FRANKLIN COUNTY, MISSOURI

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2004

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PREPARED BY THE COUNTY AUDITOR

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INTRODUCTORY SECTION

Ralph E. Sudholt
Franklin County Auditor
300 East Main Street, Room 300
Union, Missouri 63084
(636) 583-6350

May 11, 2005

To the Citizens and Officeholders of
FRANKLIN COUNTY, MISSOURI

In accordance with applicable Missouri state statutes, the Comprehensive Annual Financial Report (CAFR) of Franklin County, Missouri for the fiscal year ended December 31, 2004 is hereby submitted.

Responsibility for both the accuracy of all presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe that the data, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly present the County's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the County's financial affairs have been included.

This report consists of management's representations concerning the finances of Franklin County, Missouri. To provide a reasonable basis for making these representations, the management of Franklin County, Missouri has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Franklin County, Missouri's financial statements. Because the cost of internal controls should not outweigh their benefits, Franklin County, Missouri's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The financial statements have been prepared to conform with U.S. generally accepted accounting principles (GAAP) using the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Franklin County's financial statements have been audited by Hochschild, Bloom & Company LLP, a firm of Missouri licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Franklin County, Missouri for the fiscal year that ended December 31, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Franklin County, Missouri's financial statements for the fiscal year ended December 31, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section.

The independent audit of the financial statements of Franklin County, Missouri was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing "Single Audit" engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Franklin County, Missouri's separately issued Single Audit report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Franklin County, Missouri's MD&A can be found immediately following the report of the independent auditors.

Profile of Franklin County, Missouri

Franklin County, Missouri is located in the Southwest corner of the St. Louis Metropolitan Region which includes the City of St. Louis, St. Louis County, St. Charles County, Franklin County, Lincoln County, Warren County, and Jefferson County in Missouri and the Illinois counties of Clinton, Madison, Monroe, and St. Clair. Franklin County which was established in 1818, covers 922 square miles and has a population of 98,234. There are 58,063 registered voters in Franklin County comprising 81% of the voting age population. There are 34,945 households in the county with an average size of 2.7 persons and the median age of residents is 35.8 years. Median household income is $43,474 annually with 4.5% of county families and 7% of the total population with incomes below the poverty level. There are 1,498 miles of roadways in Franklin County with 69% maintained by municipal and county governments, and 31% maintained by the State of Missouri.

Franklin County, Missouri is governed by a three member County Commission who control the County budget and by fifteen other elected officials who control their own offices operating within the approved budget. The County provides a full range of services. These services include: health and social services; tax assessment, audit, and collection; judicial courts, law enforcement, and jail services; voter registration and elections; construction and maintenance of highways and infrastructure; recording of land transactions, vital statistics, and licenses; and other general administrative services including planning and zoning, building and construction inspections, and emergency management services.

The annual budget serves as the foundation for Franklin County, Missouri's financial planning and control. Budgetary control is maintained at the fund level by department. An annual budget is prepared in November by the County Auditor with input provided by elected officials and department heads as requested by September 1st each year. In odd numbered years the County Commissioners hold public hearings in January for the current year budget and December for the next year budget, and appropriate money for all funds as required by state statute. Further, the objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget as approved. Budget to actual comparisons are provided in this report for each department and fund as adopted.

Factors Affecting Financial Condition

The economic condition and outlook for Franklin County continues to be cautiously optimistic. The County is enjoying growth from new commercial, industrial, and residential developments. Residential growth was 16.4% between the 1990 census and 2000 census. The July 1, 2004 Census Bureau estimate lists Franklin County with a population of 98,234. New real estate construction in Franklin County has totaled $184,466,103 over the last five years, for a 26% increase in assessed real estate valuations. This growth is expected to continue in the future. Due to Franklin County's location in the St. Louis Metropolitan Area, the County is attractive to businesses that need affordable land and labor costs to establish or expand their operations. The County's unemployment ratio remains consistent with those of the state and of the nation. The cities within the County contribute stability to the local economy with the presence of colleges, hospitals, and a variety of stable industrial and commercial concerns.

Results of Franklin County Planning Task Force - In 2000 the Community Policy Analysis Center of the University of Missouri at Columbia completed a baseline study of 1998 to 2009 to determine the issues facing Franklin County in the future. The key findings were that: population will increase from 92,000 to 125,000 at a 3.3% rate, an additional 13,000 jobs will be added at a rate of 2.7%, commuters into the county will increase from 6,000 to 9,000 and commuters out of the County will increase from 16,000 to 25,000, per capita income will increase from $22,400 to $28,300 increasing at 2.4% after inflation, retail sales are projected to grow at 6.1% per year from $800 million to $1.3 billion, Franklin County government revenue is projected to grow at 5.2% and expenses at 5.6%.

Major Concerns - The 2000 study identified challenges that must be addressed. These include: (1) Demand for low density housing that will strain the capacity of public infrastructure, (2) Required additional water and sewage treatment facilities, (3) Additional public safety and transportation systems, (4) Continued in migration of families with adolescent children will place important new demands for recreation, entertainment, and youth services, and (5) Improving the quality of employment to reduce commuting outside the County.

Quality of Life - In a 2000 survey conducted by the University of Missouri at St Louis residents were asked why they live in Franklin County. Results rated at (1) for Very Important to (4) No Opinion. Results follow: Quality of natural environment (1.44), Rural character (1.51), Family (1.55), Low crime (1.61), More privacy (1.68), Quality of schools (1.70), Cost of living (2.00), Property tax rate (2.03), Educational opportunities (2.13), and Agricultural opportunities (2.4).

Major Initiatives - In November 1995, the County's voters authorized a new .25% sales tax for law enforcement. During 2004, the tax generated $2,497,142 in additional revenue for law enforcement in Franklin County. The addition of the Law Enforcement Sales Tax has allowed the County to add 22 road patrol officers and detectives through the end of 2004.

In 1988, a one half cent sales tax for roads and bridges was approved by Franklin County voters. This tax enabled the County to replace and refurbish 115 bridges. There are 10 additional bridges in various stages of replacement. This tax is also being used to upgrade County roads from gravel to hard surface. The County has started chip and sealing highly traveled gravel roads and applying hot mix overlay on previously chip and sealed roads. On April 6, 1999 the highway capital improvements sales tax was renewed for an additional 10 years. The tax now expires December 31, 2010.

The Franklin County Highway Department also uses federal funding through the Intermodal Surface Transportation Efficiency Act (ISTEA). Four construction projects that are presently programmed exceed $1,379,000 and require a 20% match of funds by the County. Franklin County has made provisions to fund the amount necessary to meet the match requirements.

Cash Management - Cash reserves are invested in accordance with Missouri Revised Statutes. Investments are consistently made in conservative products such as short-term bank certificates of deposit. All bank deposits are covered by insurance or appropriate collateral as required by Missouri Revised Statutes.

