



RUDD & COMPANY PLLC
certified public accountants | business consultants

FRANKLIN COUNTY CORPORATION, IDAHO

**Financial Statements
and
Supplementary Information
with
Independent Auditors' Report
Year Ended September 30, 2025**

giving direction to your future

FRANKLIN COUNTY CORPORATION, IDAHO
Table of Contents
September 30, 2025

Independent Auditors' Report	1-4
Management's Discussion and Analysis	5-13
Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	15-16
Statement of Activities	17-18
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	19-20
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	22-23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	24
Statement of Net Position – Proprietary Fund.....	25-26
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund.....	27
Statement of Cash Flows – Proprietary Fund.....	28-29
Statement of Fiduciary Net Position and Detail of Changes in Fiduciary Net Position and Detail of Changes in Fiduciary Net Position – Agency Funds	30
Notes to Financial Statements.....	31-60

FRANKLIN COUNTY CORPORATION, IDAHO
Table of Contents
September 30, 2025

Required Supplementary Information

Budgetary Comparison Schedules – Schedules of Revenues, Expenditures and Changes in Fund Balance:

Budget and Actual General Fund.....	62
Budget and Actual Road and Bridge Fund	63
Budget and Actual County Justice Fund.....	64
Budget and Actual Airport Fund.....	65
Budget and Actual Ambulance Fund.....	66
Budget and Actual Health Insurance Fund	67
Schedule of Employer’s Share of Net Pension Liability	68
Schedule of Employer Contributions.....	69

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds.....	71-75
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	76-80
Combining Balance Sheet (Agency Funds)	
Combining Balance Sheet of the Agency Funds	82-90
Bond – Future Principal and Interest Requirements.....	91

Independent Auditors' 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	92-93
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Current Year Findings.....	94
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Franklin County Corporation
Preston, Idaho

Opinions

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Franklin County Corporation, Idaho 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 Franklin County Medical Center, which represent 56 percent, 49 percent, and 71 percent, respectively, of the assets, net position, and revenues of the government-wide financial statements as of September 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Franklin County Medical Center, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and all the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Franklin County Corporation, Idaho, 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.

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

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Franklin County Corporation, Idaho'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 County'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 and budgetary comparison and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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 Corporation, Idaho's basic financial statements. The combining nonmajor fund financial statements and the combining agency fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial 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 April 23, 2026 on our consideration of Franklin County Corporation, Idaho'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 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 Franklin County, Corporation, Idaho's 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 Corporation, Idaho's internal control over financial reporting and compliance.

Rudd & Company

Idaho Falls, Idaho
April 23, 2026

FRANKLIN COUNTY CORPORATION, IDAHO
Management's Discussion and Analysis
September 30, 2025

As management of Franklin County Corporation, Idaho, we offer readers of the County's financial statements this narrative discussion, overview, and analysis of the financial activities of Franklin County for the fiscal year ending September 30, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at September 30, 2025 by \$37,843,799. Of this amount, \$21,276,487 of unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$3,698,661 over the course of this year's operations. Net position of the business-type activities increased \$930,608 (or 25.5%), and the government-type activities increased \$2,768,053 (or 9.1%).
- The unassigned fund balance for the general fund was \$5,882,306 (or 256%) of the total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Franklin County. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements.

The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the County, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the County changed during the most recent 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.

FRANKLIN COUNTY CORPORATION, IDAHO
Management's Discussion and Analysis
September 30, 2025

Both of the government-wide financial statements distinguish 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, road and bridge, county justice, health insurance and public safety. The business-type activities of the County include its waste management operations.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate, component unit of the County, the Franklin County Medical Center. Financial information for the component unit is reported separately from the financial information presented for the primary government. Complete financial statements of the Franklin County Medical Center can be obtained from its administrative office.

Fund financial statements. A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

FRANKLIN COUNTY CORPORATION, IDAHO
Management's Discussion and Analysis
September 30, 2025

The County maintains thirty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the road and bridge fund, the county justice fund, the health insurance fund, the airport fund, the ambulance fund, the debt service fund, the courthouse bond construction fund, and the courthouse improvement fund, all of which are considered to be major funds. Data from the other twenty-four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining schedules* elsewhere in this report.

The County adopts an annual appropriated budget for its general, special, and capital project funds. A budgetary comparison statement has been provided for the major funds to demonstrate compliance with this budget.

Proprietary fund. The County maintains a proprietary fund. Enterprise funds (one type of proprietary fund) are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its solid waste management.

Proprietary funds provide for the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement is considered to be a major fund of the County.

Fiduciary fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The County has forty-nine fiduciary funds.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

FRANKLIN COUNTY CORPORATION, IDAHO
Management's Discussion and Analysis
September 30, 2025

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,843,799 at September 30, 2025.

A large portion of the County's net position (44%) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position, \$21,276,487, may be used to meet the government's ongoing obligations to citizens and creditors.

The net position of the County as a whole increased \$3,698,661 from \$34,145,138 at September 30, 2024 to \$37,843,799 at September 30, 2025. Governmental activities increased \$2,768,053 over the prior year while the business-type activities increased \$930,608.

Changes in unrestricted net position

The County's unrestricted net position-the part of net position that can be used to finance day-to-day operations increased \$764,676 over the prior year. The governmental activities increased \$120,502 over the prior year while the business-type activities increased \$644,174.

FRANKLIN COUNTY CORPORATION, IDAHO
Management's Discussion and Analysis
September 30, 2025

Franklin County, Idaho
Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$ 22,014,880	\$ 22,244,688	\$ 2,773,977	\$ 2,315,331	\$ 24,788,857	\$ 24,560,019
Capital assets	17,589,969	15,302,047	2,564,599	2,199,509	20,154,568	17,501,556
	39,604,849	37,546,735	5,338,576	4,514,840	44,943,425	42,061,575
Deferred outflows of resources	441,219	673,405	49,091	78,553	490,310	751,958
Total assets & deferred outflows of resources	\$ 40,046,068	\$ 38,220,140	\$ 5,387,667	\$ 4,593,393	\$ 45,433,735	\$ 42,813,533
Liabilities						
Long-term liabilities outstanding	\$ 5,389,361	\$ 6,061,195	\$ 647,145	\$ 792,510	\$ 6,036,506	\$ 6,853,705
Other liabilities	602,714	1,358,606	50,066	137,243	652,780	1,495,849
	5,992,075	7,419,801	697,211	929,753	6,689,286	8,349,554
Deferred inflows of resources	785,251	299,650	115,399	19,191	900,650	318,841
Total liabilities & deferred inflows of resources	\$ 6,777,326	\$ 7,719,451	\$ 812,610	\$ 948,944	\$ 7,589,936	\$ 8,668,395
Net Position						
Net investment in capital assets	\$ 14,374,300	\$ 11,726,749	\$ 2,193,012	\$ 1,906,578	\$ 16,567,312	\$ 13,633,327
Unrestricted	18,894,442	18,773,940	2,382,045	1,737,871	21,276,487	20,511,811
	\$ 33,268,742	\$ 30,500,689	\$ 4,575,057	\$ 3,644,449	\$ 37,843,799	\$ 34,145,138

FRANKLIN COUNTY CORPORATION, IDAHO
Management's Discussion and Analysis
September 30, 2025

Franklin County, Idaho
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for services	\$ 686,577	\$ 676,196	\$ 2,091,988	\$ 2,004,452	\$ 2,778,565	\$ 2,680,648
Operating grants and contributions	561,753	545,190	-	-	561,753	545,190
Capital grants and contributions	26,246	171,772	-	-	26,246	171,772
General Revenues						
Property taxes	6,044,093	5,723,575	-	-	6,044,093	5,723,575
Sales tax	1,609,102	1,622,753	-	-	1,609,102	1,622,753
Other	6,620,589	8,535,241	126,058	49,229	6,746,647	8,584,470
Total Revenues	15,548,360	17,274,727	2,218,046	2,053,681	17,766,406	19,328,408
Expenses						
General government	7,119,026	8,088,712	-	-	7,119,026	8,088,712
Public safety	2,760,266	2,636,658	-	-	2,760,266	2,636,658
Streets and highways	2,396,033	2,596,159	-	-	2,396,033	2,596,159
Debt issuance cost	-	-	-	-	-	-
Interest on long-term debt	96,474	355,199	-	-	96,474	355,199
Amortization	139,206	118,555	-	-	139,206	118,555
Depreciation - unallocated	540,804	463,145	-	-	540,804	463,145
Solid waste	-	-	1,125,985	1,736,077	1,125,985	1,736,077
Total Expenses	13,051,809	14,258,428	1,125,985	1,736,077	14,177,794	15,994,505

FRANKLIN COUNTY CORPORATION, IDAHO
Management's Discussion and Analysis
September 30, 2025

Franklin County, Idaho
Changes in Net Position (continued)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Change in Net Position Before Transfers and Special Items	2,496,551	3,016,299	1,092,061	317,604	3,588,612	3,333,903
Transfers and Special Items	271,502	159,803	(161,453)	(159,803)	110,049	-
Change in Net Position	2,768,053	3,176,102	930,608	157,801	3,698,661	3,333,903
Net Position - October 1	30,500,689	27,324,587	3,644,449	3,486,648	34,145,138	30,811,235
Net Position - September 30	\$ 33,268,742	\$ 30,500,689	\$ 4,575,057	\$ 3,644,449	\$ 37,843,799	\$ 34,145,138

Financial Analysis of the County's Funds

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

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. The unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year. Fund balances of special revenue and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the County's discretion.

Proprietary funds. The County's proprietary fund is used to account for the activities of its solid waste management. The County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

FRANKLIN COUNTY CORPORATION, IDAHO
Management's Discussion and Analysis
September 30, 2025

General Budgetary Highlights

Over the course of the year, the County opened and revised the County budget. The budget amendment was to allow the transfer of funds from surplus to cover expenditures and to reflect grants received and spent during the fiscal year.

Capital Asset and Debt Administration

Capital Assets. Capital assets at September 30, 2025 are outlined below:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 669,723	\$ 669,723	\$ 430,720	\$ 430,720	\$ 1,100,443	\$ 1,100,443
Construction in Progress	6,062,224	5,088,329	-	-	6,062,224	5,088,329
Buildings and Improvements	10,007,651	9,657,367	544,815	515,962	10,552,466	10,173,329
Machinery and Equipment	7,082,983	7,486,578	3,760,933	4,108,741	10,843,916	11,595,319
Right-of-Use Assets	669,028	648,253	453,202	453,202	1,122,230	1,101,455
Accumulated Depreciation	<u>(6,901,640)</u>	<u>(7,896,433)</u>	<u>(2,625,071)</u>	<u>(3,047,266)</u>	<u>(9,526,711)</u>	<u>(10,943,699)</u>
	<u>\$ 17,589,969</u>	<u>\$ 15,653,817</u>	<u>\$ 2,564,599</u>	<u>\$ 2,461,359</u>	<u>\$ 20,154,568</u>	<u>\$ 18,115,176</u>

FRANKLIN COUNTY CORPORATION, IDAHO
Management's Discussion and Analysis
September 30, 2025

Debt Administration. At September 30, 2025, the County had the following outstanding debt:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Landfill Closure Liability	\$ -	\$ -	\$ 50,000	\$ 55,000	\$ 50,000	\$ 55,000
Leases Payable	369,773	363,499	241,364	292,931	611,137	656,430
Notes Payable	-	9,427	130,223	193,173	130,223	202,600
GO Bonds	2,710,000	2,775,000	-	-	2,710,000	2,775,000
GO Bonds Premium	135,896	124,765	-	-	135,896	124,765
Net Pension Liability	1,897,753	2,801,969	182,686	317,555	2,080,439	3,119,524
Accrued Compensated Absences	275,939	289,503	42,872	48,367	318,811	337,870
	<u>\$ 5,389,361</u>	<u>\$ 6,364,163</u>	<u>\$ 647,145</u>	<u>\$ 907,026</u>	<u>\$ 6,036,506</u>	<u>\$ 7,271,189</u>

Requests for Information

This financial report is designed to provide a general overview of Franklin County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Office, 39 W. Oneida, Preston, ID 83263.

