitorial services
- Utilities
- Property insurance

Fund Balance

The Property Appraiser has implemented the provisions of Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

- Non-Spendable: This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Property Appraiser does not have any non-spendable funds.
- Restricted: This component of fund balances consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- Committed: This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy, ordinance, or resolution) of the Property Appraiser's governing authority.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Fund Balance (Continued)

- Assigned: This component of fund balance consists of amounts that are constrained by a less-than formal action of the Property Appraiser's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Property Appraiser has not delegated the responsibility to assign fund balances to any individual or body.
- Unassigned: This classification is used for fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Property Appraiser's policy to use committed resources first, then assigned, and then unassigned as needed.

Distribution of Excess Revenues

Florida Statutes require that the Property Appraiser distribute any excess of revenues over expenditures within the General Fund to the Board within 31 days following the end of the fiscal year. Accordingly, the amount of excess revenues distributed to the Board at the end of the year is presented in the accompanying special-purpose financial statements as "other financing uses."

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements and notes. Actual results could differ from estimates.

Implementation of New Governmental Accounting Standards

GASB Statement No. 101, *Compensated Absences*

Effective October 1, 2024, the County implemented Statement No. 101. The objective of this statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement required the County to recognize a liability for leave that has not been used if (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement has no material impact on the County's financial statements.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

GASB Statement No. 102, *Certain Risk Disclosures*

Effective October 1, 2024, the County implemented Statement No. 102. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement has no material impact on the County's financial statements.

Subsequent Events

The Property Appraiser evaluated subsequent events through September 30, 2026, the date which the financial statements were available to be issued. The Property Appraiser did not have any subsequent events requiring disclosure or recording in these financial statements.

NOTE 2: *Cash and Investments*

All Property Appraiser depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to insure monies in banks and savings, and that loans are collateralized with the Treasurer as an agent for the public entities. All Property Appraiser cash consists of checking accounts and interest-bearing time deposits in a local bank.

NOTE 3: *Interfund Transactions*

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances.

Operating transfers between funds for the year ended September 30, 2025, were as follows:

Transfers In	Transfers Out	Amount
Board of County Commissioners	General Fund	$ 882,434

NOTE 4: *Long-Term Liabilities*

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Property Appraiser are reported in the government-wide Statement of Net Position. The compensated absences of the Property Appraiser are accounted for in the Statement of Net Position as follows:

	Balance October 01, 2024	Additions*	Balance September 30, 2025
Compensated Absences	$ -	$ 35,457	$ 35,457

**The change in the compensated absences liability is presented as a net change.*

NOTE 5: *Retirement*

The Property Appraiser participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Property Appraiser's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45, and the maximum payment is $225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Property Appraiser is deemed to be part of the primary government of Franklin County, Florida. A liability related to the Property Appraiser's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of Franklin County, Florida for the fiscal year ended September 30, 2025.

NOTE 6: *Risk Management*

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Property Appraiser participates in the risk management program through the Franklin County Board of County Commissioners, which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and personal property damage
- Public employee's bond
- Workers' compensation
- General and automobile liability

INTERNAL CONTROL AND COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Terry Tipton, Jr., CFA
Property Appraiser
Franklin County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, (*Government Auditing Standards*), the financial statements of the General Fund of Franklin County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Terry Tipton, Jr., CFA
Property Appraiser
Franklin County, Florida

Report on the Financial Statements

We have audited the financial statements of the General Fund of the Franklin County, Florida, Property Appraiser as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated September 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of each finding made in the preceding annual financial audit report is noted below.

Original Finding No.	Description	Status
2024-001	Implementation of Account Numbers	Cleared

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to the financial statements. There are no component units related to the Property Appraiser.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners, the Property Appraiser, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable Terry Tipton, Jr., CFA
Property Appraiser
Franklin County, Florida

Report on Compliance

We have examined the Franklin County, Florida, Property Appraiser's (the "Property Appraiser") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2025. Management is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

Opinion

In our opinion, the Property Appraiser complied, in all material respects, with the local government investment policy requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2025.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

Special Purpose
Financial Statements

Franklin County, Florida
Sheriff

Year Ended September 30, 2025
with Independent Auditor's Report

Franklin County, Florida
Sheriff

Special Purpose Financial Statements

Year Ended September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Honorable A.J. Smith
Franklin County Sheriff
Franklin County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Franklin County, Florida, Sheriff (the "Sheriff"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General fund and the aggregate remaining fund information attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Franklin County, Florida, as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 the Sheriff's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining nonmajor governmental fund statements and combining fiduciary statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor governmental fund statements and combining fiduciary statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund statements and combining fiduciary statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

FRANKLIN COUNTY, FLORIDA
SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Prisoner Welfare Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 253,020	$ 61,566	$ 27,593	$ 342,179
Due from other funds	22,803	-	-	22,803
Total assets	$ 275,823	$ 61,566	$ 27,593	$ 364,982
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 288,580	$ -	$ -	$ 288,580
Due to other funds	2,412	-	-	2,412
Unearned revenue	182,515	-	-	182,515
Total liabilities	473,507	-	-	473,507
Fund balances				
Restricted	-	61,566	27,593	89,159
Unassigned	(197,684)	-	-	(197,684)
Total fund balances	(197,684)	61,566	27,593	(108,525)
Total liabilities and fund balances	$ 275,823	$ 61,566	$ 27,593	$ 364,982