Risk Management - Franklin County maintains risk management programs by purchasing liability and property insurance through a combination of both public and private insurance carriers. This program utilizes pooled liability risk opportunities, while at the same time seeking to obtain the lowest cost for insurance without sacrificing coverage.

Pension and Other Post Employment Benefits - Franklin County participates in two multiple employer public employee retirement systems. Franklin County contributes monthly payments to the Missouri Local Government Employees Retirement System (LAGERS), based on yearly actuarially determined amounts in order to provide a 2% per year of employment benefit for life to employees. The County also participates in the County Employee's Retirement Fund which is funded per Missouri Statutes with fees from the Recorder of Deed's office and Collector and Assessor penalties. Employees hired after February 2002 pay 4% of their wages for coverage in this plan. The County contributes no funds to the plan, other than forwarding the amounts collected for fees and penalties.

Awards and Acknowledgments

Since 1992, the Government Finance Officers Association (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to Franklin County, Missouri for its Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year only. The County has received this award for the 2003 year. We believe our current report continues to conform to the Certificate Program requirements. We are submitting this report to GFOA to determine its eligibility for a certificate for the 2004 year.

The preparation and completion of this report would not have been possible without the cooperation and dedicated services of the entire County staff. Thanks also goes to the County's independent certified public accounting firm for their able assistance and professional manner in which they have accomplished this assignment.

Respectfully submitted,

Ralph E. Sudholt
Franklin County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Franklin County, Missouri

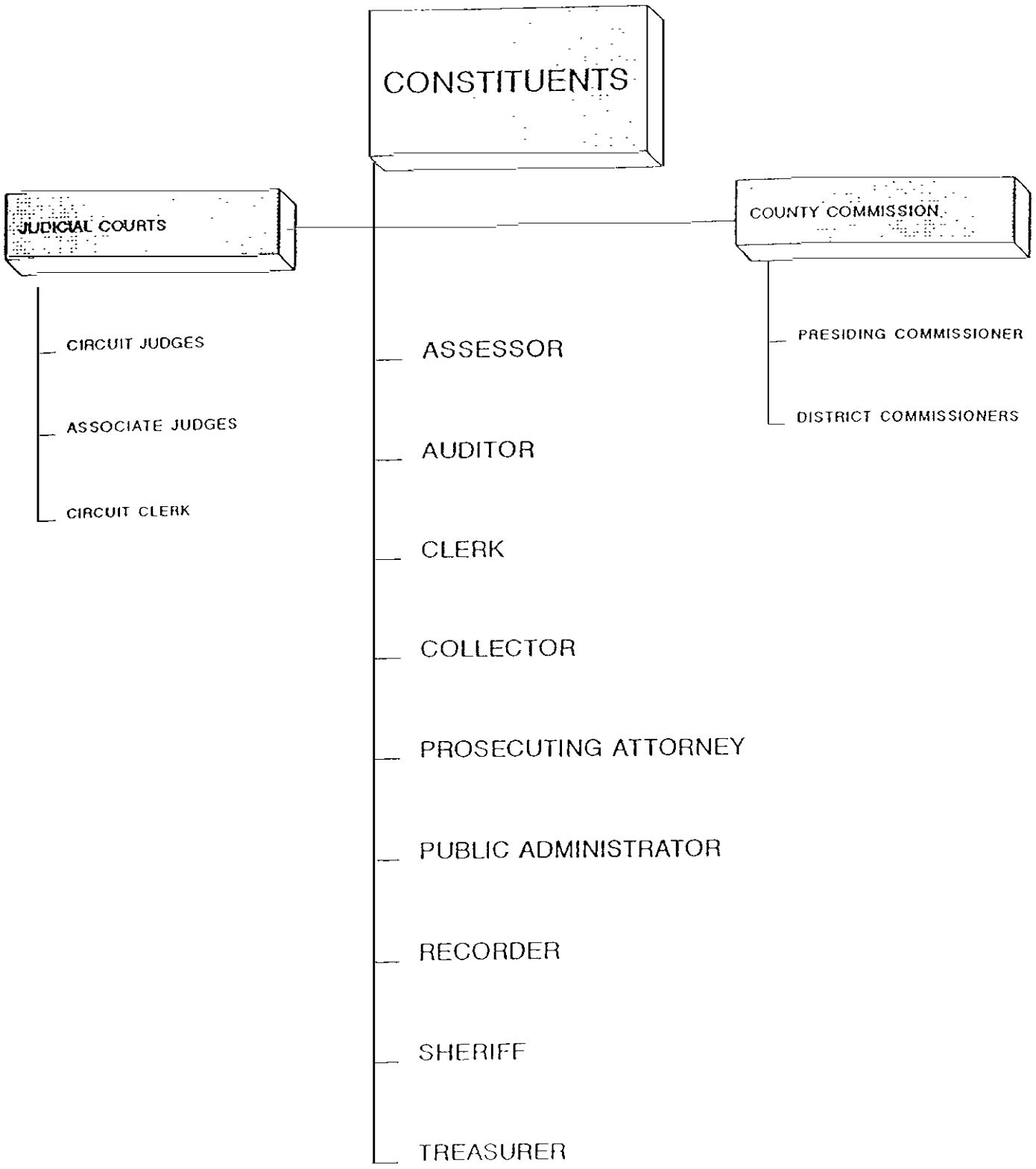
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Office	Principal Officials At January 1, 2004
Presiding Commissioner	Edward D. Hillhouse
First District Commissioner	Terry O. Wilson
Second District Commissioner	Ann G. L. Schroeder
County Clerk	Debbie K. Door
Circuit Judge	Gael D. Wood
Circuit Judge	Cynthia Eckelkamp
Associate Circuit Judge	Stanley Williams
Associate Circuit Judge	David Hoven
Associate Circuit Judge	Walter A. Murray
Prosecuting Attorney	Bob Parks
Circuit Clerk	Bill D. Miller
Recorder of Deeds	Sharon Birkman
County Treasurer	Alvin Marquart
Sheriff	Gary Toelke
County Auditor	Ralph Sudholt
Public Administrator	Carol Eckelkamp
County Collector	Linda Emmons
Assessor	William Overschmidt


CONSTITUENTS
JUDICIAL COURTS
CIRCUIT JUDGES
ASSOCIATE JUDGES
CIRCUIT CLERK
COUNTY COMMISSION
PRESIDING COMMISSIONER
DISTRICT COMMISSIONERS
ASSESSOR
AUDITOR
CLERK
COLLECTOR
PROSECUTING ATTORNEY
PUBLIC ADMINISTRATOR
RECORDER
SHERIFF
TREASURER

FINANCIAL SECTION

Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITORS' REPORT

May 11, 2005

The Presiding Commissioner, District Commissioners, and Officeholders
FRANKLIN COUNTY, MISSOURI

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **FRANKLIN COUNTY, MISSOURI** (the County) as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

❑ **16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055**
❑ **1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448**
Member Independent Accountants International with Member Offices in Principal U S and International Cities

In accordance with *Government Auditing Standards*, we have also issued a report dated May 11, 2005 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and required supplemental information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The other supplemental information and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This other supplemental information and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, therefore, express no opinion thereon.