Financial Statements

FRANKLIN COUNTY CORPORATION, IDAHO
Statement of Net Position
September 30, 2025

Assets	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Franklin County Medical Center
Cash and Investments	\$ 20,247,160	\$ 2,698,399	\$ 22,945,559	\$ 14,396,148
Receivables				
Property taxes	192,542	-	192,542	-
State of Idaho	404,601	-	404,601	-
Other	1,602,119	75,578	1,677,697	10,439,658
Allowance for doubtful accounts	(601,469)	-	(601,469)	-
Inventories and Supplies	44,881	-	44,881	1,632,934
Prepaid Expenses	125,046	-	125,046	-
Restricted Assets				
Cash and cash equivalents	-	-	-	375,491
Capital Assets				
Land	669,723	430,720	1,100,443	701,044
Construction in progress	6,062,224	-	6,062,224	1,721,700
Buildings and improvements	10,007,651	544,815	10,552,466	33,779,161
Machinery and equipment	7,082,983	3,760,933	10,843,916	7,989,707
Right-of-use assets	669,028	453,202	1,122,230	2,035,611
Accumulated depreciation	(6,901,640)	(2,625,071)	(9,526,711)	(17,368,319)
Total Assets	39,604,849	5,338,576	44,943,425	55,703,135
Deferred Outflows of Resources				
Pension related	441,219	49,091	490,310	-
Total Assets and Deferred Outflows of Resources	\$ 40,046,068	\$ 5,387,667	\$ 45,433,735	\$ 55,703,135

The Accompanying Notes are an Integral Part of the Financial Statements

FRANKLIN COUNTY CORPORATION, IDAHO
Statement of Net Position (continued)
September 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Franklin County Medical Center
Liabilities				
Accounts payable	\$ 449,298	\$ 47,342	\$ 496,640	\$ 1,975,312
Salaries and wages payable	140,745	2,724	143,469	3,625,270
Accrued interest	12,671	-	12,671	-
Long-term liabilities				
Portion due or payable within one year:				
Notes, bonds, premiums, and leases	171,510	118,358	289,868	829,807
Portion due or payable after one year:				
Notes, bonds, premiums, pension and leases	5,217,851	528,787	5,746,638	14,190,809
Total Liabilities	5,992,075	697,211	6,689,286	20,621,198
Deferred Inflows of Resources				
Pension related	785,251	115,399	900,650	-
Total Deferred Inflows of Resources	785,251	115,399	900,650	-
Total Liabilities and Deferred Inflows of Resources	\$ 6,777,326	\$ 812,610	\$ 7,589,936	\$ 20,621,198
Net Position				
Net investment in capital assets	14,374,300	2,193,012	16,567,312	13,312,524
Restricted for debt service	-	-	-	375,491
Unrestricted	18,894,442	2,382,045	21,276,487	21,393,922
Total Net Position	\$ 33,268,742	\$ 4,575,057	\$ 37,843,799	\$ 35,081,937

The Accompanying Notes are an Integral Part of the Financial Statements

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FRANKLIN COUNTY CORPORATION, IDAHO
Statement of Activities
Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General and administrative	\$ 7,119,026	\$ 435,007	\$ 561,753	\$ 26,246
Public safety	2,760,266	240,596	-	-
Street and highways	2,396,033	10,974	-	-
Interest on long-term debt	96,474	-	-	-
Amortization	139,206	-	-	-
Depreciation - unallocated*	540,804	-	-	-
Total Governmental Activities	13,051,809	686,577	561,753	26,246
Business-Type Activities				
Solid waste	1,125,985	2,091,988	-	-
Total Primary Government	\$ 14,177,794	\$ 2,778,565	\$ 561,753	\$ 26,246
Component Unit				
Franklin County Medical Center	\$ 49,506,425	\$ 51,543,788	\$ 107,675	\$ -
Total Component Unit	\$ 49,506,425	\$ 51,543,788	\$ 107,675	\$ -

General Revenues
Property taxes
Sales tax and revenue sharing
State liquor fund
State highway users fund
Other miscellaneous support
Unrestricted investment earnings
Gain on Sale of Assets

Special Items and Transfers:
Lease proceeds
Transfers

Total General Revenues,
Special Items and Transfers

Change in Net Position
Net Position - Beginning
Net Position - Ending

* This amount excludes the depreciation that is included in direct expenses of various programs.

The Accompanying Notes are an Integral Part of the Financial Statements

Net (Expense) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Franklin County Medical Center
\$ (6,096,020)	\$ -	\$ (6,096,020)	\$ -
(2,519,670)	-	(2,519,670)	-
(2,385,059)	-	(2,385,059)	-
(96,474)	-	(96,474)	-
(139,206)	-	(139,206)	-
(540,804)	-	(540,804)	-
-	-	-	-
(11,777,233)	-	(11,777,233)	-
-	966,003	966,003	-
\$ (11,777,233)	\$ 966,003	\$ (10,811,230)	\$ -
-	\$ -	\$ -	\$ 2,145,038
\$ -	\$ -	\$ -	\$ 2,145,038
6,044,093	-	6,044,093	-
1,609,102	-	1,609,102	-
63,444	-	63,444	-
2,797,846	-	2,797,846	-
2,870,052	-	2,870,052	-
1,184,831	126,058	1,310,889	582,711
(295,584)	-	(295,584)	-
110,049	-	110,049	-
161,453	(161,453)	-	-
14,545,286	(35,395)	14,509,891	582,711
2,768,053	930,608	3,698,661	2,727,749
30,500,689	3,644,449	34,145,138	32,354,188
\$ 33,268,742	\$ 4,575,057	\$ 37,843,799	\$ 35,081,937

The Accompanying Notes are an Integral Part of the Financial Statements

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FRANKLIN COUNTY CORPORATION, IDAHO
Fund Financial Statements
Balance Sheet – Governmental Funds
September 30, 2025

Assets	General Fund	Road and Bridge Fund	County Justice Fund	Health Insurance Fund
Cash and Investments	\$ 5,630,112	\$ 5,146,089	\$ 1,192,315	\$ 1,555,148
Due from Other Funds	15	-	-	-
Receivables				
Property taxes	22,540	23,300	82,426	-
State of Idaho	404,601	-	-	-
Other	-	486,746	-	-
Allowance for credit losses	-	-	-	-
Inventory and Supplies	-	-	-	-
Prepaid Expenses	-	-	-	-
Total Assets	\$ 6,057,268	\$ 5,656,135	\$ 1,274,741	\$ 1,555,148
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Accounts payable	27,356	222,748	67,029	-
Warrants payable	-	-	-	-
Salaries and wages payable	125,066	3,452	7,372	-
Total Liabilities	152,422	226,200	74,401	-
Deferred Inflows of Resources				
Unavailable Revenues	22,540	23,300	82,426	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	5,406,635	1,117,914	1,555,148
Unassigned	5,882,306	-	-	-
Total Fund Balances	5,882,306	5,406,635	1,117,914	1,555,148
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,057,268	\$ 5,656,135	\$ 1,274,741	\$ 1,555,148

The Accompanying Notes are an Integral Part of the Financial Statements

Airport Fund	Ambulance Fund	Debt Service Fund	Courthouse Bond Construction Fund	Courthouse Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 85,963	\$ 617,713	\$ -	\$ 71,049	\$ 3,309,786	\$ 2,638,985	\$ 20,247,160
-	-	-	-	-	-	15
890	6,697	5,052	-	-	51,637	192,542
-	-	-	-	-	-	404,601
52,004	578,818	-	-	38,139	446,412	1,602,119
-	(200,000)	-	-	-	(401,469)	(601,469)
20,061	-	-	-	-	24,820	44,881
125,046	-	-	-	-	-	125,046
\$ 283,964	\$ 1,003,228	\$ 5,052	\$ 71,049	\$ 3,347,925	\$ 2,760,385	\$ 22,014,895
\$ -	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ 15
645	7,610	-	-	37,462	86,448	449,298
-	-	-	-	-	-	-
-	458	-	-	-	4,397	140,745
645	8,068	15	-	37,462	90,845	590,058
890	6,697	5,051	-	-	51,636	192,540
145,107	-	-	-	-	24,820	169,927
-	-	-	71,049	-	422,334	493,383
-	-	-	-	-	138,707	138,707
137,322	988,463	-	-	3,310,463	2,032,043	14,547,988
-	-	(14)	-	-	-	5,882,292
282,429	988,463	(14)	71,049	3,310,463	2,617,904	21,232,297
\$ 283,964	\$ 1,003,228	\$ 5,052	\$ 71,049	\$ 3,347,925	\$ 2,760,385	\$ 22,014,895

The Accompanying Notes are an Integral Part of the Financial Statements

FRANKLIN COUNTY CORPORATION, IDAHO
Reconciliation of the Balance Sheet – Governmental Funds
To the Statement of Net Position
September 30, 2025

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

Total Fund Balance - Governmental Funds	\$ 21,232,297
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$23,822,581 and the accumulated depreciation is \$6,555,225.	17,267,356
Right-of-use assets from leases are not financial resources and, therefore, are not reported in the funds.	322,613
Pension contributions are reported as expenses in the fund financial statements in the period in which they are paid. The actuarially determined pension liability and related deferred inflows and outflows of resources are recorded on the government-wide statements.	(2,241,785)
Long-term liabilities, including bonds payable, related accrued interest, and lease liabilities, are not due and payable in the current period and therefore are not reported in the funds.	(3,368,383)
Bond premiums reported as revenue in the fund financial statements are capitalized in the government-wide statements. The total premiums are \$148,815 and the accumulated amortization is \$12,919.	(135,896)
Property tax revenue is recognized when earned rather than when available.	<u>192,540</u>
Total Net Position - Governmental Activities	<u>\$ 33,268,742</u>

The Accompanying Notes are an Integral Part of the Financial Statements

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FRANKLIN COUNTY CORPORATION, IDAHO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2025

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>County Justice Fund</u>	<u>Health Insurance Fund</u>
Revenues				
Local Sources				
Property taxes	\$ 720,472	\$ 614,761	\$ 2,614,163	\$ -
Earnings on investments	418,840	257,037	57,394	84,735
Licenses, permits and other fees	435,007	10,974	240,596	-
Other	378,347	50,421	21,058	439,261
State Sources				
State liquor fund	63,444	-	-	-
State sales tax and revenue sharing	1,609,102	-	-	-
State highway users fund	-	2,797,846	-	-
Other	55,063	304,680	292,034	-
Federal Sources				
Federal grants	-	-	1,974	-
Total Revenues	\$ 3,680,275	\$ 4,035,719	\$ 3,227,219	\$ 523,996
Expenditures				
Current				
General and administrative	\$ 2,151,530	\$ -	\$ -	\$ 1,936,428
Public safety	66,413	-	2,459,792	-
Street and highways	-	2,396,033	-	-
Debt Service	-	9,802	124,012	-
Right-of-use assets	-	-	110,049	-
Capital outlay	76,809	799,162	-	-
Total Expenditures	2,294,752	3,204,997	2,693,853	1,936,428
Excess (Deficiency) of Revenues Over Expenditures	1,385,523	830,722	533,366	(1,412,432)
Other Financing Sources (Uses)				
Lease proceeds	-	-	110,049	-
Transfers In	-	-	-	1,369,900
Transfers Out	(593,190)	(207,116)	(420,755)	-
Total Other Financing Sources (Uses)	(593,190)	(207,116)	(310,706)	1,369,900
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	792,333	623,606	222,660	(42,532)
Fund Balance - Beginning of Year	5,089,973	4,783,029	895,254	1,597,680
Fund Balance - End of Year	\$ 5,882,306	\$ 5,406,635	\$ 1,117,914	\$ 1,555,148