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Prisoner Welfare Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental	$ 873,795	$ -	$ -	$ 873,795
Charges for services	444,475	-	-	444,475
Interest revenue	1,798	-	-	1,798
Other	430,713	129,524	9,113	569,350
Total revenues	1,750,781	129,524	9,113	1,889,418
EXPENDITURES				
Current				
Public safety	9,520,865	113,617	7,580	9,642,062
Court related	118,060	-	-	118,060
Debt service				
Principal	343,374	13,870	-	357,244
Interest	77,151	750	-	77,901
Capital outlay	350,365	55,505	-	405,870
Total expenditures	10,409,815	183,742	7,580	10,601,137
Excess (deficit) of revenues over (under) expenditures	(8,659,034)	(54,218)	1,533	(8,711,719)
OTHER FINANCING SOURCES				
Proceeds from debt financing	310,596	55,505	-	366,101
Transfers in	8,273,743	-	-	8,273,743
Total other financing sources	8,584,339	55,505	-	8,639,844
Net changes in fund balances	(74,695)	1,287	1,533	(71,875)
Fund balances, beginning of year	(122,989)	60,279	26,060	(36,650)
Fund balances, end of year	$ (197,684)	$ 61,566	$ 27,593	$ (108,525)

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget - favorable (unfavorable)
REVENUES				
Intergovernmental	$ 904,975	$ 962,534	$ 873,795	$ (88,739)
Charges for services	-	-	444,475	444,475
Interest revenue	-	-	1,798	1,798
Other	-	-	430,713	430,713
Total revenues	904,975	962,534	1,750,781	788,247
EXPENDITURES				
Current				
Public safety	9,130,032	8,941,011	9,520,865	(579,854)
Court related	225,780	207,943	118,060	89,883
Debt service				
Principal	-	-	343,374	(343,374)
Interest	-	-	77,151	(77,151)
Capital outlay	-	-	350,365	(350,365)
Total expenditures	9,355,812	9,148,954	10,409,815	(1,260,861)
Excess (deficit) of revenues over (under) expenditures	(8,450,837)	(8,186,420)	(8,659,034)	(472,614)
OTHER FINANCING SOURCES				
Proceeds from debt financing	-	-	310,596	310,596
Transfers in	8,450,837	8,186,420	8,273,743	87,323
Total other financing sources	8,450,837	8,186,420	8,584,339	397,919
Net changes in fund balances	-	-	(74,695)	(74,695)
Fund balances, beginning of year	-	-	(122,989)	(122,989)
Fund balances, end of year	$ -	$ -	$ (197,684)	$ (197,684)

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

ASSETS	
Cash and cash equivalents	$ 44,978
NET POSITION	
Restricted for:	
Individuals and organizations	$ 44,978

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

ADDITIONS	
Charges for services	$ 127,855
Bond related	54,623
Other	17,595
Total additions	200,073
DEDUCTIONS	
Payment to individuals	151,063
Payment to other governments	2,950
Payments to BOCC	642
Payments to constitutional officers	37,849
Total deductions	192,504
Net increase in fiduciary net position	7,569
Net position, beginning of year	37,409
Net position, end of year	$ 44,978

See accompanying notes to financial statements.

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Franklin County, Florida, Sheriff (the "Sheriff") conform with generally accepted accounting principles (GAAP), as applicable to other governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

Franklin County, Florida (the "County") is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (the "Board"). The Sheriff is an elected official of Franklin County, Florida, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d).

The Sheriff is part of the primary government of Franklin County, Florida. The Sheriff is responsible for the administration and the operation of the Sheriff's office, and the Sheriff's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

The operations of the Sheriff are funded by the Franklin County Board of County Commissioners. The receipts from the Board are recorded as other financing sources on the Sheriff's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financial sources received over expenditures are remitted to the Board at year end.

Basis of Presentation

The Sheriff's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Sheriff has not presented the government-wide financial statements, reconciliations to the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

The financial transactions of the Sheriff are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

The Sheriff reports the following major governmental funds:

Governmental Fund Types

- General Fund – The general fund is the general operating fund of the Sheriff. It is used to account for all financial resources, except those required to be accounted for in other funds.

- Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Fiduciary Fund Types

- Custodial Funds – The custodial funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, other governments, and/or other funds.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available, spendable resources" during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considered revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

The custodial funds are accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Sheriff to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval, or condition is required to be taken or not by the beneficiary to release the assets.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Budget and Budgetary Accounting

Florida Statutes Chapter 30.49 governs the preparation, adoption, and administration of the Sheriff's annual budget. Expenditures, other than those for certain agency funds, are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Sheriff. Appropriations lapse at the end of the fiscal year to the extent they have not been expended.

The annual budgetary data reported for governmental fund types are adopted on a basis consistent with accounting principles generally accepted in the United States of America and represent the Sheriff's adopted budget, the original appropriation ordinance, and budget amendments approved by the Sheriff or as adopted by the Board. Budgets are not adopted for the Sheriff's special revenue funds.