Hochschild, Bloom & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Management's Discussion and Analysis

This section of Franklin County, Missouri's Comprehensive Annual Financial Report provides management's narrative overview and analysis of the County's financial activities based on currently known facts, decisions, and conditions for the year ended December 31, 2004. For a comprehensive understanding of the financial statements, please review the transmittal letter at the front of this report (pages ii - vi), along with the County's financial statements, including the footnotes that follow this Management's Discussion and Analysis.

Financial Highlights

- The assets of Franklin County exceeded its liabilities at the close of the 2004 fiscal year by $64,133,004. Of this amount, $40,834,439 is invested in capital assets, net of related debt and $5,955,232 is restricted for specific purposes. The remaining $17,343,333 can be used to meet Franklin County's ongoing obligations to citizens and creditors.

- Franklin County's total net assets increased by $3,124,370 during 2004. For governmental activities, revenue exceeded expenses by $3,343,366, offset by business type activity with expenses over revenue of $218,996. The largest part of the increase was invested in additional net capital assets of $2,528,187. Road and bridge infrastructure increased by $1,382,800 and Brush Creek Sewer by $1,368,298 offset by a reduction in net assets of buildings and equipment.

- As of the close of the 2004 fiscal year, Franklin County's governmental funds reported combined ending fund balances of $24,067,676. This is an increase of $2,023,124 in comparison with the prior year.

- At the end of the 2004 fiscal year, the unreserved fund balance for the General Fund was $5,433,476, or 48% of the total General Fund expenditures and transfers to other government funds for operations.

- Governmental activities expenses totaled $25,075,482 in 2004. Highways and streets expenses were $8,948,239 or 36%. The public safety and judicial expenditures totaled $9,580,834 or 38%. Other governmental activities totaled $6,546,409 or 26%.

- Franklin County has a construction loan from USDA for the Brush Creek Sewer in the amount of $987,279 which will convert to a long-term loan in 2005, and will be paid by user fees.

- On June 1, 2005, Franklin County entered into a 25-year lease purchase agreement for a new office building, with a principal balance of $6,910,000, at an average interest rate of 4.2%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Franklin County's basic financial statements. Franklin County's basic financial statements are comprised of three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements*, and 3) *Notes to Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

1) Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Franklin County's finances in a manner similar to a private sector business. This includes the two **Statements of Net Assets and Activities**.

The **Statement of Net Assets** presents information on all of Franklin County, Missouri's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Franklin County is improving or deteriorating. The statement of net assets also provides information on unrestricted and restricted net assets and net assets invested in capital assets.

The **Statement of Activities** presents information showing how the net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of the timing of the related cash flows (i.e.: uncollected taxes and expenses incurred but not paid). The statement of activities presents the various functions of the County and by how much they are supported by tax revenues, federal and state grants, charges for services, investment income, and contributions.

Franklin County's government-wide financial statements can be found on pages 12-13.

2) Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities of objectives. Franklin 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 Franklin County can be divided into three categories: governmental fund, 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 near term financing requirements.

Franklin County maintains 13 individual governmental funds. Information is presented individually for the four largest of the funds since they are considered major funds. See the governmental fund *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances* starting on page 14. Data from the other nine 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 statements in the *other supplemental information section*, starting on page 44.

Franklin County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 14-17 and 35-55 of this report.

Proprietary fund. Franklin County maintains one proprietary fund (blended component unit) which is an Enterprise Fund for business-type activities in the government-wide financial statements. The County uses this fund to report the Brush Creek Sewer operations. See pages 18 - 20 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Franklin County government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Franklin County's own programs.

The fiduciary fund financial statements can be found on pages 21 and 57-60 of this report.

3) ***Notes to the Financial Statements***. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-33 of this report.

Government-wide Financial Analysis.

In the government-wide financial statements, all of the activities of the County are included. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances as discussed below. Net assets may serve over time as a useful indicator of a government's financial position. In the case of Franklin County, assets exceeded liabilities by $64,133,004 at the close of the 2004 fiscal year.

Net Assets
December 31

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2003 Restated	2004	2003 Restated	2004	2003 Restated
Assets						
Current and other assets	$25,453,988	23,921,817	75	-	25,454,063	23,921,817
Capital assets	40,453,417	39,393,325	1,368,298	272,799	41,821,715	39,666,124
Total assets	65,907,405	63,315,142	1,368,373	272,799	67,275,778	63,587,941
Liabilities						
Long-term liabilities	806,077	1,043,025	987,276	-	1,793,353	1,043,025
Other liabilities	1,022,127	1,536,282	327,294	-	1,349,421	1,536,282
Total liabilities	1,828,204	2,579,307	1,314,570	-	3,142,774	2,579,307
Net Assets						
Invested in capital assets	40,453,417	39,393,325	381,022	272,799	40,834,439	39,666,124
Restricted	5,955,232	5,090,181	-	-	5,955,232	5,090,181
Unrestricted	17,670,552	16,252,329	(327,219)	-	17,343,333	16,252,329
Total net assets	$64,079,201	60,735,835	53,803	272,799	64,133,004	61,008,634

Analysis of Net Assets

The largest portion of Franklin County's net assets, 64%, reflects its investment in capital assets (bridges, roads, machinery and equipment, buildings, and land). The County uses these assets to provide services to citizens. These assets are not available for future spending and additional funds will need to be provided to maintain these assets.

An additional portion of Franklin County's net assets, 9%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $17,343,333 may be used to meet the ongoing obligations of the County, including new building construction. Business-type activity is the grant, loans, and the related construction of Brush Creek Sewer.

Changes in Net Assets. The County's total revenue on a government-wide basis was $28,199,852. Taxes represent 62% of the County's revenue. Another 19% comes from fees charged for services, and the remainder is federal and state aid, interest earnings, licenses and permits, and miscellaneous revenues. The cost for all programs and services was $25,075,482 of which 74% was used for highway and law enforcement. Business-type activity is the grant and loans and the related construction of Brush Creek Sewer.