The Accompanying Notes are an Integral Part of the Financial Statements

<u>Airport Fund</u>	<u>Ambulance Fund</u>	<u>Debt Service Fund</u>	<u>Courthouse Bond Construction Fund</u>	<u>Courthouse Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 27,172	\$ 252,476	\$ 144,325	\$ -	\$ -	\$ 1,641,422	\$ 6,014,791
-	32,947	-	98,235	152,423	83,220	1,184,831
-	303,570	-	-	-	258,183	1,248,330
224,830	2,008	831	-	38,139	470,299	1,625,194
-	-	-	-	-	-	63,444
-	-	-	-	-	-	1,609,102
-	-	-	-	-	-	2,797,846
216,734	225,552	-	-	-	150,795	1,244,858
-	-	-	-	24,272	-	26,246
<u>\$ 468,736</u>	<u>\$ 816,553</u>	<u>\$ 145,156</u>	<u>\$ 98,235</u>	<u>\$ 214,834</u>	<u>\$ 2,603,919</u>	<u>\$ 15,814,642</u>
\$ 379,436	\$ 560,191	\$ -	\$ -	\$ -	\$ 2,039,655	\$ 7,067,240
-	-	-	-	-	-	2,526,205
-	-	-	-	-	-	2,396,033
-	-	144,124	-	-	-	277,938
-	-	-	-	-	-	110,049
5,499	23,257	-	-	2,134,036	-	3,038,763
<u>384,935</u>	<u>583,448</u>	<u>144,124</u>	<u>-</u>	<u>2,134,036</u>	<u>2,039,655</u>	<u>15,416,228</u>
83,801	233,105	1,032	98,235	(1,919,202)	564,264	398,414
-	-	-	-	-	-	110,049
-	-	-	-	3,423,863	10,500	4,804,263
-	(39,140)	-	(2,621,004)	-	(761,605)	(4,642,810)
-	(39,140)	-	(2,621,004)	3,423,863	(751,105)	271,502
83,801	193,965	1,032	(2,522,769)	1,504,661	(186,841)	669,916
198,628	794,498	(1,046)	2,593,818	1,805,802	2,804,745	20,562,381
<u>\$ 282,429</u>	<u>\$ 988,463</u>	<u>\$ (14)</u>	<u>\$ 71,049</u>	<u>\$ 3,310,463</u>	<u>\$ 2,617,904</u>	<u>\$ 21,232,297</u>

The Accompanying Notes are an Integral Part of the Financial Statements

FRANKLIN COUNTY CORPORATION, IDAHO
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
– Governmental Funds to the Statement of Activities
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	\$ 669,916
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation.	1,965,309
Governmental funds report payments for lease right-of-use assets as expenditures. However, in the statement of activities, right-of-use assets are capitalized and the cost is allocated over the life of the lease and reported as amortization expense. This is the amount by which payments for right-of-use assets exceeds amortization.	(29,157)
Property tax revenue received prior to the year for which they are levied are reported as deferred revenue in the governmental funds. The change however is recorded as an adjustment to revenue in the statement of activities.	29,302
Governmental funds report compensated absences as they are paid. However, compensated absences are accrued on the government-wide statements and the change in the accrual is recorded as a decrease in the statement of activities.	13,567
The governmental funds report current pension contributions as an expenditure. However, the amount recorded in the statement of activities represents the difference in the actuarially determined pension liability from the previous year to the current year.	61,664
The governmental funds report bond premiums as revenue while the government-wide statements show the premium as amortized over the term of the bonds.	11,131
The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest is recognized as it accrues regardless of when it is due.	46,321
Change in Net Position of Governmental Activities	\$ 2,768,053

The Accompanying Notes are an Integral Part of the Financial Statements

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FRANKLIN COUNTY CORPORATION, IDAHO
Statement of Net Position – Proprietary Fund
September 30, 2025

Assets	Solid Waste Fund
Current Assets	
Cash and Cash Equivalents	\$ 2,698,399
Receivables	<u>75,578</u>
Total Current Assets	<u>2,773,977</u>
Capital Assets (net of accumulated depreciation)	
Land	430,720
Buildings and Improvements	544,815
Machinery and Equipment	3,760,933
Right-of-Use Assets	453,202
Accumulated Depreciation	<u>(2,625,071)</u>
Total Capital Assets (net of accumulated depreciation)	<u>2,564,599</u>
Total Assets	<u>5,338,576</u>
Deferred Outflows of Resources	
Pension related	<u>49,091</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,387,667</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Liabilities	Solid Waste Fund
Current Liabilities	
Accounts Payable	\$ 47,342
Salaries and Wages Payable	2,724
Current Portion - Note Payable	64,706
Current Portion - Equipment Lease	53,652
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Total Current Liabilities	168,424
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Noncurrent Liabilities	
Compensated Absences	42,872
Landfill Closure Liability	50,000
Net Pension Liability	182,686
Note Payable	65,517
Equipment Lease Payable	187,712
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Total Noncurrent Liabilities	528,787
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Total Liabilities	697,211
	<hr/>
Deferred Inflows of Resources	
Pension related	115,399
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Total Liabilities and Deferred Inflows of Resources	812,610
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Net Position	
Net Investment in Capital Assets	2,193,012
Unrestricted	2,382,045
	<hr/>
Total Net Position	\$ 4,575,057
	<hr/>

The Accompanying Notes are an Integral Part of the Financial Statements

FRANKLIN COUNTY CORPORATION, IDAHO
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund
Year Ended September 30, 2025

	Solid Waste Fund
Operating Revenue	<u>\$ 2,091,988</u>
Operating Expenses	
Operations and maintenance	844,692
Depreciation and amortization	<u>264,041</u>
Total Operating Expenses	<u>1,108,733</u>
Operating Income	<u>983,255</u>
Nonoperating Revenues (Expenses)	
Earnings on investments	126,058
Interest expense	<u>(17,252)</u>
Total Nonoperating Revenues (Expenses)	<u>108,806</u>
Net Income Before Special Items and Transfers	1,092,061
Transfers Out	<u>(161,453)</u>
Change in Net Position	930,608
Total Net Position - Beginning of Year	<u>3,644,449</u>
Total Net Position - End of Year	<u>\$ 4,575,057</u>

The Accompanying Notes are an Integral Part of the Financial Statements

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FRANKLIN COUNTY CORPORATION, IDAHO
Statement of Cash Flows – Proprietary Fund
Year Ended September 30, 2025

	Solid Waste Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 2,077,920
Payments to suppliers	(202,027)
Payments to employees	(630,020)
	<u>1,245,873</u>
Net Cash Provided by Operating Activities	
Cash Flows from Noncapital Financing Activities	
Transfers to other funds	(161,453)
	<u>(161,453)</u>
Net Cash Used by Noncapital Financing Activities	
Cash Flows from Capital and Related Financing Activities	
Investment in capital assets	(367,282)
Principal paid on notes payable	(67,950)
Principal paid on leases payable	(51,567)
Interest paid	(17,252)
	<u>(504,051)</u>
Net Cash Used by Capital and Related Financing Activities	
Cash Flows from Investing Activities	
Earnings on investments	126,058
	<u>126,058</u>
Net Cash Used by Investing Activities	
Net Change in Cash and Cash Equivalents	706,427
Cash and Cash Equivalents Balance, October 1, 2024	<u>1,991,972</u>
Cash and Cash Equivalents Balance, September 30, 2025	<u>\$ 2,698,399</u>

The Accompanying Notes are an Integral Part of the Financial Statements

	<u>Solid Waste Fund</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:	
Operating Income	\$ 983,255
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	264,041
Change in accounts receivable	(14,068)
Change in accounts payable	26,002
Change in other accrued liabilities	(7,862)
Change in compensated absences	(5,495)
	<u> </u>
Net Cash Provided by Operating Activities	<u>\$ 1,245,873</u>

The Accompanying Notes are an Integral Part of the Financial Statements

FRANKLIN COUNTY CORPORATION, IDAHO
Statement of Fiduciary Net Position and Detail of Changes in Fiduciary Net Position –
Agency Funds
September 30, 2025

Assets

Cash and Investments	\$ 769,610
Receivables	
Property Tax	140,815
State of Idaho	<u>57,722</u>
Total Assets	<u>\$ 968,147</u>

Liabilities and Fiduciary Net Position

Liabilities	\$ 140,907
Fiduciary Net Position	827,240
Total Liabilities and Fiduciary Net Position	<u>\$ 968,147</u>

Detail of Changes in Net Position:

Collections	\$ 9,190,378
Distributions	9,292,797
Change in Fiduciary Net Position	<u>\$ (102,419)</u>

The Accompanying Notes are an Integral Part of the Financial Statements

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies

The Reporting Entity

Franklin County Corporation, Idaho (the County) was incorporated in 1913 under the provisions of the State of Idaho. The County operates under a Commission form of government and provides the following services as authorized by its charter: public safety, streets, sanitation, culture-recreation, health and social services, agriculture extension, general administrative and legal and judicial services.

The primary government of the County includes all of the funds, departments, boards, and agencies that are not legally separate from the County.

The financial statements of the County include those of separately administered organizations that are controlled by or dependent on the County. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

The financial statements of the County have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County applies all relevant GASB pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The County does not apply FASB pronouncements issued after November 30, 1989.

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the County's only discretely presented component unit, Franklin County Medical Center. It is reported in a separate column to emphasize that it is separate from County operations. The County does appoint the governing body of Franklin County Medical Center and approves the budget. Complete financial statements of Franklin County Medical Center can be viewed at Franklin County Medical Center.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies (continued)

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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

- The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.
- The Road and Bridge Fund is a special revenue fund that accounts for all revenues and expenses of the County related to repairs, improvements and maintenance of roads and streets.
- The County Justice Fund is a special revenue fund used to account for crime prevention and prosecution activities within the County.
- The Health Insurance Fund is a special revenue fund used to account for the health care premiums and claims of the County.
- The Debt Service Fund is used to account for receipt of proceeds from bonds and the accumulation of resources for debt service.
- The Courthouse Bond Construction Fund is a capital project fund used to account for expenditures of the County related to projects for the Courthouse financed by bonds.
- The Courthouse Improvement Fund is a capital project and used to account for expenditures of the County related to improvement projects at the Courthouse.
- The Airport Fund is a special revenue fund that accounts for all revenues and expenses of the County related to maintenance and improvements to the airport.
- The Ambulance Services Fund is a special revenue fund that accounts for all revenues and expenses of the County related to the operations of emergency ambulance services.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies (continued)

The County reports the following major proprietary fund:

- The Solid Waste Fund is used to account for the collection and disposal of solid waste within the County.

The County additionally reports the following fund type:

- The Agency Fund accounts for the County's collection and disbursement of taxes which are held in trust for others.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 principle ongoing operations. The principle operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Encumbrances

Encumbrances accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. The County considers property taxes as available if they are collected within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Budgetary Policy

The County prepares one combined budget which includes the operations of all budget funds. The schedule of revenues and expenditures budget and actual – general fund, road and bridge fund, county justice fund, solid waste fund, health insurance fund, airport fund, ambulance fund, debt service fund, courthouse bond construction fund, and court improvement fund presents comparisons of legally adopted budgets with actual data on a budgetary basis.

Under the Idaho Code, the County's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, except as allowed by the Code for certain events.

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

Formal budgetary integration is employed as a management control device during the year for the General, Special Revenues Funds, and Capital Project Fund. These budgets are adopted on a basis consistent with generally accepted accounting principles.

The County Commission approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the County Commission.

Unused appropriations for all of the above annually budgeted funds are carried forward to the next fiscal year.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the fiscal year.

During the fiscal year, the County did not amend its budget.

Inventory

The airport fund inventory consists of aviation fuel and is generally stated at lower of cost or net realizable value, which is determined on the first-in, first-out method. The cannery operation fund inventory consists of bulk purchased cans and lids to be used throughout the operating season.

Cash and Investments

The County's cash and cash equivalents are defined as unrestricted cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The County pools its investable funds to maximize interest income.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Interest income earned as a result of pooling is distributed to the appropriate funds based on the average balance of pooled cash of each fund.

Idaho Code provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. County policy is consistent with this direction.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

All reported capital assets are depreciated except for land, land improvements and construction in progress. Depreciation is computed using the straight-line method over the following useful lives:

Buildings.....	7 - 50 yrs
Equipment.....	5 - 10 yrs
Vehicles.....	5 - 10 yrs
Furniture and fixtures.....	7 - 10 yrs
Right of use assets.....	5 - 10 yrs

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Deferred Outflows/Inflows of Resources

In addition to assets the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies (continued)

The County reports deferred outflows of resources related to the County's allocable share of the effect of changes during the year on the valuation of the net pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The County reports two types of deferred inflows of resources. The first arises only under a modified accrual basis of accounting, unavailable revenue, is reported only in the governmental funds balance sheet and represents unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second type of deferred inflows of resources relates to the effect of changes during the year in the calculation of the net pension liability.