For the year ended September 30, 2025, expenditures exceeded appropriations within the general fund by $1,260,861. The excess expenditures were funded by additional revenues, loan proceeds, and future appropriations.

Cash and Cash Equivalents

The Sheriff considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets include property, plant, and equipment with an individual cost of $1,000 or more and an estimated useful life in excess of one year. Donated fixed assets are recorded at estimated fair market value on the date received.

Capital assets purchased in the governmental fund type are recorded as expenditures (capital outlay) at the time of purchase. Assets acquired by the Sheriff are reported as capital assets in the statement of net position as part of the basic financial statement for Franklin County. The Sheriff maintains custodial responsibility for the capital assets used by their office.

Liability for Compensated Absences

Permanent full-time employees of the Sheriff are entitled to accrue unlimited hours of sick leave and 240 hours of vacation time/compensatory time. Upon termination, employees can be paid up to 240 hours of vacation time/compensatory leave. The Sheriff's accumulated compensated absences are reported in the statement of net position in the Board's financial statements.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Related Organizations – Common Expenses

Certain expenditures, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Sheriff. These expenses relating to the Sheriff's facilities are:

- Occupancy costs
- Janitorial services
- Utilities
- Property insurance

Fund Balance Reporting

The Sheriff has implemented the provisions of Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned:

- Non-Spendable: This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Sheriff does not have any non-spendable funds.
- Restricted: This component of fund balances consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- Committed: This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy, ordinance, or resolution) of the Sheriff's governing authority.
- Assigned: This component of fund balance consists of amounts that are constrained by a less-than formal action of the Sheriff's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Sheriff has not delegated the responsibility to assign fund balances to any individual or body.
- Unassigned: This classification is used for fund balances within the general fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Sheriff's policy to use committed resources first, then assigned, and then unassigned as needed.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Distribution of Excess Revenues

Florida Statutes require that the Sheriff distribute any excess of revenues over expenditures within the general fund to the board within 31 days following the end of the fiscal year. Accordingly, the amount of excess revenues distributed to the Board at the end of the year is presented in the accompanying special-purpose financial statements as "other financing uses."

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements and notes. Actual results could differ from estimates.

Implementation of New Governmental Accounting Standards

GASB Statement No. 101, *Compensated Absences*

Effective October 1, 2024, the County implemented Statement No. 101. The objective of this statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement required the County to recognize a liability for leave that has not been used if (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement has no material impact on the County's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*

Effective October 1, 2024, the County implemented Statement No. 102. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement has no material impact on the County's financial statements.

Subsequent Events

The Sheriff evaluated subsequent events through September 30, 2026, the date which the financial statements were available to be issued. The Sheriff did not have any subsequent events requiring disclosure or recording in these financial statements.

NOTE 2: *Cash and Cash Equivalents*

All Sheriff depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Sheriff's cash consists of checking accounts and interest-bearing time deposits in a local bank.

NOTE 3: *Interfund Transactions*

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances.

Interfund receivable and payable balances at September 30, 2025, were as follows:

Receivable Fund	Payable Fund	Amount
Board of County Commissioners	General Fund	$ 2,412
General Fund	Other nonmajor funds	10,913
General Fund	Tourist Development Fund	11,890
		$ 25,215

Operating transfers between funds during the year were as follows:

Transfers In	Transfers Out	Amount
General Fund	Board of County Commissioners	$ 8,273,743

NOTE 4: *Long-Term Liabilities*

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Sheriff are reported in the government-wide Statement of Net Position.

The compensated absences of the Sheriff are accounted for in the Statement of Net Position as follows:

	Balance October 01, 2024	Additions*	Balance September 30, 2025
Compensated absences	$ 417,194	$ 111,262	$ 528,456

**The change in compensated absences liability is presented as a net change.*

NOTE 5: *Retirement*

The Sheriff participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Sheriff's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the

NOTE 5: *Retirement (Continued)*

Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Sheriff is deemed to be part of the primary government of Franklin County, Florida. A liability related to the Sheriff's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of Franklin County, Florida for the fiscal year ended September 30, 2025.

NOTE 6: *Risk Management*

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs include; general liability, public employees blanket bond, automobiles and money and securities coverage.

- General liability
- Public employees blanket bond
- Money and securities coverage

The Sheriff provides for workers' compensation coverage under a retrospectively rated commercial insurance policy through the Board. Premiums are accrued based on the ultimate cost to date of the Sheriff's experience for this type of risk.

In addition, the Sheriff participates in the Florida Self-Insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies.

NOTE 7: *Budget*

Budget amounts are adopted only for the operating fund and not for special revenue funds. Since no budget is adopted, a budget to actual comparison has not been prepared for the major special revenue fund. The special revenue fund accounts for commissions from operation of an inmate commissary.