Changes in Net Assets
For The Years Ended December 31

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Revenues						
Program revenues:						
Charges for services	$ 5,326,111	5,241,241	-	-	5,236,111	5,241,241
Operating grants and contributions	3,857,295	3,264,807	-	-	3,857,295	3,264,807
Capital grants and contributions	735,395	485,220	54,000	272,799	789,395	758,019
General revenues:						
Taxes	17,369,115	16,854,073	-	-	17,369,115	16,854,073
Investment income	686,172	605,431	-	-	686,172	605,431
Miscellaneous	171,764	91,164	-	-	171,764	91,164
Total revenues	28,145,852	26,541,936	54,000	272,799	28,199,852	26,814,735
Expenses						
General government	5,527,112	4,812,232	-	-	5,527,112	4,812,232
Public safety	7,388,465	7,791,052	-	-	7,388,465	7,791,052
Judicial	2,192,369	2,081,484	-	-	2,192,369	2,081,484
Highways and	8,948,239	8,789,144	-	-	8,948,239	8,789,144
Health and welfare	858,367	750,363	-	-	858,367	750,363
Education	160,930	157,093	-	-	160,930	157,093
Total expenses	25,075,482	24,381,368	-	-	25,075,482	24,381,368
Excess revenues before transfers	3,070,370	2,160,568	54,000	272,799	3,124,370	2,433,367
Transfers in (out)	272,996	-	(272,996)	-	-	-
Change in net assets	3,343,366	2,160,568	(218,996)	272,799	3,124,370	2,433,367
Beginning net assets	60,735,835	58,575,267	272,799	-	61,008,634	58,575,267
Ending net assets	$64,079,201	60,735,835	53,803	272,799	64,133,004	61,008,634

Significant Changes in Net Assets

The majority of this increase in net assets is the result of the state paying a larger share of their commitment to Franklin County operations which has replenished fund balances. Additional infrastructure investments have also increased net assets.

Significant Changes in Revenue

The state reassessment program requires updates every two years and 2003 was a reassessment year. Property tax valuations increased over 2002 by 6.4% due to a combination of new construction and updated values. This resulted in increased property tax revenues of $664,000 for 2003. In 2004, without reassessment, property taxes increased by $58,434 for a 1% increase.

Sales taxes for 2004 increased by $290,000 or 2.4% due to sales growth at existing retailers.

Intergovernmental revenue increased by $434,765 for federal road and bridge projects and was reduced by $46,404 due to less money from federal preparedness programs. State funding for prisoner per diem increased by $109,887 and the state assessment program funding was increased by $63,855. Both of these programs have been funded with County funds in 2003 when the state cut back on funding.

Charges for services increased due to increased fees for County programs with building permits up $54,237 and election fees up $65,675, offset by the recorder filing fee decreases of $218,425. Fees charged to other taxing districts for tax collection and assessments increased by $158,435 or 14% due to increased tax collections for those districts. The federal prisoner housing program has decreased from $910,000 in 1993 to $29,000 in 2004. The other counties in the St. Louis metropolitan area have added new detention facilities and the federal government has entered into funding agreements with them to help support their new additions, leaving Franklin County with a minor share of the Federal prisoner housing revenue.

Significant Changes in Expenses

Personal services was the largest increase in expense for 2004 increasing from $13,438,524 in 2003 to $14,265,609 in 2004. This is a change of $827,085 or 6.2%. Of this amount, all employees received a 2.6% raise totaling $251,516. Seven additional employees in the following departments added $175,751: County Clerk, Collector, Counselor 2, and Highway 3. Increased employee benefits of $388,351 and miscellaneous raises accounted for the balance of the change.

General Fund Budgetary Highlights - Final results for any given year will differ from the year's adopted budget. The final budget totals for the County's General Fund for 2004 increased by $1,000. There were adjustments between departments of $94,600. The General Fund ended the year with an operating surplus after transfers of $681,169. This is significantly more than the estimated deficit from the final revised budget as a result of certain increased revenues and controlling budgetary expenditures.

Significant Future Plans

The County has set aside $2,300,000 for additional detention facilities. Additional plans will provide more space for an administrative building with a contracted cost of $7,163,000, which is starting construction on July 11, 2005 and scheduled to be finished by August 2006. When the

administrative building is completed, a matching design judicial building will be built for an estimated cost of $7,500,000, with completion scheduled for late 2007. After these projects are completed, the present courthouse will be remodeled at an estimated cost of $2,000,000.

Franklin County has formed its first sewer district, the Brush Creek Sewer District, to provide central sewers in the eastern part of the County. The completion of construction will take place in the first quarter of 2006 with a completed cost of approximately $6,500,000. Limited startup operations of the sewer system should start in late 2005.

During 2005 the County plans to spend $4,529,000 for new road construction. The plan includes approximately 28 miles of asphalt overlay and 17 miles of road conversion to hard surface.

The County has received a federal grant of $114,000 to restart a multi-jurisdiction drug task force during 2005. Also, a drug preventative services grant has been renewed for 2005 for $246,000.

Capital Assets (net of depreciation)
December 31

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Land	$ 1,616,445	1,587,805	19,820	-	1,636,265	1,587,805
Construction in progress	494,993	785,769	1,348,478	272,799	1,843,471	1,058,568
Buildings and other improvements	5,091,054	5,271,553	-	-	5,091,054	5,271,553
Machinery, equipment, and vehicles	3,007,591	2,804,474	-	-	3,007,591	2,804,474
Furniture and office equipment	844,366	896,429	-	-	844,366	896,429
Infrastructure	29,398,968	28,047,295	-	-	29,398,968	28,047,295
Total	$40,453,417	39,393,325	1,368,298	272,799	41,821,715	39,666,124

Additional information on Franklin County's capital assets can be found in Note E on pages 65-67 of this report.

Requests for information

This financial report is designed to provide a general overview of Franklin County's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Ralph Sudholt, Franklin County Auditor, 300 East Main Street, Room 300, Union, MO 63084. Information can also be obtained at the County's web site www.franklinmo.org, and click on Auditor or by phone at (636) 583-6350.

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FRANKLIN COUNTY, MISSOURI
STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 22,060,077	180	22,060,257
Accounts receivable, net	2,437,439	-	2,437,439
Grants receivable	180,368	1,000	181,368
Property taxes receivable	459,498	-	459,498
Internal balances	1,105	(1,105)	-
Restricted assets:			
Cash	295,753	-	295,753
Long-term notes receivable	19,748	-	19,748
Capital assets:			
Land and construction in progress	2,111,438	1,368,298	3,479,736
Other capital assets, net of accumulated depreciation	38,341,979	-	38,341,979
Total Assets	65,907,405	1,368,373	67,275,778
LIABILITIES			
Accounts payable	523,765	246,740	770,505
Retainage payable	-	80,554	80,554
Wages payable	155,967	-	155,967
Due to other taxing districts	201,658	-	201,658
Unearned revenue	140,737	-	140,737
Noncurrent liabilities:			
Due within one year	614,136	987,276	1,601,412
Due in more than one year	191,941	-	191,941
Total Liabilities	1,828,204	1,314,570	3,142,774
NET ASSETS			
Invested in capital assets, net of related debt	40,453,417	381,022	40,834,439
Restricted for:			
Community development	514,880	-	514,880
Unemployment benefits	118,253	-	118,253
Road and bridge	3,238,892	-	3,238,892
Other purposes	2,083,207	-	2,083,207
Unrestricted	17,670,552	(327,219)	17,343,333
Total Net Assets	$ 64,079,201	53,803	64,133,004