Accrued Compensated Absences

The County's policy is to accrue vacation on a monthly basis for its employees. The County has elected not to show their normal sick leave benefits as compensated absences. Normal sick leave does not vest, and according to an exception granted governmental entities, an accrual as compensated absences for future paid sick leave is not required by generally accepted accounting principles.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Lease Liability and Right-of-Use Assets

As a lessee, the County recognizes a lease liability and intangible right-of-use asset in the government-wide financial statements. 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 lease payments made. The right-of-use asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right-of-use lease asset is amortized on a straight-line basis over its useful life.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Key estimates and judgments related to leases include how the County determines (1) the discount rates it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the discount rate charged by the lessor as the discount rate.
- 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 government is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the right-of-use asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Right-of-use assets are reported with other capital assets. Lease liabilities are reported with long-term debt on the statement of net position.

Fund Balance

In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor how those amounts may be spent. Designations of fund balances as non-spendable, restricted, committed, assigned or unassigned are based upon the types of constraints placed upon the outstanding balances.

Fund balance is classified on the relative strength of the spending constraints placed on the purpose for which resources can be used as follows:

Nonspendable fund balance – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors or laws, or regulations or other governments, or through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action (to establish, modify or rescind a fund balance commitment) of the government's highest level of decision-making authority. The County Commission is the highest level of decision-making authority. Funds may be committed by adoption of a resolution.

Assigned fund balance – amounts that are constrained by the governments' intent to be used for specific purposes, but are neither restricted nor committed.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

Unassigned fund balance – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

The County considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, within unrestricted fund balance, the County considers that committed are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, granters, or laws and regulations of other governments.

Net position restricted for the purpose of capital outlay is only spent upon Board approval.

The County has a policy to expend restricted amounts first when an expenditure has been incurred for purposes for which both restricted and unrestricted fund balances are available. The policy states the order of releasing fund balance for current expenditures is restricted, committed, assigned and then unassigned.

New Accounting Pronouncement

GASB Statement No. 101, *Compensated Absences*: Issued June 2022, this Statement is intended to increase consistency and comparability for reporting liabilities associated with compensated absences. This statement is effective for fiscal years beginning after December 15, 2023. There was no change to beginning Net Position as a result of this implementation.

GASB Statement No. 102, *Certain Risk Disclosures*: Issued December 2023, this Statement is intended to provide financial statement users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement is effective for fiscal years beginning after June 15, 2024. There was no significant change in the financial statements as a result of this implementation.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

1. Summary of Significant Accounting Policies (continued)

The following GASB pronouncements have been issued, but will be effective in future years and may impact the County's future financials:

GASB Statement No. 103 – *Financial Reporting Model Improvements*. Issued April 2024, this Statement is intended to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information. The Statement requires that governments display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide and governmental fund statements of resource flows. The Statement continues the requirement that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The Statement requires governments to present budgetary comparison information using a single method of communication – RSI. Governments are also required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. Issued September 2024, this Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, including right-of-use assets under GASB 87 and GASB 96, and PPP arrangements under GASB 94. This statement is effective for fiscal years beginning after June 15, 2025.

Subsequent Events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through April 23, 2026 the date the financial statements were available to be issued. There were no subsequent-type events required to be disclosed.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

2. Cash and Short-Term Investments

Cash balances of most of the County funds are pooled and invested. Interest earned from investments purchased with pooled cash is allocated to each of the funds based on the fund's investment balance. The County maintains a primary checking account and several miscellaneous bank accounts where balances are kept at a minimum. All excess funds are then invested with the State Treasurer's pooled cash investment account or other investments chosen by the County. These accounts invest in time certificates of deposit, local government tax anticipation notes, federal loans, U.S. treasury notes and other U.S. governmental securities. Information regarding insurance or collateralization of amounts invested in the pooled accounts is not available.

The County's cash accounts are insured through the Federal Deposit Insurance Corporation (at banks) and The Federal Savings and Loan Insurance Corporation (at savings and loans organizations) up to \$250,000 per depository. As of September 30, 2025, \$60,465 of the County's total bank balances were not covered by federal depository insurance, and thus were exposed to custodial credit risk.

Investments – As of September 30, 2025, the County had the following investments:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1-5	6-10	More Than 10
U.S. Securities						
Treasuries	AAA	\$ 2,693,177	\$ -	\$ 2,693,177	\$ -	\$ -
Bonds	AAA	9,081,660	991,400	6,576,061	1,514,199	-
Certificates of Deposit	N/A	511,000	511,000	-	-	-
State Investment Pool	N/A	10,057,056	10,057,056	-	-	-
		<u>\$ 22,342,893</u>	<u>\$ 11,559,456</u>	<u>\$ 9,269,238</u>	<u>\$ 1,514,199</u>	<u>\$ -</u>

Custodial Credit Risk, Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment. As of September 30, 2025, none of the County's investments were uninsured and uncollateralized and subject to custodial credit risk.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

2. Cash and Short-Term Investments (continued)

Investments (continued) – Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from changes in interest rates, the County structures its portfolio so that securities mature to meet cash requirements for ongoing operations. Because the State Investment Pool as of September 30, 2025, had a weighted average maturity of 68 days, it was presented as an investment with a maturity of less than one year.

Credit Risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the County’s policy to limit investments to the safest types of securities and to diversify the County’s investment portfolio so that potential losses on securities will be minimized. The County follows Idaho statute that outlines qualifying investment options.

Reconciliation of deposits categorization:

Cash and Investments Reported on the Statement of Net Position	\$ 22,945,559
Cash and Investments Reported on the Statement of Fiduciary Net Position	<u>769,610</u>
	<u>\$ 23,715,169</u>
Investments Categorized	\$ 22,342,893
Deposits Categorized	<u>1,372,276</u>
	<u>\$ 23,715,169</u>

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

3. Capital Assets

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

	<u>October 1,</u> <u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>September 30,</u> <u>2025</u>
Government Activities				
Capital Assets,				
Not Being Depreciated				
Land	\$ 669,723	\$ -	\$ -	\$ 669,723
Construction in Progress	5,088,329	1,869,023	(895,128)	6,062,224
	<u>5,758,052</u>	<u>1,869,023</u>	<u>(895,128)</u>	<u>6,731,947</u>
Total Capital Assets, Not Being Depreciated				
	5,758,052	1,869,023	(895,128)	6,731,947
Capital Assets,				
Being Depreciated				
Buildings and improvements	9,657,367	959,474	(609,190)	10,007,651
Machinery and equipment	7,486,578	868,328	(1,271,923)	7,082,983
Right-of-use assets - leases	648,253	110,049	(89,274)	669,028
	<u>17,792,198</u>	<u>1,937,851</u>	<u>(1,970,387)</u>	<u>17,759,662</u>
Total Capital Assets, Being Depreciated				
	17,792,198	1,937,851	(1,970,387)	17,759,662
Less Accumulated				
Depreciation for				
Buildings and improvements	(1,843,273)	(231,096)	319,431	(1,754,938)
Machinery and equipment	(5,756,677)	(309,708)	1,266,098	(4,800,287)
Right-of-use assets - leases	(296,483)	(139,206)	89,274	(346,415)
	<u>(7,896,433)</u>	<u>1,257,841</u>	<u>(295,584)</u>	<u>10,858,022</u>
Total Capital Assets, Being Depreciated, Net				
	(7,896,433)	1,257,841	(295,584)	10,858,022
Governmental Activities				
Capital Assets, Net	<u>\$ 15,302,047</u>	<u>\$ 3,126,864</u>	<u>\$ (1,190,712)</u>	<u>\$ 17,589,969</u>

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

3. Capital Assets (continued)

	<u>October 1,</u> <u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>September 30,</u> <u>2025</u>
Business-type Activities				
Capital Assets,				
Not Being Depreciated				
Land	\$ 430,720	\$ -	\$ -	\$ 430,720
Total Capital Assets,				
Not Being Depreciated	<u>430,720</u>	<u>-</u>	<u>-</u>	<u>430,720</u>
Capital Assets,				
Being Depreciated				
Buildings and improvements	515,962	42,128	(13,275)	544,815
Machinery and equipment	4,108,741	325,152	(672,960)	3,760,933
Right-of-use assets - lease	<u>453,202</u>	<u>-</u>	<u>-</u>	<u>453,202</u>
Total Capital Assets,				
Being Depreciated	4,624,703	367,280	(686,235)	4,758,950
Less Accumulated				
Depreciation for				
Buildings and improvements	(98,556)	(15,949)	13,275	(101,230)
Machinery and equipment	(2,757,358)	(157,451)	672,960	(2,241,849)
Right-of-use assets - lease	<u>(191,352)</u>	<u>(90,640)</u>	<u>-</u>	<u>(281,992)</u>
Total Capital Assets,				
Being Depreciated, Net	<u>1,768,789</u>	<u>103,240</u>	<u>-</u>	<u>2,133,879</u>
Business-type Activities				
Capital Assets, Net	<u>\$ 2,199,509</u>	<u>\$ 103,240</u>	<u>\$ -</u>	<u>\$ 2,564,599</u>

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

4. Property Taxes

Property taxes of the County are based on the assessments against property owners as of the first day of January. Taxes are levied on the fourth Monday in November and are due and payable at that time. The first installment of levied real property tax becomes delinquent on December 21. All remaining unpaid taxes become delinquent on June 21 of the subsequent year. A penalty of two percent is assessed if either installment is not made. Interest accrues at 1% per month of the taxes outstanding calculated as of January 1.

Property tax revenues are recognized when they become available. Available includes those property taxes expected to be collected within sixty days after the calendar year-end.

5. Solid Waste Landfill Closure and Postclosures Care Cost

The County owns and maintains landfill sites located near Dayton and Riverdale. Federal and State laws and regulations require the County to voluntarily close its landfill sites. Maintenance and monitoring functions at the site will be required for thirty years after closure. The \$50,000 reported as landfill closure liability at September 30, 2025, represents the cumulative amount of estimated costs of postclosure. The costs of postclosure maintenance and monitoring are estimated at \$5,000 annually for a thirty-year period. These amounts are based on what it would cost to perform all postclosure care in subsequent years.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

6. Changes in Long-term Obligations

A summary of general long-term debt transactions of the County for the year ended September 30, 2025, is as follows:

	Long-term Obligations October 1, 2024	Obligations Incurred and Adjusted	Obligations Paid and Adjusted	Long-term Obligations September 30, 2025	Current Portion
Governmental Activities					
Obligations under leases	\$ 363,499	\$ 110,049	\$ (103,775)	\$ 369,773	\$ 92,633
Notes payable	9,427	-	(9,427)	-	-
2022 General obligation bonds	2,775,000	-	(65,000)	2,710,000	70,000
2022 General obligation bonds premium	124,765	-	(11,131)	135,896	8,877
Net pension liability	2,801,969	-	(904,216)	1,897,753	-
Accrued compensated absences	289,503	-	(13,567)	275,939	-
	<u>\$ 6,239,398</u>	<u>\$ 110,049</u>	<u>\$ (1,107,116)</u>	<u>\$ 5,389,361</u>	<u>\$ 171,510</u>
Business-type Activities					
Landfill closure liability	\$ 55,000	\$ -	\$ (5,000)	\$ 50,000	\$ -
Obligations under capital leases	292,931	-	(51,567)	241,364	53,652
Notes payable	193,174	-	(62,951)	130,223	64,706
Net pension liability	317,555	-	(134,869)	182,686	-
Accrued compensated absences	48,367	-	(5,495)	42,872	-
	<u>\$ 907,027</u>	<u>\$ -</u>	<u>\$ (259,882)</u>	<u>\$ 647,145</u>	<u>\$ 131,979</u>

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

7. Leasing Activities

The County has entered into lease agreements for certain equipment and vehicles. The following table summarizes the lease terms for the lease agreements in place at September 30, 2025:

<u>Leased Asset</u>	<u>Lease Commencement</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Annual Payment</u>	<u>Purchase Option</u>
Governmental Activities					
Vehicle	2/28/2022	4 yrs	2.99%	11,797	-
Vehicle	2/28/2022	4 yrs	2.99%	11,797	-
Vehicle	2/28/2022	4 yrs	2.99%	11,797	-
Vehicle	12/2/2022	4 yrs	8.33%	14,018	-
Vehicle	2/21/2023	4 yrs	6.72%	13,680	-
Vehicle	2/21/2023	4 yrs	6.73%	13,721	-
Vehicle	10/11/2023	5 yrs	7.07%	9,628	-
Vehicle	10/16/2023	5 yrs	9.06%	14,276	-
Vehicle	6/6/2024	5 yrs	6.09%	11,650	-
Vehicle	6/6/2024	5 yrs	6.29%	11,650	-
Vehicle	6/6/2024	5 yrs	6.29%	11,650	-
Equipment	6/15/2025	5 yrs	4.05%	23,997	-
Business-Type Activities					
Equipment	6/15/2022	5 yrs	3.90%	\$ 63,405	\$ 195,000

The maturities of lease liabilities as of September 30, 2025 were as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 92,633	\$ 19,987	\$ 112,620
2027	93,807	17,394	111,201
2028	60,000	11,201	71,201
2029	81,441	7,357	88,798
2030	41,892	1,171	43,063
Total Lease Liability	\$ 369,773	\$ 57,110	\$ 426,883

<u>Year Ending</u> <u>September 30,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 53,652	\$ 9,752	\$ 63,404
2027	187,712	7,287	194,999
Total Lease Liability	\$ 241,364	\$ 17,039	\$ 258,403

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

8. Notes Payable

The County has entered into lease agreements to finance equipment in which ownership transfers to the County at the end of the lease term. Under GASB 87, these leases are treated as direct financing of equipment and are included in notes payable on the statement of net position.