SUPPLEMENTARY INFORMATION

FRANKLIN COUNTY, FLORIDA
SHERIFF
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Families in Crisis	Forfeiture Fund	Employee Fund	Kids with Cops	Senior Citizen Fund	Total Other Governmental Fund
ASSETS						
Cash and cash equivalents	$ 3,535	$ 3,098	$ 14,999	$ 1,842	$ 4,119	$ 27,593
FUND BALANCES						
Restricted	$ 3,535	$ 3,098	$ 14,999	$ 1,842	$ 4,119	$ 27,593

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Families in Crisis	Forfeiture Fund	Employee Fund	Kids with Cops	Senior Citizen Fund	Total Other Governmental Fund
REVENUES						
Other	$ 14	$ 13	$ 7,257	$ 1,636	$ 193	$ 9,113
EXPENDITURES						
Current						
Public safety	-	-	5,890	1,690	-	7,580
Excess (deficit) of revenues over (under) expenditures	14	13	1,367	(54)	193	1,533
Fund balances, beginning of year	3,521	3,085	13,632	1,896	3,926	26,060
Fund balances, end of year	$ 3,535	$ 3,098	$ 14,999	$ 1,842	$ 4,119	$ 27,593

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

	Bonds	Inmate Trust	Individual Depositor	Other Suspense	Total Agency Funds
ASSETS					
Cash and cash equivalents	$ 32,393	$ 10,989	$ 1,581	$ 15	$ 44,978
NET POSITION					
Restricted for:					
Individuals and organizations	$ 32,393	$ 10,989	$ 1,581	$ 15	$ 44,978

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Bonds	Inmate Trust	Individual Depositor	Other Suspense	Total Agency Funds
ADDITIONS					
Charges for services	$ -	$ 127,855	$ -	$ -	$ 127,855
Bond related	54,623	-	-	-	54,623
Other	-	-	17,025	570	17,595
Total additions	54,623	127,855	17,025	570	200,073
DEDUCTIONS					
Payment to individuals	26,036	106,515	18,512	-	151,063
Payment to other governments	2,950	-	-	-	2,950
Payments to BOCC	-	-	-	642	642
Payments to constitutional officers	18,264	19,585	-	-	37,849
Total deductions	47,250	126,100	18,512	642	192,504
Net change in fiduciary net position	7,373	1,755	(1,487)	(72)	7,569
Net position, beginning of year	25,020	9,234	3,068	87	37,409
Net position, end of year	$ 32,393	$ 10,989	$ 1,581	$ 15	$ 44,978

See accompanying notes to financial statements.

INTERNAL CONTROL AND COMPLIANCE SECTION

LANIGAN & ASSOCIATES, P.C.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable A.J. Smith
Franklin County Sheriff
Franklin County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of each major fund and the aggregate remaining fund information of Franklin County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable A.J. Smith
Franklin County Sheriff
Franklin County, Florida

Report on the Financial Statements

We have audited the financial statements of Franklin County, Florida, Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated September 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of each finding made in the preceding annual financial audit report is noted below.

Finding No.	Original Finding No.	Description	Status
	2024-001	Material Audit Adjustments	Cleared
	2024-002	Implementation of Account Numbers	Cleared
	2024-003	Bank Reconciliations	Cleared

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to the financial statements. There are no component units related to the Sheriff.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners, the Sheriff, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable A.J. Smith
Franklin County Sheriff
Franklin County, Florida

Report on Compliance

We have examined the Franklin County, Florida, Sheriff (the "Sheriff") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2025. Management is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

Opinion

In our opinion, the Sheriff complied, in all material respects, with the local government investment policy requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2025.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

Special Purpose
Financial Statements

Franklin County, Florida
Supervisor of Elections

Year Ended September 30, 2025
with Independent Auditor's Report

Franklin County, Florida
Supervisor of Elections

Special Purpose Financial Statements

September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Honorable Heather Riley
Supervisor of Elections
Franklin County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the General Fund of the Franklin County, Florida, Supervisor of Elections ("Supervisor of Elections"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the General Fund of the Supervisor of Elections as of September 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General Fund of Franklin County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Franklin County, Florida, as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 the Supervisor of Elections' ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

FRANKLIN COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2025

ASSETS	
Cash	$ 3,619
Total assets	$ 3,619
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	$ 12,028
Total liabilities	12,028
Fund balance:	
Unassigned	(8,409)
Total liabilities and fund balance	$ 3,619

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted amounts			Variance with final budget - favorable (unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ -	$ -	$ 11,160	$ 11,160
Interest revenue	-	-	51	51
Other	-	-	8,623	8,623
Total revenues	-	-	19,834	19,834
EXPENDITURES				
Current				
General government	586,006	589,591	605,623	(16,032)
Debt service				
Principal	-	-	4,072	(4,072)
Interest	-	-	33	(33)
Total expenditures	586,006	589,591	609,728	(20,137)
Excess (deficiency) of revenues over (under) expenditures	(586,006)	(589,591)	(589,894)	(303)
OTHER FINANCING SOURCES (USES)				
Transfers in	586,006	589,591	589,591	-
Total other financing sources (uses)	586,006	589,591	589,591	-
Net changes in fund balances	-	-	(303)	(303)
Fund balance - beginning	-	-	(8,106)	(8,106)
Fund balance - ending	$ -	$ -	$ (8,409)	$ (8,409)

See accompanying notes to financial statements.