See notes to financial statements

		Program Revenues			Net Revenues (Expenses) And Changes In Net Assets Primary Government		
FUNCTIONS/PROGRAMS	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities							
General government	$ 5,527,112	3,367,566	408,293	-	(1,751,253)	-	(1,751,253)
Public safety	7,388,465	1,142,431	283,741	59,863	(5,902,430)	-	(5,902,430)
Judicial	2,192,369	638,448	357,112	-	(1,196,809)	-	(1,196,809)
Highways and streets	8,948,239	-	2,322,144	675,532	(5,950,563)	-	(5,950,563)
Health and welfare	858,367	177,666	486,005	-	(194,696)	-	(194,696)
Education	160,930	-	-	-	(160,930)	-	(160,930)
Total Governmental Activities	25,075,482	5,326,111	3,857,295	735,395	(15,156,681)	-	(15,156,681)
Business-type Activities							
Sewer	-	-	-	54,000	-	54,000	54,000
Total Primary Government	$ 25,075,482	5,326,111	3,857,295	789,395	(15,156,681)	54,000	(15,102,681)
General Revenues							
Taxes:							
Sales tax					12,509,110	-	12,509,110
Property taxes					3,942,400	-	3,942,400
Other taxes					917,605	-	917,605
Investment income					686,172	-	686,172
Miscellaneous					171,764	-	171,764
Transfers					272,996	(272,996)	-
Total General Revenues And Transfers					18,500,047	(272,996)	18,227,051
CHANGES IN NET ASSETS					3,343,366	(218,996)	3,124,370
NET ASSETS, JANUARY 1					60,735,835	272,799	61,008,634
NET ASSETS, DECEMBER 31					$ 64,079,201	53,803	64,133,004

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	General	Road And Bridge	Law Enforcement Sales Tax	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 4,891,093	2,492,600	396,229	12,187,640	2,092,515	22,060,077
Accounts receivable	820,401	1,030,192	367,895	-	218,951	2,437,439
Grants receivable	95,060	48,866	36,442	-	-	180,368
Property taxes receivable	202,111	257,387	-	-	-	459,498
Due from other funds	-	-	-	-	1,105	1,105
Restricted assets:						
Cash	-	-	-	-	295,753	295,753
Long-term notes receivable	-	-	-	-	19,748	19,748
Total Assets	$ 6,008,665	3,829,045	800,566	12,187,640	2,628,072	25,453,988
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 190,967	182,623	100,954	-	49,221	523,765
Wages payable	54,242	30,930	58,855	-	11,940	155,967
Due to other taxing districts	-	201,658	-	-	-	201,658
Deferred revenue	329,980	174,942	-	-	-	504,922
Total Liabilities	575,189	590,153	159,809	-	61,161	1,386,312
Fund Balances						
Reserved for:						
Unemployment benefits	-	-	-	-	118,253	118,253
Long-term receivables - other	-	-	-	-	15,500	15,500
Long-term receivables - Economic Development Administration	-	-	-	-	4,248	4,248
Economic Development Administration proceeds	-	-	-	-	177,500	177,500
Unreserved:						
Designated for jail facility	-	-	-	2,378,588	-	2,378,588
Designated for office building	-	-	-	9,809,052	-	9,809,052
Undesignated reported in:						
General Fund	5,433,476	-	-	-	-	5,433,476
Special Revenue Funds	-	3,238,892	640,757	-	2,251,410	6,131,059
Total Fund Balances	5,433,476	3,238,892	640,757	12,187,640	2,566,911	24,067,676
Total Liabilities And Fund Balances	$ 6,008,665	3,829,045	800,566	12,187,640	2,628,072	25,453,988

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2004

Total Fund Balances - Governmental Funds	$ 24,067,676
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $75,324,507 and the accumulated depreciation is $34,871,090.	40,453,417
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	364,185
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Compensated absences	(806,077)
Net Assets Of Governmental Activities	$ 64,079,201

See notes to financial statements

FRANKLIN COUNTY, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2004

	General	Road And Bridge	Law Enforcement Sales Tax	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 6,995,400	9,466,875	2,497,142	-	708,640	19,668,057
Licenses and permits	71,483	-	-	-	-	71,483
Charges for services	3,264,037	-	1,119,064	-	871,527	5,254,628
Intergovernmental	1,089,163	675,532	79,942	-	425,909	2,270,546
Investment income	189,715	55,910	1,149	384,571	54,827	686,172
Miscellaneous	136,494	25,725	6,592	-	2,953	171,764
Total Revenues	11,746,292	10,224,042	3,703,889	384,571	2,063,856	28,122,650
EXPENDITURES						
Current:						
General government	3,913,409	-	-	-	974,343	4,887,752
Public safety	181,945	-	6,719,434	-	658,313	7,559,692
Judicial	2,020,161	-	-	-	118,385	2,138,546
Highways and streets	-	5,444,485	-	-	-	5,444,485
Health and welfare	841,441	-	-	-	-	841,441
Education	159,817	-	-	-	-	159,817
Capital outlay	759,748	4,448,186	61,571	-	71,284	5,340,789
Total Expenditures	7,876,521	9,892,671	6,781,005	-	1,822,325	26,372,522
REVENUES OVER (UNDER) EXPENDITURES	3,869,771	331,371	(3,077,116)	384,571	241,531	1,750,128
OTHER FINANCING SOURCES (USES)						
Transfers in	300,900	-	3,227,502	-	534,996	4,063,398
Transfers out	(3,489,502)	-	-	-	(300,900)	(3,790,402)
Total Other Financing Sources (Uses)	(3,188,602)	-	3,227,502	-	234,096	272,996
NET CHANGES IN FUND BALANCES	681,169	331,371	150,386	384,571	475,627	2,023,124
FUND BALANCES, JANUARY 1	4,752,307	2,907,521	490,371	11,803,069	2,091,284	22,044,552
FUND BALANCES, DECEMBER 31	$ 5,433,476	3,238,892	640,757	12,187,640	2,566,911	24,067,676

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Net Change In Fund Balances - Governmental Funds	$ 2,023,124
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation ($5,154,671) exceeded capital outlays over the capitalization threshold ($6,247,402) in the current period.	1,092,731
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	23,202
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(32,639)
Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available.	
Accrued compensated absence liability	36,948
Accrued claims regarding accrued vacation	200,000
Change In Net Assets Of Governmental Activities	$ 3,343,366