Notes payable consists of a note payable to Summit National with 7 annual installments of \$68,364, including interest at 2.822%. The note matures on June 23, 2027 when the asset's ownership will transfer to the County.

The maturities of notes payable as of September 30, 2025 were as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 64,706	\$ 3,658	\$ 68,364
2027	65,517	2,847	68,364
Total Notes Payable	<u>\$ 130,223</u>	<u>\$ 6,505</u>	<u>\$ 136,728</u>

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

9. General Obligation Bonds

In February 2022, the County issued an aggregate of \$2,860,000 in General Obligation Bonds. The outstanding bonds at September 30, 2025 consist of six individual term bonds with separate interest rates and maturities as follows:

	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Amount</u>
General Obligation Bonds, Series 2022 Issue (Original amount--\$2,860,000)	4.00%	2026 to 2031	\$ 460,000
	3.00%	2032 to 2035	\$ 360,000
	2.50%	2036 to 2038	\$ 305,000
	2.25%	2039 to 2042	\$ 440,000
	2.50%	2043 to 2047	\$ 605,000
	2.63%	2048 to 2051	\$ 540,000

The amount to be provided for bond requirements in the accompanying financial statements represents the charge to be made for property taxes in future years to meet maturing bond requirements.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

9. General Obligation Bonds (continued)

The annual requirements to amortize the above bond issues are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 70,000	\$ 76,025	\$ 146,025
2027	70,000	73,225	143,225
2028	75,000	70,425	145,425
2029	80,000	67,425	147,425
2030	80,000	64,225	144,225
2031-2035	445,000	275,775	720,775
2036-2040	520,000	209,013	729,013
2041-2045	580,000	145,401	725,401
2046-2050	650,000	69,882	719,882
2051	140,000	3,675	143,675
	<u>\$ 2,710,000</u>	<u>\$ 1,055,071</u>	<u>\$ 3,765,071</u>

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

10. Pension Plan

Plan Description

The County contributes to the Base Plan, which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointment officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

10. Pension Plan (continued)

The contribution rates for employees are set by stature at 60% of the employer rate for general employees and 72% for public safety. As of June 30, 2025, the employee contribution rate was 7.18% for general employees and 10.36% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.96% general employees and 13.98% for public safety. The County's contributions were \$529,053 for the year ended September 30, 2025.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2025, the County reported a liability for its proportionate share of the 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 that date. The County's proportion of the net pension liability was based on the County's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2025, the County's proportion was .08603387 percent.

For the year ended September 30, 2025, the County recognized pension expense (revenue) of \$636,168. At September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 392,046	\$ -
Changes in assumptions or other inputs		365,840
Net difference between projected and actual earnings on pension plan investments	-	534,810
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	(39,382)	
Employer contributions subsequent to the measurement date	<u>137,646</u>	<u>-</u>
Total	<u>\$ 490,310</u>	<u>\$ 900,650</u>

\$137,646 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2025.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

10. Pension Plan (continued)

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2025, the beginning of the measurement period ended June 30, 2024, is 4.4 and 4.4 for the measurement period ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Fiscal Year

2026	\$ 339,105
2027	(374,526)
2028	(321,386)
2029	(191,179)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

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

Inflation	2.40%
Salary increases including inflation	3.15%
Investment rate of return-net of investment fees	6.55%
Cost-of-living (COLA) adjustments	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2025.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

10. Pension Plan (continued)

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%
	5% of Fire and Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets. The best-estimate range for long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap	22%	4.75%
Small/Mid Cap	10%	4.95%
International Equity	11%	4.75%
Emerging Markets Equity	11%	4.95%
Domestic Fixed	20%	2.25%
TIPS	10%	2.05%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

10. Pension Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.55 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.55 percent) or 1-percentage-point higher (7.55 percent) than the current rate:

	1% Decrease (5.55%)	Current Discount Rate (6.55%)	1% Increase (7.55%)
Employer's proportionate share of the net pension liability (asset)	\$ 5,005,546	\$ 2,080,439	\$ (309,244)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

11. Interfund Transactions

Operating transfers between funds during the year were as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Governmental		
Major Funds:		
General Fund	\$ -	\$ 593,190
Debt Service Fund		
Special Revenue Funds		
Road and Bridge Fund	-	207,116
County Justice Fund	-	420,755
Health Insurance Fund	1,369,900	-
Ambulance Fund	-	39,140
Capital Projects Funds		
Courthouse Improvement Fund	-	2,621,004
Courthouse Bond Construction Fund	3,423,863	-
Non-major Funds:		
Special Revenue Funds		
County Aid Fund	-	552,859
Weed Control Fund	-	88,065
District Court Fund	-	48,925
Revaluation Fund	-	26,093
Snowmobile Fund	3,000	-
Cannery Operations Fund	5,000	-
Board of Guardians	500	-
Mosquito Abatement Fund	-	35,878
Parking Lot Fund	2,000	-
Election Consolidation Fund	-	9,785
Proprietary Funds		
Major Funds:		
Solid Waste Fund	-	161,453
	<u>\$ 4,804,263</u>	<u>\$ 4,804,263</u>

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

11. Interfund Transactions (continued)

Transfers are used to move shared costs of operations paid by one fund to other funds benefiting from those shared costs.

The interfund balances at September 30, 2025 are as follows:

	<u>Due To</u>	<u>Due From</u>
Major Funds:		
General Fund	\$ 15	\$ -
Debt Service Fund	-	15
	<u>\$ 15</u>	<u>\$ 15</u>

Balances are a result of the time lag between the dates that the reimbursable expenditures occur and payments between funds are made. All balances are expected to be eliminated during the next fiscal year.

12. Other Required Individual Fund Disclosures

The County expenditures exceeded the budgeted amounts in the following funds during the year ended September 30, 2025:

Major Funds	<u>Amount Exceeded</u>
Road and Bridge Fund.....	\$ 1,814
Airport Fund.....	181,983

The following funds had deficits at September 30, 2025.

Fund	<u>Deficit</u>
Debt Service Fund.....	\$ 14

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

13. Component Unit – Franklin County Medical Center

The component unit column in the combined financial statements includes the financial data of the Franklin County Medical Center, the County’s only discretely presented component unit. It is reported in a separate column to emphasize that it is a legally separate entity.

The Franklin County Medical Center (the Medical Center) – This component unit operates an 18-bed acute care hospital and a 35-bed long-term care facility. The Board of County Commissioners in Franklin County, Idaho appoints the Board of Trustees, and the Medical Center may not issue debt or levy taxes without the County’s approval.

Cash and Investments –

Custodial credit risk is the risk that in the event of a bank failure, the Agency’s deposits may not be returned. As of September 30, 2025, \$1,427,000 of the Medical Center’s total deposits were not covered by the FDIC or SPIC, and thus were exposed to custodial credit risk.

As of September 30, 2025, the Medical Center participates in the Local Government Investment Pool (LGIP) administered by the Idaho State Treasurer. As of September 30, 2025, the Hospital had deposits with the Pool, collateralized by securities held by the Pool, but not in the Hospital’s name, of \$12,932,125.

Patient Accounts Receivable – Patient accounts receivable is reduced by an allowance for uncollectible accounts. In evaluating the collectability of patient accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. Patient accounts receivable, reported as current assets by the Medical Center, consisted of these amounts:

	2025	2024
Receivables from patients and their insurance carriers	\$ 8,413,400	\$ 7,769,989
Receivables from Medicare	3,637,994	1,438,216
Receivables from Medicaid	923,222	617,289
Total patient accounts receivable	12,974,616	9,825,494
Less allowance for uncollectible accounts	3,383,464	2,370,716
Patient accounts receivable, net	\$ 9,591,152	\$ 7,454,778

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

13. Component Unit – Franklin County Medical Center (continued)

Long-term Debt and Long-term Obligations The schedule of changes in the Medical Center’s long-term obligations is as follows:

	Balance September 30, 2024	Additions	Decreases	Balance September 30, 2025	Amounts Due Within One Year
<i>Long-term debt</i>					
USDA loan 1	\$ 7,905,823	\$ -	\$ (220,417)	\$ 7,685,406	\$ 226,153
USDA loan 2	869,410	-	(51,304)	818,106	52,672
Zions Bank loan	5,451,884	-	(214,036)	5,237,848	219,930
MRI lease	1,373,510	-	(247,854)	1,125,656	260,056
Other lease liabilities	218,413	-	(64,813)	153,600	70,996
Total long-term debt and lease liabilities	\$ 15,819,040	\$ -	\$ (798,424)	\$ 15,020,616	\$ 829,807

Requirements of the Medical Center related to the above obligations include a required debt reserve account for the USDA loans. In addition, the Medical Center’s assets provide collateral for the Zion’s Bank loan. The lease obligations have been recorded in accordance with GASB 87, and are collateralized with the applicable leased assets.

A schedule of principal and interest repayments are as follows:

Years Ending September 30,	Notes Payable		
	Principal	Interest	Total
2026	\$ 498,755	\$ 386,044	\$ 884,799
2027	513,372	371,427	884,799
2028	528,418	356,381	884,799
2029	543,906	340,893	884,799
2030	559,850	324,949	884,799
2031-2035	3,055,313	1,368,682	4,423,995
2036-2040	3,347,103	899,943	4,247,046
2041-2045	2,955,269	425,938	3,381,207
2046-2050	1,739,374	105,729	1,845,103
	\$ 13,741,360	\$ 4,579,986	\$ 18,321,346

Years Ending September 30,	Lease Liabilities		
	Principal	Interest	Total
2026	\$ 331,052	\$ 72,854	\$ 403,906
2027	336,669	52,462	389,131
2028	310,816	32,201	343,017
2029	300,719	11,398	312,117
	\$ 1,279,256	\$ 168,915	\$ 1,448,171

FRANKLIN COUNTY CORPORATION, IDAHO
Notes to Financial Statements
September 30, 2025

14. Fund Balances (continued)

Detail of constraints on fund balances of governmental fund is as follows:

	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ -	\$ 44,881	\$ -	\$ -	\$ 44,881
Prepays	-	125,046	-	-	125,046
Restricted for:					
Court Facilities	-	25,369	-	-	25,369
Courthouse Bond Construction	-	-	71,049	-	71,049
DUI Safety Program	-	14,337	-	-	14,337
Range Improvement	-	3,844	-	-	3,844
Special Highway Projects	-	378,784	-	-	378,784
Committed to:					
Drug Enforcement	-	2,515	-	-	2,515
Election Consolidation	-	136,192	-	-	136,192
Assigned to:					
Airport	-	137,322	-	-	137,322
Ambulance Services	-	988,463	-	-	988,463
Board of Guardians	-	3,410	-	-	3,410
Cannery Operations	-	43,316	-	-	43,316
Courthouse Improvements	-	-	3,310,463	-	3,310,463
County Aid	-	-	-	-	-
County Justice	-	1,117,914	-	-	1,117,914
District Court	-	323,074	-	-	323,074
District Health	-	24,045	-	-	24,045
Extension Services	-	7,104	-	-	7,104
Fair Building	-	28,252	-	-	28,252
Fair Operations	-	57,530	-	-	57,530
Health Insurance	-	1,555,148	-	-	1,555,148
Historical Society	-	5,746	-	-	5,746
Insurance Coverage	-	124,159	-	-	124,159
Mosquito Abatement	-	614,671	-	-	614,671
Parking Lot Maintenance	-	13,950	-	-	13,950
Revaluation	-	320,809	-	-	320,809
Road and Bridge	-	5,406,635	-	-	5,406,635
Snowmobile Trails	-	28,510	-	-	28,510
War Memorial	-	15,424	-	-	15,424
Waterways	-	68,868	-	-	68,868
Weed Control	-	336,445	-	-	336,445
4-H Program	-	16,730	-	-	16,730
Unassigned	5,882,306	-	-	(14)	5,882,292
Total Fund Balances	\$ 5,882,306	\$ 11,968,493	\$ 3,381,512	\$ (14)	\$ 21,232,297