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Franklin County, Florida, Supervisor of Elections (the "Supervisor of Elections") conform with generally accepted accounting principles (GAAP), as applicable to other governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

Franklin County, Florida (the "County") is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (the "Board"). The Supervisor of Elections is an elected official of Franklin County, Florida, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d).

The Supervisor of Elections is part of the primary government of Franklin County, Florida. Although the Board of County Commissioners approves the Supervisor of Elections' total operating budget, the Supervisor of Elections is responsible for the administration and the operation of the Supervisor of Elections' office. There are no separate legal entities (component units) for which the Supervisor of Elections is considered to be financially accountable.

The operations of the Supervisor of Elections are funded by the Franklin County Board of County Commissioners. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financial sources received over expenditures are remitted to the Board at year end.

Basis of Presentation

The Supervisor of Elections' financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Supervisor of Elections has not presented the government-wide financial statements, reconciliations to the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

The financial transactions of the Supervisor of Elections are recorded in an individual fund. The fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Basis of Presentation (Continued)

The fund is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Supervisor of Elections reports the following governmental fund:

Governmental Fund Types

- General Fund – The General Fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except for those required to be accounted for in other funds.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statement presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available, spendable resources" during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the Supervisor of Elections considered revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Budget and Budgetary Accounting

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with Florida Statutes. An annual budget is adopted for the General Fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

For the year ended September 30, 2025, expenditures exceeded appropriations within the General Fund by $20,137.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Budget to actual comparisons are provided in the financial statements for the General Fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Cash and Cash Equivalents

The Supervisor of Elections considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Liability for Compensated Absences

Permanent full-time employees of the Supervisor of Elections accrue sick leave and upon termination or retirement are entitled to receive 100% of accrued sick leave pay up to a maximum of 60 days. Employees are entitled to four weeks of vacation each year or three weeks of vacation with one week of extra pay in lieu of the fourth week. Upon termination or retirement, an employee is paid 100% of their annual leave up to a maximum of 100 days.

The Supervisor of Elections' accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Related Organizations – Common Expenses

Certain expenditures, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Supervisor of Elections. These expenses relating to the Supervisor of Elections' courthouse facilities are:

- Occupancy costs
- Janitorial services
- Utilities (except telephone)
- Property insurance

Fund Balance

The Supervisor of Elections has implemented the provisions of Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Fund Balance (Continued)

- Non-Spendable: This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Supervisor of Elections does not have any non-spendable funds.
- Restricted: This component of fund balances consists of amounts that are constrained either: externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- Committed: This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy, ordinance, or resolution) of the Supervisor of Elections' governing authority.
- Assigned: This component of fund balance consists of amounts that are constrained by a less-than formal action of the Supervisor of Elections' governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Supervisor of Elections has not delegated the responsibility to assign fund balances to any individual or body.
- Unassigned: This classification is used for fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections' policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Supervisor of Elections' policy to use committed resources first, then assigned, and then unassigned, as needed.

Distribution of Excess Revenues

Florida Statues require that the Supervisor of Elections distribute any excess of revenues over expenditures within the General Fund to the board within 31 days following the end of the fiscal year. Accordingly, the amount of excess revenues distributed to the Board at the end of the year is presented in the accompanying special-purpose financial statements as "other financing uses."

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements and notes. Actual results could differ from those estimates.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Implementation of New Governmental Accounting Standards

GASB Statement No. 101, *Compensated Absences*

Effective October 1, 2024, the County implemented Statement No. 101. The objective of this statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement required the County to recognize a liability for leave that has not been used if (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement has no material impact on the County's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*

Effective October 1, 2024, the County implemented Statement No. 102. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement has no material impact on the County's financial statements.

Subsequent Events

The Supervisor of Elections evaluated subsequent events through September 30, 2026, the date which the financial statements were available to be issued. The Supervisor of Elections did not have any subsequent events requiring disclosure or recording in these financial statements.

NOTE 2: *Cash*

All Supervisor of Elections depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Supervisor of Elections' cash consists of checking accounts and interest-bearing time deposits in a local bank.

NOTE 3: *Interfund Transactions*

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances.

Operating transfers between funds for the year ended September 30, 2025, were as follows:

Transfers In	Transfers Out	Amount
General Fund	Board of County Commissioners*	$ 589,591

**Not included in the Supervisor of Elections' financial statements.*

NOTE 4: *Long-Term Liabilities*

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Supervisor of Elections are reported in the government-wide Statement of Net Position. The compensated absences of the Supervisor of Elections are accounted for in the Statement of Net Position as follows:

	Balance October 01, 2024	Additions*	Balance September 30, 2025
Compensated Absences	$ 16,595	$ 5,107	$ 21,702

**The change in the compensated absences liability is presented as a net change.*

NOTE 5: *Retirement*

The Supervisor of Elections participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Supervisor of Elections' full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Supervisor of Elections is deemed to be part of the primary government of the County. A liability related to the Supervisor of Elections' proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2025.