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
STATEMENT OF NET ASSETS - PROPRIETARY FUND
DECEMBER 31, 2004

	Business-type Activities - Enterprise Fund Brush Creek Sewer District
ASSETS	
Current Assets	
Cash	$ 180
Grants receivable	1,000
Total Current Assets	1,180
Noncurrent Assets	
Capital assets:	
Other capital assets, net of accumulated depreciation	1,368,298
Total Assets	1,369,478
LIABILITIES	
Current Liabilities	
Accounts payable	246,740
Retainage payable	80,554
Due to other funds	1,105
Loan payable	987,276
Total Current Liabilities	1,315,675
NET ASSETS	
Invested in capital assets, net of related debt	381,022
Unrestricted	(327,219)
Total Net Assets	$ 53,803

See notes to financial statements

FRANKLIN COUNTY, MISSOURI

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-type Activities - Enterprise Fund Brush Creek Sewer District
NONOPERATING REVENUES	
Intergovernmental revenue	$ 54,000
OTHER FINANCING USES	
Transfers out	(272,996)
CHANGE IN NET ASSETS	(218,996)
NET ASSETS, JANUARY 1	272,799
NET ASSETS, DECEMBER 31	$ 53,803

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-type Activities - Enterprise Fund Brush Creek Sewer District
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows used in noncapital financing activities:	
Transfer out	$ (272,996)
Due to other funds	1,105
Net Cash Used In Noncaptial Financing Activities	(271,891)
Cash flows from capital and related financing activities:	
Intergovernmental revenue	53,000
Proceeds from loan payable	987,276
Acquisition and construction of capital assets	(768,205)
Net Cash Provided By Capital And Related Financing Activities	272,071
NET INCREASE IN CASH AND CASH EQUIVALENTS	180
CASH AND CASH EQUIVALENTS, JANUARY 1	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 180

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2004

	Agency Funds
ASSETS	
Cash	$ 59,948,415
Accounts receivable	11,400
Total Assets	$ 59,959,815
LIABILITIES	
Due to others	$ 926,115
Due to other taxing districts	59,033,700
Total Liabilities	$ 59,959,815

See notes to financial statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FRANKLIN COUNTY, MISSOURI (the County) is a first class county.

The financial statements of the County have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below:

1. Reporting Entity

The financial statements of the County include the financial activities of the County and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14. The County is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the County appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the County.

Blended Component Unit. The Brush Creek Sewer District (the District) serves citizens of the County and is governed by a board comprised of the County Commission. The bond issuance authorizations are approved by the County Commission. The District is reported as an Enterprise Fund.

2. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences claims and judgments are recorded only when payment is due. Also, the liability to other districts is not recorded until money is received.

Property taxes, intergovernmental revenues, and investment income 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. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

Road and Bridge Fund -- The Road and Bridge Fund is a Special Revenue Fund used to account for public works activities for the operations and maintenance of the County highways and bridges.

Law Enforcement Sales Tax Fund -- The Law Enforcement Sales Tax Fund is a Special Revenue Fund used to account for revenues used solely for providing law enforcement services.

Capital Projects Fund -- The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The City reports the following major proprietary funds:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Brush Creek Sewer District Fund -- The Brush Creek Sewer District Fund is an Enterprise Fund that is a blended component unit of the County used to account for revenues used solely in the construction of Brush Creek sewer lines.

Additionally, the County reports the following fiduciary fund type:

Agency Funds - Agency Funds are used to account for assets held by the County as an agent for other County funds, individuals, private organizations, or other governments. Agency funds do not have a measurement focus, although they do have a basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and Enterprise Funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 expense from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation.

The principal operating revenues of the Brush Creek Sewer District Fund and Enterprise Fund are charges to customers for sales and services. Operating expenses for Enterprise Fund include the costs 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.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Cash

The County invests all pooled temporary cash surpluses in certificates of deposit with the County depository bank as authorized by Missouri state statute. These are combined for financial reporting purposes with cash.

5. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of more than $100 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Also, the County does not capitalize software.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Assets	Years
Buildings and other improvements	50
Machinery, equipment, and vehicles	5 - 10
Furniture and office equipment	5 - 10
Infrastructure	3 - 50

6. Restricted Assets

Certain resources set aside for unemployment benefits and economic development loans are classified as restricted assets on the balance sheet because their use is limited by the state and loan agreement, respectively.

7. Compensated Absences

The County allows employees to accumulate vacation and sick leave within certain limitations. Upon termination, vacation is paid to the employee at the total maximum number of days carried over plus days earned since the most recent anniversary date and employees hired prior to January 1, 2000 who have worked 10 or more years will be paid sick leave up to one month's pay.

The entire compensated absences is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in General Fund and Special

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Compensated Absences (Continued)

Revenue Funds - Law Enforcement Sales Tax, Assessment, and Road and Bridge only if they have matured, for example, as a result of employee resignations and retirements.

8. Property Tax Revenue

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 is subject to penalties. The County bills and collects its own property taxes and also taxes for most other local governments within the County. Collections for other governments and remittance of them to those governments are accounted for in various Agency Funds.

Property tax revenue is recognized to the extent it is collected within 60 days after year-end in the fund financial statements. Property taxes not collected within 60 days of year-end are deferred for fund financial statements but are recognized as revenue in the government-wide financial statements.

9. Inventories

Inventories of supplies are not recorded at December 31, 2004. Purchases of all supplies are recorded as expenditures at the time of purchase.

10. Allowance for Doubtful Accounts

No significant uncollectible receivables have been estimated, therefore, no allowance for doubtful accounts has been recorded.

11. Interfund Transactions

In the fund financial statements, the County has the following types of transactions among funds:

Transfers - Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

12. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Deferred Revenues

The County reports deferred revenues for property tax and health department receivables. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has a legal claim to them. In subsequent periods, when both the revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

14. Grant Revenue

Resources received by the County from other governments are accounted for within applicable funds based on the purpose and requirements of each grant. Revenues are recognized on an accounting basis consistent with the fund's measurement objective.

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as deferred revenue or amounts receivable from the grantor.

15. Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

NOTE B - CASH AND INVESTMENTS

The County's bank deposits are required by state law to be secured by the deposit of certain securities specified by RSMo 30.270 with the County or trustee institutions. The value of the securities must amount to the total of the County's cash not insured by the Federal Deposit Insurance Corporation. As of December 31, 2004, the County's bank balances were entirely secured or collateralized with securities held by the County or by its agent in the County's name.

Missouri state statutes authorize the County to invest in obligations or guaranteed obligations of the United States and its agencies, obligations of the State of Missouri and its agencies, bonds of any Missouri city having a population of not less than two thousand, bonds of any Missouri county, approved registered bonds of any Missouri school district or special road district, bonds of any state, obligations of Federal banks, bonds of any political subdivision established under the provisions of Section 30, Article VI, of the Constitution of Missouri, and tax anticipation notes issued by any first class county. As of December 31, 2004, the County does not have any investments.