**Required Supplementary Information
Budgetary Comparison Schedules
(Major Governmental Funds)**

FRANKLIN COUNTY CORPORATION, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
Year Ended September 30, 2025

	Original & Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Local Sources			
Property taxes	\$ 650,611	\$ 720,472	\$ 69,861
Earnings on investments	200,000	418,840	218,840
Licenses, permits, and other fees	358,050	435,007	76,957
Other	499,957	378,347	(121,610)
State Sources			
State liquor fund	55,000	63,444	8,444
State sales tax and revenue sharing	950,000	1,609,102	659,102
Other	37,600	55,063	17,463
Total Revenues	<u>2,751,218</u>	<u>3,680,275</u>	<u>929,057</u>
Expenditures			
Current			
General and administrative	2,328,860	2,151,530	177,330
Public safety	-	66,413	(66,413)
Capital outlay	-	76,809	(76,809)
Total Expenditures	<u>2,328,860</u>	<u>2,294,752</u>	<u>34,108</u>
Excess (Deficiency) of Revenues Over Expenditures	422,358	1,385,523	963,165
Other Financing Sources (Uses)			
Transfers Out	(593,190)	(593,190)	-
Total Other Financing Sources (Uses)	<u>(593,190)</u>	<u>(593,190)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(170,832)	792,333	963,165
Fund Balance - Beginning of Year	<u>5,089,973</u>	<u>5,089,973</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 4,919,141</u>	<u>\$ 5,882,306</u>	<u>\$ 963,165</u>

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Road & Bridge Fund
Year Ended September 30, 2025

	Original & Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Local Sources			
Property taxes	\$ 711,999	\$ 614,761	\$ (97,238)
Earnings on investments	-	257,037	257,037
Licenses, permits, and other fees	5,000	10,974	5,974
Other	116,000	50,421	(65,579)
State Sources			
State highway users fund	2,025,000	2,797,846	772,846
Other	-	304,680	304,680
Total Revenues	2,857,999	4,035,719	1,177,720
Expenditures			
Current			
Street and highways	3,203,183	2,396,033	807,150
Debt Service	-	9,802	(9,802)
Capital outlay	-	799,162	(799,162)
Total Expenditures	3,203,183	3,204,997	(1,814)
Excess (Deficiency) of Revenues Over Expenditures	(345,184)	830,722	1,175,906
Other Financing Sources (Uses)			
Transfers Out	(207,116)	(207,116)	-
Total Other Financing Sources (Uses)	(207,116)	(207,116)	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(552,300)	623,606	1,175,906
Fund Balance - Beginning of Year	4,783,029	4,783,029	-
Fund Balance - End of Year	\$ 4,230,729	\$ 5,406,635	\$ 1,175,906

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
County Justice Fund
Year Ended September 30, 2025

	Original & Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Local Sources			
Property taxes	\$ 2,609,791	\$ 2,614,163	\$ 4,372
Earnings on investments	-	57,394	57,394
Licenses, permits, and other fees	197,931	240,596	42,665
Other	42,895	21,058	(21,837)
State Sources			
Other	345,574	292,034	(53,540)
Federal Sources			
Federal grants	-	1,974	1,974
Total Revenues	3,196,191	3,227,219	31,028
Expenditures			
Current			
Public safety	2,931,279	2,459,792	471,487
Debt service	-	124,012	(124,012)
Right-of-use assets	-	110,049	(110,049)
Total Expenditures	2,931,279	2,693,853	237,426
Excess (Deficiency) of Revenues Over Expenditures	264,912	533,366	268,454
Other Financing Sources (Uses)			
Transfers Out	-	110,049	110,049
	(273,980)	(420,755)	(146,775)
Total Other Financing Sources (Uses)	(273,980)	(310,706)	(36,726)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(9,068)	222,660	231,728
Fund Balance - Beginning of Year	895,254	895,254	-
Fund Balance - End of Year	\$ 886,186	\$ 1,117,914	\$ 231,728

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Airport Fund
Year Ended September 30, 2025

	Original & Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Local Sources			
Property taxes	\$ 27,052	\$ 27,172	\$ 120
Other	2,800	224,830	222,030
State Sources			
Other	150,000	216,734	66,734
Total Revenues	<u>179,852</u>	<u>468,736</u>	<u>288,884</u>
Expenditures			
Current			
General and administrative	202,952	379,436	(176,484)
Capital outlay	-	5,499	(5,499)
Total Expenditures	<u>202,952</u>	<u>384,935</u>	<u>(181,983)</u>
Excess (Deficiency) of Revenues Over Expenditures	(23,100)	83,801	106,901
Fund Balance - Beginning of Year	<u>198,628</u>	<u>198,628</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 175,528</u>	<u>\$ 282,429</u>	<u>\$ 106,901</u>

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Ambulance Fund
Year Ended September 30, 2025

	<u>Original & Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Local Sources			
Property taxes	\$ 254,703	\$ 252,476	\$ (2,227)
Earnings on investments	-	32,947	32,947
Licenses, permits, and other fees	253,000	303,570	50,570
Other	1,000	2,008	1,008
State Sources			
Other	255,000	225,552	(29,448)
Total Revenues	<u>763,703</u>	<u>816,553</u>	<u>52,850</u>
Expenditures			
Current			
General and administrative	724,563	560,191	164,372
Capital outlay		23,257	(23,257)
Total Expenditures	<u>724,563</u>	<u>583,448</u>	<u>141,115</u>
Excess (Deficiency) of Revenues Over Expenditures	39,140	233,105	193,965
Other Financing Sources (Uses)			
Transfers In	(39,140)	(39,140)	-
Total Other Financing Sources (Uses)	<u>(39,140)</u>	<u>(39,140)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	193,965	193,965
Fund Balance - Beginning of Year	<u>794,498</u>	<u>794,498</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 794,498</u>	<u>\$ 988,463</u>	<u>\$ 193,965</u>

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Health Insurance Fund
Year Ended September 30, 2025

	Original & Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Local Sources			
Earnings on investments	\$ -	\$ 84,735	\$ 84,735
Other	340,000	439,261	99,261
Total Revenues	340,000	523,996	183,996
Expenditures			
Current			
General and administrative	1,936,449	1,936,428	21
Total Expenditures	1,936,449	1,936,428	21
Excess (Deficiency) of Revenues Over Expenditures	(1,596,449)	(1,412,432)	184,017
Other Financing Sources (Uses)			
Transfers In	1,369,899	1,369,900	1
Total Other Financing Sources (Uses)	1,369,899	1,369,900	1
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(226,550)	(42,532)	184,018
Fund Balance - Beginning of Year	1,597,680	1,597,680	-
Fund Balance - End of Year	\$ 1,371,130	\$ 1,555,148	\$ 184,018

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Schedule of Employer's Share of Net Pension Liability
PERSI Base Plan – Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employer's Portion of net the pension liability	0.086%	0.083%	0.087%	0.094%	0.090%
Employer's proportionate share of the net pension liability (asset)	\$2,080,439	\$3,119,524	\$3,465,860	\$3,719,302	\$ (70,867)
Employer's covered-employee payroll	4,193,661	3,789,796	3,699,085	3,667,822	3,262,164
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	49.61%	82.31%	93.70%	101.40%	-2.17%
Plan fiduciary net position as a percentage of the total pension liability	90.89%	85.54%	83.83%	83.09%	100.36%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's Portion of net the pension liability	0.088%	0.089%	0.087%	0.087%	0.087%
Employer's proportionate share of the net pension liability (asset)	\$2,043,734	\$1,021,759	\$1,294,294	\$1,368,386	\$1,772,375
Employer's covered-employee payroll	3,046,287	3,010,321	2,898,551	2,728,506	2,691,912
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	67.09%	33.94%	44.72%	50.15%	65.84%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	93.79%	91.69%	90.68%	87.26%

Data reported is measured as of June 30, 2025 (measurement date).

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Schedule of Employer Contributions
PERSI Base Plan – Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 534,991	\$ 476,936	\$ 397,320	\$ 437,266	\$ 354,279
Contributions in relation to the					
statutorily required contribution	534,977	476,936	436,753	433,286	376,664
Contribution (deficiency) excess	(14)	-	39,433	(3,980)	22,385
Employer's covered-employee payroll	4,246,471	3,992,203	3,699,085	3,667,822	3,262,164
Contributions as a percentage					
of covered-employee payroll	12.60%	11.95%	11.81%	11.81%	11.55%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 345,304	\$ 342,511	\$ 340,927	\$ 293,567	\$ 259,902
Contributions in relation to the					
statutorily required contribution	356,638	341,364	326,432	309,147	304,263
Contribution (deficiency) excess	11,334	1,147	14,495	(15,580)	(44,361)
Employer's covered-employee payroll	3,046,287	3,010,321	2,895,551	2,728,506	2,691,912
Contributions as a percentage					
of covered-employee payroll	11.71%	11.34%	11.27%	11.33%	11.30%

Data reported is measured as of September 30, 2025.

See Independent Auditors' Report

**Supplementary Information
Combining Schedules
(Nonmajor Governmental Funds)**

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2025

	County Aid Fund	District Court Fund	District Health Fund	Historical Society Fund	Drug Enforcement Fund
Assets					
Cash and Investments	\$ -	\$ 287,232	\$ 24,413	\$ 6,086	\$ 2,515
Receivables					
Property tax	-	7,330	5,721	49	-
Other	-	446,412	-	-	-
Allowance for doubtful accounts	-	(401,469)	-	-	-
Inventory and Supplies	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Total Assets	\$ -	\$ 339,505	\$ 30,134	\$ 6,135	\$ 2,515
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 7,939	\$ 368	\$ 340	\$ -
Salaries and wages payable	-	1,162	-	-	-
Total Liabilities	-	9,101	368	340	-
Deferred Inflows of Resources					
Unavailable Revenues	-	7,330	5,721	49	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	2,515
Assigned	-	323,074	24,045	5,746	-
Total Fund Balances	-	323,074	24,045	5,746	2,515
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 339,505	\$ 30,134	\$ 6,135	\$ 2,515

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2025

Assets	Range Improvement Fund	Revaluation Fund	Insurance Fund	Snowmobile Fund	Special Highway Fund
Cash and Investments	\$ 4,134	\$ 322,222	\$ 124,158	\$ 28,510	\$ 378,784
Receivables					
Property tax	-	10,300	6,915	-	1,629
Other	-	-	-	-	-
Allowance for doubtful accounts	-	-	-	-	-
Inventory and Supplies	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Total Assets	\$ 4,134	\$ 332,522	\$ 131,073	\$ 28,510	\$ 380,413
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 290	\$ 653	\$ -	\$ -	\$ -
Salaries and wages payable	-	760	-	-	-
Total Liabilities	290	1,413	-	-	-
Deferred Inflows of Resources					
Unavailable Revenues	-	10,300	6,914	-	1,629
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	3,844	-	-	-	378,784
Committed	-	-	-	-	-
Assigned	-	320,809	124,159	28,510	-
Total Fund Balances	3,844	320,809	124,159	28,510	378,784
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,134	\$ 332,522	\$ 131,073	\$ 28,510	\$ 380,413