NOTE 6: *Risk Management*

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Supervisor of Elections participates in the risk management program through the Franklin County Board of County Commissioners, which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and personal property damage
- Public employee's bond
- Workers' compensation
- General and automobile liability

INTERNAL CONTROL AND COMPLIANCE SECTION

SEPTEMBER 30, 2025

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Heather Riley
Supervisor of Elections
Franklin County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the General Fund of Franklin County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Heather Riley
Supervisor of Elections
Franklin County, Florida

Report on the Financial Statements

We have audited the financial statements of the General Fund of the Franklin County, Florida, Supervisor of Elections ("Supervisor of Elections") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated September 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of each finding made in the preceding annual financial audit report is noted below.

Finding No.	Original Finding No.	Description	Status
	2024-001	Implementation of Account Numbers	Cleared
	2024-002	Maintaining Accounting Records	Cleared

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to the financial statements. There are no component units related to the Supervisor of Elections.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners, the Supervisor of Elections, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable Heather Riley
Supervisor of Elections
Franklin County, Florida

Report on Compliance

We have examined the Franklin County, Florida, Supervisor of Elections (the "Supervisor of Elections") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2025. Management is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance with the specified requirements based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Supervisor of Elections complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

Opinion

In our opinion, the Supervisor of Elections complied, in all material respects, with the local government investment policy requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2025.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

Special Purpose
Financial Statements

Franklin County, Florida
Tax Collector

Year Ended September 30, 2025
with Independent Auditor's Report

Franklin County, Florida
Tax Collector

Special Purpose Financial Statements

September 30, 2025

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Internal Control and Compliance Section

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INDEPENDENT AUDITOR'S REPORT

The Honorable Amy Cook
Tax Collector
Franklin County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the General Fund and aggregate remaining fund information of Franklin County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the General Fund and aggregate remaining fund information of the Tax Collector, as of September 30, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General Fund and aggregate remaining fund information attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Franklin County, Florida, as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

As discussed in Note 6 to the financial statements, the Tax Collector identified apparent unauthorized disbursements. Our opinion is not modified with respect to this matter.

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 the Tax Collector's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining statement of fiduciary net position – custodial funds and the combining statement of changes in fiduciary net position – custodial funds ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information mentioned above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2025

ASSETS	
Cash and cash equivalents	$ -
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	$ 4,066
Fund balance	(4,066)
Total liabilities and fund balance	$ -

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted amounts			Variance with final budget - favorable (unfavorable)
	Original	Final	Actual	
REVENUES				
Other	$ -	$ -	$ 1,071	$ 1,071
EXPENDITURES				
Current				
General government	836,699	836,699	832,209	4,490
(Deficiency) of revenues (under) expenditures	(836,699)	(836,699)	(831,138)	5,561
OTHER FINANCING SOURCES				
Transfers in	836,699	836,699	836,148	(551)
Net changes in fund balance	-	-	5,010	5,010
Fund balance - beginning	-	-	(9,076)	(9,076)
Fund balance - ending	$ -	$ -	$ (4,066)	$ (4,066)

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

ASSETS	
Cash and cash equivalents	$ 901,982
LIABILITIES	
Due to other governmental units	$ 497,896
Due to other county agencies	404,056
Total liabilities	901,952
NET POSITION	
Restricted	30
Total net position	$ 30

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

ADDITIONS	
Taxes	$ 42,147,313
Permits, fees, and other	2,401,616
Total additions	44,548,929
DEDUCTIONS	
Payments to individuals	2,185,057
Payments to other governmental units	23,906,277
Payments to BOCC	18,530,866
Payments to constitutional officers	62,516
Apparent unauthorized disbursements	13,376
Total deductions	44,698,092
Net increase in fiduciary net position	(149,163)
Net position - beginning	149,193
Net position - ending	$ 30

See accompanying notes to financial statements.

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Franklin County, Florida, Tax Collector (the "Tax Collector") conform with generally accepted accounting principles (GAAP), as applicable to other governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

Franklin County, Florida (the "County") is a political subdivision of the state of Florida. It is governed by an elected Board of County Commissioners (the "Board"). The Tax Collector is an elected official of Franklin County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d).

The Tax Collector is part of the primary government of Franklin County, Florida. Although the Board of County Commissioners approve the Tax Collector's total operating budget, the Tax Collector is responsible for the administration and the operation of the Tax Collector's office. There are no separate legal entities (component units) for which the Tax Collector is considered to be financially accountable.

The operations of the Tax Collector are funded by the Franklin County Board of County Commissioners. The receipts from the Board are recorded as other financing sources on the Tax Collector's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financial sources received over expenditures are remitted to the Board at year end.

Basis of Presentation

The Tax Collector's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented the government-wide financial statements, reconciliations to the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county-wide financial statements.

The financial transactions of the Tax Collector are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Tax Collector reports the following fund types:

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Basis of Presentation (Continued)

Governmental Fund Types

- General Fund – The General Fund is the general operating fund of the Tax Collector. It is used to account for all financial resources, except for those required to be accounted for in other funds.

Fiduciary Fund Type

- Custodial Funds – The custodial funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments, and/or other funds.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available, spendable resources" during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considered revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

The custodial funds are accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Tax Collector to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval, or condition is required to be taken or not by the beneficiary to release the assets.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Budget and Budgetary Accounting

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with Florida Statutes. An annual budget is adopted for the General Fund.