NOTE C - LONG-TERM DEBT

The County has a short-term construction loan payable for Brush Creek Sewer District. The balance as of December 31, 2004 is $987,276. The interest rate is 3.5%

The following is a summary of the changes in the County's long-term debt:

	For The Year Ended December 31, 2004				
	Balance December 31 2003	Additions	Reductions	Balance December 31 2004	Amounts Due Within One Year
Business-type Activities:					
Loan payable	$ -	987,276	-	987,276	987,276
Governmental Activities:					
Compensated absences payable	$ 843,025	561,621	598,569	806,077	614,136
Lawsuit contingency	200,000	-	200,000	-	-
Governmental Activity Long-Term Liabilities	$1,043,025	561,621	798,569	806,077	614,136

Compensated absences are generally liquidated by the General Fund.

NOTE D - COMMITMENTS AND CONTINGENCIES

The County is a member of the Missouri Public Entity Risk Management Fund (MOPERM), which is a public entity risk pool for general liability, law enforcement liability, public officials errors and omission, and automobile liability. The County's insurance coverage with MOPERM for each category of risk is in the amount of $2 million per occurrence. The County pays an annual contribution to MOPERM for its insurance coverage. Should the contributions received not produce sufficient funds to meet obligations, MOPERM is empowered to make special assessments. Members of MOPERM are jointly and severally liable for all claims against MOPERM. Settled claims have not exceeded the County's commercial coverages in any of the past three fiscal years.

It is the opinion of the County Commission that the outcome of various claims and legal actions presently pending against the County, some of which seek substantial amounts, will not have a material effect on the financial statements.

At December 31, 2004, the County had commitments for construction contract expenditures in the amount of $3,689,302 and equipment in the amount of $407,318.

NOTE E - CAPITAL ASSETS

Capital asset activity was as follows:

	For The Year Ended December 31, 2004			
	Balance December 31 2003	Additions	Transfers And Deletions	Balance December 31 2004
Governmental Activities				
Capital assets not being depreciated:				
Land and right of ways	$ 1,587,805	28,640	-	1,616,445
Construction-in-progress	785,769	311,554	602,330	494,993
Total Capital Assets Not Being Depreciated	2,373,574	340,194	602,330	2,111,438
Capital assets being depreciated:				
Buildings and other improvements	9,290,372	-	-	9,290,372
Machinery, equipment, and vehicles	7,280,394	988,672	466,256	7,802,810
Furniture and office equipment	3,212,511	270,971	76,239	3,407,243
Infrastructure	47,462,749	5,249,895	-	52,712,644
Total Capital Assets Being Depreciated	67,246,026	6,509,538	542,495	73,213,069
Less - Accumulated depreciation for:				
Buildings and other improvements	4,018,819	180,499	-	4,199,318
Machinery, equipment, and vehicles	4,475,920	761,728	442,429	4,795,219
Furniture and office equipment	2,316,082	314,222	67,427	2,562,877
Infrastructure	19,415,454	3,898,222	-	23,313,676
Total Accumulated Depreciation	30,226,275	5,154,671	509,856	34,871,090
Total Capital Assets Being Depreciated, Net	37,019,751	1,354,867	32,639	38,341,979
Governmental Activities Capital Assets, Net	$39,393,325	1,695,061	634,969	40,453,417
Business-type Activities				
Capital assets not being depreciated:				
Land	$ -	19,820	-	19,820
Construction-in-progress	272,799	1,075,679	-	1,348,478
Total Capital Assets Not Being Depreciated	$272,799	1,095,499	-	1,368,298

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

NOTE E - CAPITAL ASSETS (Continued)

	For The Year Ended December 31 2004
Governmental activities:	
General government	$ 317,251
Public safety	401,496
Judicial	57,614
Health and welfare	7,950
Education	1,113
Road and bridge	4,369,247
	$5,154,671

NOTE F - EMPLOYEES' PENSION PLAN

1. Plan Description

The County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Missouri state statute, Section RSMo 70.600 - 70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

2. Funding Policy

The County's full-time employees do not contribute to the pension plan. The County is required by Missouri state statute to contribute at an actuarially determined rate; the current rate is 14.8% (general) and 14.8% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the County. The contribution provisions of the County are established by Missouri state statute.

NOTE F - EMPLOYEES' PENSION PLAN (Continued)

3. Annual Pension Cost

For the plan year ended June 30, 2004, the County's annual pension cost of $1,248,245 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2002 and/or 2003 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; b) projected salary increases of 4% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 4.2% per year, depending on age, attributable to seniority/merit; d) pre-retirement mortality based on the 1983 Group Annuity Mortality table; and e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2004 was 15 years.

Three-year trend information follows:

For The Plan Years Ended June 30	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
2004	$1,248,245	100%	$ -
2003	1,185,663	100	-
2002	1,160,141	100	-

Schedule of funding progress follows:

For The Actuarial Valuation Years Ended February 28/29	Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded AAL
2004	$18,717,945	$21,684,911	($2,966,966)
2003	17,685,462	20,580,358	(2,894,896)
2002	16,466,093	18,278,678	(1,812,585)

NOTE F - EMPLOYEES' PENSION PLAN (Continued)

3. Annual Pension Cost (Continued)

For The Actuarial Valuation Years Ended February 28/29	Funded Ratio	Annual Covered Payroll	Unfunded AAL As A Percentage Of Covered Payroll
2004	86%	$8,877,139	33%
2003	86	8,437,651	34
2002	90	7,779,705	23

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2002 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS' office in Jefferson City.

NOTE G - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with GASB Statement No. 32, *Deferred Compensation Plans*, the County does not report the assets and associated liabilities within their financial statements as the deferred compensation plan is now a trust fund whose assets are not held by the County in a fiduciary capacity.

NOTE H - UNRESTRICTED NET ASSET DEFICIT

The government-wide statement of net assets reflects an unrestricted net asset deficit of ($327,219) in the Enterprise Fund - Brush Creek Sewer District.

NOTE I - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

NOTE I - INTERFUND TRANSACTIONS (Continued)

NOTE I - INTERFUND TRANSACTIONS (Continued)

Transfer In	Transfer Out	For The Year Ended December 31 2004
General Fund	Nonmajor fund - Community Development	$ 236,158
General Fund	Nonmajor fund - Collector's Tax Maintenance	28,944
General Fund	Nonmajor fund - Prosecuting Attorney Bad Check	35,798
Major fund - Law Enforcement Sales Tax	General Fund	3,227,502
Nonmajor fund - Assessment	General Fund	192,000
Nonmajor fund - Community Development	Enterprise Fund	272,996
Nonmajor fund - Family Access	General Fund	70,000
		$4,063,398

NOTE J - SUBSEQUENT EVENT

On June 1, 2005 the County issued $6,910,000 of certificates of participation, Series 2005 to finance new administrative office building. The interest rate ranges from 2.89% through 4.42% and the maturity date is June 1, 2030.