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2025

	War Memorial Fund	Waterways Fund	Weed Control Fund	Board of Guardians Fund	DUI Ignition Interlock Fund
Assets					
Cash and Investments	\$ 15,423	\$ 69,012	\$ 377,059	\$ 3,410	\$ 14,337
Receivables					
Property tax	80	-	8,084	-	-
Other	-	-	-	-	-
Allowance for doubtful accounts	-	-	-	-	-
Inventory and Supplies	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Total Assets	\$ 15,503	\$ 69,012	\$ 385,143	\$ 3,410	\$ 14,337
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 117	\$ 39,281	\$ -	\$ -
Salaries and wages payable	-	27	1,332	-	-
Total Liabilities	-	144	40,613	-	-
Deferred Inflows of Resources					
Unavailable Revenues	79	-	8,085	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	14,337
Committed	-	-	-	-	-
Assigned	15,424	68,868	336,445	3,410	-
Total Fund Balances	15,424	68,868	336,445	3,410	14,337
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 15,503	\$ 69,012	\$ 385,143	\$ 3,410	\$ 14,337

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2025

Assets	Court Facilities Fund	Cannery Operation Fund	Mosquito Abatement Fund	Fair Operation Fund	Fair Building Fund
Cash and Investments	\$ 25,369	\$ 45,836	\$ 646,936	\$ 60,566	\$ 28,252
Receivables					
Property tax	-	-	8,805	2,561	163
Other	-	-	-	-	-
Allowance for doubtful accounts	-	-	-	-	-
Inventory and Supplies	-	24,820	-	-	-
Prepaid Expenses	-	-	-	-	-
Total Assets	\$ 25,369	\$ 70,656	\$ 655,741	\$ 63,127	\$ 28,415
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 2,243	\$ 31,697	\$ 2,891	\$ -
Salaries and wages payable	-	277	568	145	-
Total Liabilities	-	2,520	32,265	3,036	-
Deferred Inflows of Resources					
Unavailable Revenues	-	-	8,805	2,561	163
Fund Balances					
Nonspendable	-	24,820	-	-	-
Restricted	25,369	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	43,316	614,671	57,530	28,252
Total Fund Balances	25,369	68,136	614,671	57,530	28,252
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 25,369	\$ 70,656	\$ 655,741	\$ 63,127	\$ 28,415

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2025

Assets	Parking Lot Fund	Extension Office Fund	4-H Fund	Election Consolidation Fund	Total
Cash and Investments	\$ 14,041	\$ 7,104	\$ 16,815	\$ 136,771	\$ 2,638,985
Receivables					
Property tax	-	-	-	-	51,637
Other	-	-	-	-	446,412
Allowance for doubtful accounts	-	-	-	-	(401,469)
Inventory and Supplies	-	-	-	-	24,820
Prepaid Expenses	-	-	-	-	-
Total Assets	\$ 14,041	\$ 7,104	\$ 16,815	\$ 136,771	\$ 2,760,385
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 91	\$ -	\$ 85	\$ 453	\$ 86,448
Salaries and wages payable	-	-	-	126	4,397
Total Liabilities	91	-	85	579	90,845
Deferred Inflows of Resources					
Unavailable Revenues	-	-	-	-	51,636
Fund Balances					
Nonspendable	-	-	-	-	24,820
Restricted	-	-	-	-	422,334
Committed	-	-	-	136,192	138,707
Assigned	13,950	7,104	16,730	-	2,032,043
Total Fund Balances	13,950	7,104	16,730	136,192	2,617,904
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,041	\$ 7,104	\$ 16,815	\$ 136,771	\$ 2,760,385

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds
September 30, 2025

	County Aid Fund	District Court Fund	District Health Fund	Historical Society Fund	Drug Enforcement Fund
Revenues					
Local Sources					
Property taxes	\$ -	\$ 230,041	\$ 198,657	\$ 1,505	\$ -
Earnings on investments	-	15,208	-	-	-
Licenses, permits and other fees	-	-	-	-	-
Other	-	119,211	1,092	10	444
State Sources					
Other	-	57,833	-	-	-
Federal Sources					
Federal grants	-	-	-	-	-
Total Revenues	-	422,293	199,749	1,515	444
Expenditures					
Current					
General and administrative	-	327,357	197,321	891	144
Capital Outlay	-	-	-	-	-
Total Expenditures	-	327,357	197,321	891	144
Excess (Deficiency) of Revenues over Expenditures	-	94,936	2,428	624	300
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(552,859)	(88,065)	-	-	-
Total Other Financing Sources (Uses)	(552,859)	(88,065)	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(552,859)	6,871	2,428	624	300
Fund Balance -					
Beginning of Year	552,859	316,203	21,617	5,122	2,215
Fund Balance -					
End of Year	\$ -	\$ 323,074	\$ 24,045	\$ 5,746	\$ 2,515

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds (continued)
September 30, 2025

	Range Improvement Fund	Revaluation Fund	Insurance Fund	Snowmobile Fund	Special Highway Fund
Revenues					
Local Sources					
Property taxes	\$ -	\$ 322,237	\$ 228,867	\$ -	\$ 50,195
Earnings on investments	-	16,742	-	-	18,506
Licenses, permits and other fees	1,132	-	-	-	-
Other	-	2,657	3,172	-	321
State Sources					
Other	-	-	-	-	-
Federal Sources					
Federal grants	-	-	-	-	-
Total Revenues	1,132	341,636	232,039	-	69,022
Expenditures					
Current					
General and administrative	-	260,997	219,402	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	260,997	219,402	-	-
Excess (Deficiency) of Revenues over Expenditures	1,132	80,639	12,637	-	69,022
Other Financing Sources (Uses)					
Transfers In	-	-	-	3,000	-
Transfers Out	-	(48,925)	-	-	-
Total Other Financing Sources (Uses)	-	(48,925)	-	3,000	-
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	1,132	31,714	12,637	3,000	69,022
Fund Balance - Beginning of Year	2,712	289,095	111,522	25,510	309,762
Fund Balance - End of Year	\$ 3,844	\$ 320,809	\$ 124,159	\$ 28,510	\$ 378,784

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds
September 30, 2025

	War Memorial Fund	Waterways Fund	Weed Control Fund	Board of Guardians Fund	DUI Ignition Interlock Fund
Revenues					
Local Sources					
Property taxes	\$ 2,505	\$ -	\$ 243,051	\$ -	\$ -
Earnings on investments	-	-	-	-	-
Licenses, permits and other fees	-	10,405	207,942	-	510
Other	16	-	253,308	-	-
State Sources					
Other	-	9,800	-	-	-
Federal Sources					
Federal grants	-	-	-	-	-
Total Revenues	2,521	20,205	704,301	-	510
Expenditures					
Current					
General and administrative	1,292	37,354	554,544	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	1,292	37,354	554,544	-	-
Excess (Deficiency) of Revenues over Expenditures	1,229	(17,149)	149,757	-	510
Other Financing Sources (Uses)					
Transfers In	-	-	-	500	-
Transfers Out	-	-	(26,093)	-	-
Total Other Financing Sources (Uses)	-	-	(26,093)	500	-
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	1,229	(17,149)	123,664	500	510
Fund Balance -					
Beginning of Year	14,195	86,017	212,781	2,910	13,827
Fund Balance -					
End of Year	\$ 15,424	\$ 68,868	\$ 336,445	\$ 3,410	\$ 14,337

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds
September 30, 2025

	<u>Court Facilities Fund</u>	<u>Cannery Operation Fund</u>	<u>Mosquito Abatement Fund</u>	<u>Fair Operation Fund</u>	<u>Fair Building Fund</u>
Revenues					
Local Sources					
Property taxes	\$ -	\$ -	\$ 280,019	\$ 79,326	\$ 5,019
Earnings on investments	-	-	32,764	-	-
Licenses, permits and other fees	-	38,194	-	-	-
Other	4,879	-	1,654	52,140	5,032
State Sources					
Other	-	-	3,999	-	-
Federal Sources					
Federal grants	-	-	-	-	-
Total Revenues	<u>4,879</u>	<u>38,194</u>	<u>318,436</u>	<u>131,466</u>	<u>10,051</u>
Expenditures					
Current					
General and administrative	1,973	28,795	223,073	117,979	4,751
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,973</u>	<u>28,795</u>	<u>223,073</u>	<u>117,979</u>	<u>4,751</u>
Excess (Deficiency) of Revenues over Expenditures	2,906	9,399	95,363	13,487	5,300
Other Financing Sources (Uses)					
Transfers In	-	5,000	-	-	-
Transfers Out	-	-	(35,878)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,000</u>	<u>(35,878)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	2,906	14,399	59,485	13,487	5,300
Fund Balance - Beginning of Year	<u>22,463</u>	<u>53,737</u>	<u>555,186</u>	<u>44,043</u>	<u>22,952</u>
Fund Balance - End of Year	<u>\$ 25,369</u>	<u>\$ 68,136</u>	<u>\$ 614,671</u>	<u>\$ 57,530</u>	<u>\$ 28,252</u>

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds (continued)
September 30, 2025

	Parking Lot Fund	Extension Office Fund	4-H Fund	Election Consolidation Fund	Total
Revenues					
Local Sources					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,641,422
Earnings on investments	-	-	-	-	83,220
Licenses, permits and other fees	-	-	-	-	258,183
Other	-	2,895	23,468	-	470,299
State Sources					
Other	-	-	-	79,163	150,795
Federal Sources					
Federal grants	-	-	-	-	-
Total Revenues	-	2,895	23,468	79,163	2,603,919
Expenditures					
Current					
General and administrative	1,032	4,072	20,395	38,283	2,039,655
Capital Outlay	-	-	-	-	-
Total Expenditures	1,032	4,072	20,395	38,283	2,039,655
Excess (Deficiency) of Revenues over Expenditures	(1,032)	(1,177)	3,073	40,880	564,264
Other Financing Sources (Uses)					
Transfers In	2,000	-	-	-	10,500
Transfers Out	-	-	-	(9,785)	(761,605)
Total Other Financing Sources (Uses)	2,000	-	-	(9,785)	(751,105)
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	968	(1,177)	3,073	31,095	(186,841)
Fund Balance -					
Beginning of Year	12,982	8,281	13,657	105,097	2,804,745
Fund Balance -					
End of Year	\$ 13,950	\$ 7,104	\$ 16,730	\$ 136,192	\$ 2,617,904

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**Combining Schedules
(Agency Funds)**

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FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet – Agency Funds
September 30, 2025

Assets	Library District Fund	Translator District Fund	Caribou TV Fund	School District #201 Fund	School District #202 Fund
Cash and Investments	\$ 2,349	\$ 813	\$ 41	\$ 6,398	\$ 382
Receivables					
Property Tax	12,578	4,613	392	27,592	1,574
State of Idaho	6,640	-	-	-	-
Total Assets	\$ 21,567	\$ 5,426	\$ 433	\$ 33,990	\$ 1,956

Liabilities and Fiduciary Net Position

Liabilities					
Due To Other Agencies	\$ 12,578	\$ 4,613	\$ 392	\$ 27,592	\$ 1,574
Fiduciary Net Position	8,989	813	41	6,398	382
Total Liabilities and Fiduciary Net Position	\$ 21,567	\$ 5,426	\$ 433	\$ 33,990	\$ 1,956

Detail of Changes in Net Position:

Collections	\$ 430,350	\$ 116,082	\$ 2,197	\$ 692,119	\$ 60,497
Distributions	436,043	115,950	2,156	691,568	61,258
Change in Fiduciary Net Position	\$ (5,693)	\$ 132	\$ 41	\$ 551	\$ (761)

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School District #148 Fund	Fire Protection District Fund	Water District #11 Fund	Water District #13A Fund	Water District #13N Fund	Downey Swan Lake Highway Fund
\$ 1,881	\$ 20,588	\$ 50	\$ -	\$ 701	\$ 1,547
7,780	395	-	-	-	15
-	-	-	-	-	30
<u>\$ 9,661</u>	<u>\$ 20,983</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 701</u>	<u>\$ 1,592</u>
\$ 7,780	\$ 395	\$ -	\$ -	\$ -	\$ 15
<u>1,881</u>	<u>20,588</u>	<u>50</u>	<u>-</u>	<u>701</u>	<u>1,577</u>
<u>\$ 9,661</u>	<u>\$ 20,983</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 701</u>	<u>\$ 1,592</u>
\$ 53,294	\$ 6,742	\$ -	\$ 20,587	\$ 6,080	\$ 737
<u>51,341</u>	<u>6,717</u>	<u>-</u>	<u>20,587</u>	<u>10,078</u>	<u>737</u>
<u>\$ 1,953</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,998)</u>	<u>\$ -</u>

See Independent Auditors' Report

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FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet – Agency Funds
September 30, 2025