The Tax Collector's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the General Fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Cash and Cash Equivalents

The Tax Collector considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Liability for Compensated Absences

Permanent full-time employees of the Tax Collector accrue sick leave hours based on length of employment, which must be utilized in the year earned. Any sick and annual leave accumulated and unused at September 30, is forfeited.

Related Organizations – Common Expenses

Certain expenditures, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Tax Collector. These expenses relating to the Tax Collector's courthouse facilities are:

- Occupancy costs
- Janitorial services
- Utilities (except telephone)
- Property insurance

Fund Balance

The Tax Collector has implemented the provisions of Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Fund Balance (Continued)

- Non-Spendable: This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Tax Collector does not have any non-spendable funds.
- Restricted: This component of fund balances consists of amounts that are constrained either: externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- Committed: This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., policy, ordinance, or resolution) of the Tax Collector's governing authority.
- Assigned: This component of fund balance consists of amounts that are constrained by a less-than formal action of the Tax Collector's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Tax Collector has not delegated the responsibility to assign fund balances to any individual or body.
- Unassigned: This classification is used for fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Tax Collector's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Tax Collector's policy to use committed resources first, then assigned, and then unassigned as needed.

Distribution of Excess Revenues

Florida Statutes require that the Tax Collector distribute any excess of revenues over expenditures within the General Fund to the board within 31 days following the end of the fiscal year. Accordingly, the amount of excess revenues distributed to the Board at the end of the year is presented in the accompanying special-purpose financial statements as "other financing uses."

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the accompanying financial statements and notes. Actual results could differ from estimates.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Implementation of New Governmental Accounting Standards

GASB Statement No. 101, *Compensated Absences*

Effective October 1, 2024, the County implemented Statement No. 101. The objective of this statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement required the County to recognize a liability for leave that has not been used if (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement has no material impact on the County's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*

Effective October 1, 2024, the County implemented Statement No. 102. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement has no material impact on the County's financial statements.

Subsequent Events

The Tax Collector evaluated subsequent events through September 30, 2026, the date which the financial statements were available to be issued. The Tax Collector did not have any subsequent events requiring disclosure or recording in these financial statements.

NOTE 2: *Cash and Cash Equivalents*

All Tax Collector depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Tax Collector cash consists of checking accounts and interest-bearing time deposits in a local bank.

NOTE 3: *Interfund Transactions*

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances.

Operating transfers between funds during the year were as follows:

Transfers in	Transfers Out	Amount
General Fund	Board of County Commissioners	$ 836,148

NOTE 4: *Retirement*

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Tax Collector's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Tax Collector is deemed to be part of the primary government of the County. A liability related to the Tax Collector's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2025.

NOTE 5: *Risk Management*

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Tax Collector participates in the risk management program through the Franklin County Board of County Commissioners, which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and personal property damage
- Public employee's bond
- Workers' compensation
- General and automobile liability

NOTE 6: *Apparent Unauthorized Disbursements*

During the fiscal year ended September 30, 2024, the Tax Collector identified unauthorized disbursements totaling approximately $116,169. While investigating this matter, management also determined that approximately $90,774 of unauthorized disbursements occurred in prior fiscal years, and approximately $13,437 occurred during the fiscal year ended September 30, 2025. For the fiscal year ended September 30, 2025, $61 is reported in general government expenditures for the General Fund and $13,376 is reported in "Apparent Unauthorized Disbursements" for the custodial funds.

SUPPLEMENTARY INFORMATION

FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

	Taxes	Tag (Escrow)	Tag	Total Custodial Funds
ASSETS				
Cash and cash equivalents	$ 860,689	$ 379	$ 40,914	$ 901,982
LIABILITIES				
Due to other governmental units	$ 464,772	$ 349	$ 32,775	$ 497,896
Due to other county agencies	395,917	-	8,139	404,056
Total liabilities	860,689	349	40,914	901,952
NET POSITION				
Restricted	-	30	-	30
Total net position	$ -	$ 30	$ -	$ 30

See accompanying notes to financial statements.

FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Taxes	Tag (Escrow)	Tag	Total Custodial Funds
ADDITIONS				
Taxes	$ 42,147,313	$ -	$ -	$ 42,147,313
Permits, fees, and other	43,361	12	2,358,243	2,401,616
Total additions	42,190,674	12	2,358,243	44,548,929
DEDUCTIONS				
Payments to individuals	2,156,550	-	28,507	2,185,057
Payments to other governmental units	21,893,804	-	2,012,473	23,906,277
Payments to BOCC	18,249,116	12	281,738	18,530,866
Payments to constitutional officers	26,991	-	35,525	62,516
Apparent unauthorized disbursements	13,376	-	-	13,376
Total deductions	42,339,837	12	2,358,243	44,698,092
Net increase (decrease) in fiduciary net position	(149,163)	-	-	(149,163)
Net position - beginning	149,163	30	-	149,193
Net position - ending	$ -	$ 30	$ -	$ 30

See accompanying notes to financial statements.

INTERNAL CONTROL AND COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Amy Cook
Tax Collector
Franklin County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the financial statements of the General Fund and remaining aggregate fund information of Franklin County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Tax Collector's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Tax Collector's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Tax Collector's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Lanigan & Associates, PC
Tallahassee, Florida
September 30, 2026

2025-001: Misappropriation of Assets & Segregation of Duties (Repeat of 2024-003)

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting and for presenting financial statements in accordance with generally accepted accounting principles. This includes implementing controls to ensure adequate segregation of duties in order to safeguard assets and mitigate the risk of material misstatement.

Condition: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate. The limited number of employees precludes ideal segregation of duties. One employee had the ability to perpetrate and conceal apparent unauthorized disbursements in the amount of $13,437 during the fiscal year-end September 30, 2025, and approximately $206,943 prior to this fiscal year.

Context: During the fiscal year ended September 30, 2025, the Tax Collector's Office experienced apparent unauthorized disbursements totaling approximately $13,437.

Cause: Budget constraints and improper segregation of duties.

Effect: Failure to maintain adequate segregation of duties directly contributed to the apparent misappropriation of assets identified and continues to expose the Tax Collector’s office to an increased risk that material misstatements due to error or fraud may occur and not be detected in a timely manner.

Recommendation: We recommend that management implement alternative control procedures, such as enhanced oversight and independent review of certain functions, to mitigate the risks created by limited staffing and inadequate segregation of duties.

Views of Responsible Officials and Planned Corrective Actions:

The Franklin County Tax Collector will make the appropriate adjustments and reclassification in all account payables funds and balances. So that these adjustments will show proper presentation of cash, accounts payable, funds and balances, net position, additions, deductions and expenses.

Proactive Monitoring: All accounts are actively monitored, with daily reconciliation performed by staff. The Franklin County Tax Collector recognizes the trust placed in us to safeguard funds. Our vision is simple but powerful: To provide service to our citizens in a manner that demonstrates Transparency and Accountability- Every day, in Every way.

2025-001: Misappropriation of Assets & Segregation of Duties (Repeat of 2024-003) (Continued)

The Franklin County Tax Collector will focus on strengthening internal controls by proactive monitoring: All accounts are actively monitored, with daily reconciliation performed by staff members who do not sign checks. Segregation of Duties: The individual reconciling daily accounts does not have check- signing authority. Controlled Access: Only three authorized staff members have access to accounting and payroll systems, as well as secured check stock. Verification: Every check is locked daily, signatures are reconciled monthly by authorized staff and verified by leadership.

FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR
CORRECTIVE ACTION PLAN
SEPTEMBER 30, 2025

Finding: 2025-001 (BOCC-2025-002): Misappropriation of Assets & Segregation of Duties

Comments on Findings and Recommendations:

We agree with the finding and recommendations.

Planned Corrective Action:

The Franklin County Tax Collector will make the appropriate adjustments and reclassification in all account payables funds and balances. So that these adjustments will show proper presentation of cash, accounts payable, funds and balances, net position, additions, deductions and expenses.

Proactive Monitoring: All accounts are actively monitored, with daily reconciliation performed by staff. The Franklin County Tax Collector recognizes the trust placed in us to safeguard funds. Our vision is simple but powerful: To provide service to our citizens in a manner that demonstrates Transparency and Accountability- Every day, in Every way.

The Franklin County Tax Collector will focus on strengthening internal controls by proactive monitoring: All accounts are actively monitored, with daily reconciliation performed by staff members who do not sign checks. Segregation of Duties: The individual reconciling daily accounts does not have check signing authority. Controlled Access: Only three authorized staff members have access to accounting and payroll systems, as well as secured check stock. Verification: Every check is locked daily, signatures are reconciled monthly by authorized staff and verified by leadership

Anticipated Completion Date: September 30, 2026

Signature: Amy B. Cook

Name of Contact Person: **Amy B. Cook**

Title: Franklin County Tax Collector

Date: Sept. 30. 2026

Email address: acook@franklincountytaxcollector.com

Fax Number: N/A

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Amy Cook
Tax Collector
Franklin County, Florida

Report on the Financial Statements

We have audited the financial statements of the General Fund and the aggregate remaining fund information of Franklin County, Florida, Tax Collector as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated September 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of each preceding annual financial audit report is noted below.

Finding No.	Original Finding No.	Description	Status
	2024-001	Material Audit Adjustments	Cleared
	2024-002	Bank Reconciliations	Cleared
2025-001	2024-003	Misappropriation of Assets & Segregation of Duties	Not Cleared
	2024-004	Implementation of Account Numbers	Cleared

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to financial statements. There are no component units related to the Tax Collector.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. See accompanying schedule of findings and responses for recommendations. Views of responsible officials are included in the accompanying corrective action plan.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners, the Tax Collector, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable Amy Cook
Tax Collector
Franklin County, Florida

Report on Compliance

We have examined the Franklin County, Florida, Tax Collector (the "Tax Collector") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2025. Management is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and meet our ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

Opinion

In our opinion, the Tax Collector complied, in all material respects, with the local government investment policy requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2025.

Lanigan & Associates, PC

Tallahassee, Florida
September 30, 2026