Assets	Restitution Trust Fund	State Fund	Cafeteria Fund	Drainage District #1 Fund	Drainage District #3 Fund
Cash and Investments	\$ 2,941	\$ 8,761	\$ 5,622	\$ 12,403	\$ 4,315
Receivables					
Property Tax	-	-	-	53	139
State of Idaho	-	-	-	-	-
Total Assets	\$ 2,941	\$ 8,761	\$ 5,622	\$ 12,456	\$ 4,454
 Liabilities and Fiduciary Net Position					
Liabilities					
Due To Other Agencies	\$ -	\$ -	\$ -	\$ 53	\$ 139
Fiduciary Net Position	2,941	8,761	5,622	12,403	4,315
Total Liabilities and Fiduciary Net Position	\$ 2,941	\$ 8,761	\$ 5,622	\$ 12,456	\$ 4,454
 Detail of Changes in Net Position:					
Collections	\$ 43,866	\$ 1,269,437	\$ 40,504	\$ 2,540	\$ 2,314
Distributions	46,874	1,273,380	37,019	6,121	-
Change in Fiduciary Net Position	\$ (3,008)	\$ (3,943)	\$ 3,485	\$ (3,581)	\$ 2,314

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Drainage District #6 Fund	Clifton City Fund	Dayton City Fund	Franklin City Fund	Oxford City Fund	Preston City Fund
\$ 15,575	\$ 395	\$ 92	\$ 113	\$ 52,419	\$ 7,461
50	890	1,120	4,643	73	39,608
-	-	-	-	-	-
<u>\$ 15,625</u>	<u>\$ 1,285</u>	<u>\$ 1,212</u>	<u>\$ 4,756</u>	<u>\$ 52,492</u>	<u>\$ 47,069</u>
\$ 50	\$ 890	\$ 1,120	\$ 4,643	\$ 165	\$ 39,608
<u>15,575</u>	<u>395</u>	<u>92</u>	<u>113</u>	<u>52,327</u>	<u>7,461</u>
<u>\$ 15,625</u>	<u>\$ 1,285</u>	<u>\$ 1,212</u>	<u>\$ 4,756</u>	<u>\$ 52,492</u>	<u>\$ 47,069</u>
\$ 2,645	\$ 45,544	\$ 50,472	\$ 184,756	\$ 61,696	\$ 1,427,890
-	45,777	50,633	184,760	9,466	1,428,922
<u>\$ 2,645</u>	<u>\$ (233)</u>	<u>\$ (161)</u>	<u>\$ (4)</u>	<u>\$ 52,230</u>	<u>\$ (1,032)</u>

See Independent Auditors' Report

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FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet – Agency Funds
September 30, 2025

Assets	Weston City Fund	Cleveland Cemetery Fund	Clifton Cemetery Fund	Dayton Cemetery Fund	Fairview Cemetery Fund
Cash and Investments	\$ 358	\$ 179	\$ 28	\$ 79	\$ 15
Receivables					
Property Tax	2,664	466	267	324	99
State of Idaho	-	-	350	-	130
Total Assets	\$ 3,022	\$ 645	\$ 645	\$ 403	\$ 244

Liabilities and Fiduciary Net Position

Liabilities					
Due To Other Agencies	\$ 2,664	\$ 466	\$ 267	\$ 324	\$ 99
Fiduciary Net Position	358	179	378	79	145
Total Liabilities and Fiduciary Net Position	\$ 3,022	\$ 645	\$ 645	\$ 403	\$ 244

Detail of Changes in Net Position:

Collections	\$ 76,453	\$ 4,143	\$ 14,038	\$ 14,000	\$ 5,101
Distributions	76,149	4,066	14,082	14,609	5,089
Change in Fiduciary Net Position	\$ 304	\$ 77	\$ (44)	\$ (609)	\$ 12

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Franklin Cemetery Fund	Mapleton Cemetery Fund	Mink Creek Cemetery Fund	Preston Cemetery Fund	Riverdale Cemetery Fund	Thatcher Cemetery Fund
\$ 86	\$ 213	\$ 16	\$ 354	\$ 3	\$ 37
449	403	270	1,880	389	175
<u>464</u>	<u>263</u>	<u>211</u>	<u>1,835</u>	<u>142</u>	<u>58</u>
<u>\$ 999</u>	<u>\$ 879</u>	<u>\$ 497</u>	<u>\$ 4,069</u>	<u>\$ 534</u>	<u>\$ 270</u>
\$ 449	\$ 403	\$ 270	\$ 1,880	\$ 389	\$ 175
<u>550</u>	<u>476</u>	<u>227</u>	<u>2,189</u>	<u>145</u>	<u>95</u>
<u>\$ 999</u>	<u>\$ 879</u>	<u>\$ 497</u>	<u>\$ 4,069</u>	<u>\$ 534</u>	<u>\$ 270</u>
\$ 18,649	\$ 13,945	\$ 8,536	\$ 70,415	\$ 5,772	\$ 2,592
<u>18,553</u>	<u>13,771</u>	<u>8,521</u>	<u>70,340</u>	<u>5,763</u>	<u>2,554</u>
\$ 96	\$ 174	\$ 15	\$ 75	\$ 9	\$ 38

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FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet – Agency Funds
September 30, 2025

Assets	Treasureton Cemetery Fund	Weston Cemetery Fund	Whitney Cemetery Fund	Assessor's Trust Fund	Clerk's Trust Fund
Cash and Investments	\$ 88	\$ 25	\$ 66	\$ 219,314	\$ 3,402
Receivables					
Property Tax	59	170	518	-	-
State of Idaho	72	278	327	-	-
Total Assets	\$ 219	\$ 473	\$ 911	\$ 219,314	\$ 3,402

Liabilities and Fiduciary Net Position

Liabilities					
Due To Other Agencies	\$ 59	\$ 170	\$ 518	\$ -	\$ -
Fiduciary Net Position	160	303	393	219,314	3,402
Total Liabilities and Fiduciary Net Position	\$ 219	\$ 473	\$ 911	\$ 219,314	\$ 3,402

Detail of Changes in Net Position:

Collections	\$ 3,094	\$ 11,816	\$ 14,392	\$ 2,353,754	\$ 14,902
Distributions	3,005	11,786	14,540	2,332,334	29,136
Change in Fiduciary Net Position	\$ 89	\$ 30	\$ (148)	\$ 21,420	\$ (14,234)

See Independent Auditors' Report

FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet – Agency Funds
September 30, 2025

Sheriff's Unapportioned Trust Fund	Prepaid Tax Unapportioned Trust Fund	Juvenile Unapportioned Trust Fund	ARPA Unapportioned Trust Fund	911 Unapportioned Trust Fund	Franklin County Fire District Fund
\$ 89,132	\$ 159,691	\$ -	\$ -	\$ 51,228	\$ 5,788
-	-	-	-	-	31,167
-	-	-	-	-	46,922
<u>\$ 89,132</u>	<u>\$ 159,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,228</u>	<u>\$ 83,877</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,167
<u>89,132</u>	<u>159,691</u>	<u>-</u>	<u>-</u>	<u>51,228</u>	<u>52,710</u>
<u>\$ 89,132</u>	<u>\$ 159,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,228</u>	<u>\$ 83,877</u>
\$ 155,352	\$ 3,409	\$ -	\$ -	\$ 206,639	\$ 962,700
<u>153,752</u>	<u>94</u>	<u>(118)</u>	<u>-</u>	<u>191,255</u>	<u>921,548</u>
<u>\$ 1,600</u>	<u>\$ 3,315</u>	<u>\$ 118</u>	<u>\$ -</u>	<u>\$ 15,384</u>	<u>\$ 41,152</u>

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FRANKLIN COUNTY CORPORATION, IDAHO
Combining Balance Sheet of the Agency Funds (continued)
September 30, 2025

Assets	Ambulance Unapportioned Trust Fund	Bond Unapportioned Trust Fund	Odyssey Court Unapportioned Trust Fund	Circuit Breaker Unapportioned Trust Fund	Total Agency Funds
Cash and Investments	\$ 12,037	\$ 42,761	\$ 195	\$ 39,668	\$ 769,610
Receivables					
Property Tax	-	-	-	-	140,815
State of Idaho	-	-	-	-	57,722
Total Assets	\$ 12,037	\$ 42,761	\$ 195	\$ 39,668	\$ 968,147
 Liabilities and Fiduciary Net Position					
Liabilities					
Due To Other Agencies	\$ -	\$ -	\$ -	\$ -	\$ 140,907
Fiduciary Net Position	12,037	42,761	195	39,668	827,240
Total Liabilities and Fiduciary Net Position	\$ 12,037	\$ 42,761	\$ 195	\$ 39,668	\$ 968,147
 Detail of Changes in Net Position:					
Collections	\$ -	\$ 7,335	\$ 8,484	\$ 694,508	\$ 9,190,378
Distributions	-	222,543	8,290	691,748	9,292,797
Change in Fiduciary Net Position	\$ -	\$ (215,208)	\$ 194	\$ 2,760	\$ (102,419)

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FRANKLIN COUNTY CORPORATION, IDAHO
Bond – Future Principal and Interest Requirements
September 30, 2025

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Amount	Interest Payment
General Obligation Bonds Series 2022	2.250%-4.000%	2026	\$ 70,000	\$ 76,025
	2.250%-4.000%	2027	70,000	73,225
	2.250%-4.000%	2028	75,000	70,425
	2.250%-4.000%	2029	80,000	67,425
	2.250%-4.000%	2030	80,000	64,225
	2.250%-4.000%	2031	85,000	61,025
	2.250%-3.000%	2032	85,000	57,625
	2.250%-3.000%	2033	90,000	55,075
	2.250%-3.000%	2034	90,000	52,375
	2.250%-3.000%	2035	95,000	49,675
	2.250%-2.625%	2036	100,000	46,825
	2.250%-2.625%	2037	100,000	44,325
	2.250%-2.625%	2038	105,000	41,825
	2.250%-2.625%	2039	105,000	39,200
	2.250%-2.625%	2040	110,000	36,838
	2.250%-2.625%	2041	110,000	34,363
	2.5%-2.625%	2042	115,000	31,888
	2.5%-2.625%	2043	115,000	29,300
	2.5%-2.625%	2044	120,000	26,425
	2.5%-2.625%	2045	120,000	23,425
	2.5%-2.625%	2046	125,000	20,425
	2.5%-2.625%	2047	125,000	17,300
	2.625%	2048	130,000	14,175
	2.625%	2049	135,000	10,763
	2.625%	2050	135,000	7,219
	2.625%	2051	140,000	3,675
			\$ 2,710,000	\$ 1,055,071

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INDEPENDENT AUDITORS' 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

Board of Commissioners
Franklin County Corporation
Preston, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Franklin County Corporation, Idaho, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Franklin County Corporation, Idaho's basic financial statements, and have issued our report thereon dated April 23, 2026. Our report includes a reference to other auditors who audited the financial statements of Franklin County Medical Center, as described in our report on Franklin County Corporation, Idaho's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of other auditors.

Report on Internal Control Over Financial Reporting

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

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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.

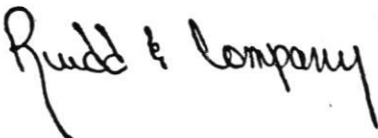
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings as item 2025-1, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin County Corporation, Idaho'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Idaho Falls, Idaho
April 23, 2026

FRANKLIN COUNTY CORPORATION, IDAHO
Current Year Findings
September 30, 2025

Internal Control Findings – Material Weakness

2025-1 Financial Statements Not Prepared in Accordance with GAAP

Criteria

The County's responsibility is to prepare its financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Condition

The County is allowed to hire out preparation of its financial statements but the ultimate responsibility for the fairness of the financial statement presentation remains with the County.

Context

The County's financial records contained numerous departures from GAAP, including cash reconciliations and various financial statement areas not being tracked appropriately (cash, property tax receivable, fixed assets, inventory, interest income, other receivables, and leases).

Effect

Due to the lack of adequate controls over financial reporting and GAAP based accounting, material misstatements in various financial statement areas could occur and not be detected in a timely manner. This impacts the reliability and completeness of the County's financial statements.

Recommendation

We recommend the County hire an outside-qualified contractor or send appropriate in-house individuals to training courses to obtain the qualifications necessary to prepare the County's financial statements in accordance with GAAP.

County Response

After consultation with the County attorney, management opted to not provide a response.