NOTE K - PRIOR PERIOD ADJUSTMENT

The previously stated fund balances/net assets have been adjusted as follows:

	General Fund	Road And Bridge Fund	Governmental Fund Types	Business-type Activities Brush Creek Sewer District
Fund balances/net assets, December 31, 2003, as previously reported	$4,796,424	2,954,782	60,727,417	-
Restatement for:				
Capital assets	-	-	99,796	272,799
Taxes receivable	-	(47,261)	(47,261)	-
Deferred revenue	(44,117)	-	(44,117)	-
Fund Balances/Net Assets, December 31, 2003, As Restated	$4,752,307	2,907,521	60,735,835	272,799

REQUIRED SUPPLEMENTAL INFORMATION SECTION

FRANKLIN COUNTY, MISSOURI

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	$ 6,861,207	6,861,207	6,995,400	134,193
Licenses and permits	61,100	61,100	71,483	10,383
Charges for services	3,081,560	3,082,560	3,264,037	181,477
Intergovernmental	959,848	959,848	1,089,163	129,315
Investment income	45,175	45,175	189,715	144,540
Miscellaneous	72,721	72,721	136,494	63,773
Total Revenues	11,081,611	11,082,611	11,746,292	663,681
EXPENDITURES				
Current:				
General government:				
County commission	268,137	268,137	243,234	(24,903)
County clerk	349,163	349,163	342,181	(6,982)
County treasurer	98,527	98,527	89,260	(9,267)
County auditor	129,736	129,736	125,143	(4,593)
County collector	437,211	437,211	400,451	(36,760)
County counselor	59,941	81,441	81,354	(87)
Memberships	33,000	36,000	35,427	(573)
Courthouse maintenance	334,471	334,471	313,202	(21,269)
Employee benefits	175,000	210,000	200,073	(9,927)
Recorder	470,312	470,312	442,466	(27,846)
Miscellaneous	335,923	241,323	139,919	(101,404)
Registration and elections	434,560	462,560	448,355	(14,205)
Building permits and inspections	552,153	552,153	545,419	(6,734)
Planning and zoning department	277,195	277,195	175,911	(101,284)
Information technology	513,121	513,121	413,090	(100,031)
Capital improvements	460,000	460,000	430,449	(29,551)
Total General Government	4,928,450	4,921,350	4,425,934	(495,416)
Public safety:				
Emergency management	444,488	444,488	311,881	(132,607)

(Continued)

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Judicial:				
Circuit court - Division I and II	143,350	143,350	101,978	(41,372)
Court reporter - Division I and II	5,150	5,150	4,981	(169)
Drug court	-	5,800	5,685	(115)
Circuit court - Division V	18,250	18,250	9,713	(8,537)
Circuit court - Division VI	31,400	31,400	19,073	(12,327)
Circuit court - Division VII	18,600	19,900	19,793	(107)
Circuit clerk	50,100	50,100	27,545	(22,555)
Prosecuting attorney	1,091,149	1,091,149	1,064,006	(27,143)
Juvenile office	273,016	273,016	288,332	15,316
Public administrator	94,490	94,490	91,519	(2,971)
Juvenile detention center	159,060	159,060	96,029	(63,031)
Youth services	87,053	87,053	82,164	(4,889)
Child support	326,024	326,024	310,605	(15,419)
Total Judicial	2,297,642	2,304,742	2,121,423	(183,319)
Health and welfare:				
Program costs	717,783	717,783	701,130	(16,653)
Medical examiner	150,491	150,491	147,636	(2,855)
Indigent care	9,000	9,000	8,700	(300)
Total Health And Welfare	877,274	877,274	857,466	(19,808)
Education:				
Extension office	145,978	145,978	145,967	(11)
Soil conservation	13,850	13,850	13,850	-
Total Education	159,828	159,828	159,817	(11)
Total Expenditures	8,707,682	8,707,682	7,876,521	(831,161)

(Continued)

FRANKLIN COUNTY, MISSOURI

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued) FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES OVER EXPENDITURES	2,373,929	2,374,929	3,869,771	1,494,842
OTHER FINANCING SOURCES (USES)				
Transfers in	419,018	418,018	300,900	(117,118)
Transfers out	(3,704,538)	(3,704,538)	(3,489,502)	215,036
Total Other Financing Sources (Uses)	(3,285,520)	(3,286,520)	(3,188,602)	97,918
NET CHANGE IN FUND BALANCE	$ (911,591)	(911,591)	681,169	1,592,760
FUND BALANCE, JANUARY 1			4,752,307	
FUND BALANCE, DECEMBER 31			$ 5,433,476	

FRANKLIN COUNTY, MISSOURI

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ROAD AND BRIDGE SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	$ 9,034,438	9,466,875	432,437
Intergovernmental	1,463,255	675,532	(787,723)
Investment income	65,500	55,910	(9,590)
Miscellaneous	5,000	25,725	20,725
Total Revenues	10,568,193	10,224,042	(344,151)
EXPENDITURES			
Current:			
Highways and streets	5,377,964	5,444,485	66,521
Capital outlay	5,411,833	4,448,186	(963,647)
Total Expenditures	10,789,797	9,892,671	(897,126)
NET CHANGE IN FUND BALANCE	$ (221,604)	331,371	552,975
FUND BALANCE, JANUARY 1		2,907,521	
FUND BALANCE, DECEMBER 31		$ 3,238,892	

FRANKLIN COUNTY, MISSOURI

REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LAW ENFORCEMENT SALES TAX SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	$ 2,405,000	2,405,000	2,497,142	92,142
Charges for services	728,800	863,800	1,119,064	255,264
Intergovernmental	63,600	63,600	79,942	16,342
Investment income	2,000	2,000	1,149	(851)
Miscellaneous	-	-	6,592	6,592
Total Revenues	3,199,400	3,334,400	3,703,889	369,489
EXPENDITURES				
Current:				
Public safety	6,612,939	6,747,939	6,719,434	(28,505)
Capital outlay	132,000	132,000	61,571	(70,429)
Total Expenditures	6,744,939	6,879,939	6,781,005	(98,934)
REVENUES OVER (UNDER) EXPENDITURES	(3,545,539)	(3,545,539)	(3,077,116)	468,423
OTHER FINANCING USES				
Transfers in	3,292,502	3,292,502	3,227,502	(65,000)
NET CHANGE IN FUND BALANCE	$ (253,037)	(253,037)	150,386	403,423
FUND BALANCE, JANUARY 1			490,371	
FUND BALANCE, DECEMBER 31			$ 640,757	

Budgets

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental funds. Encumbrances are considered for reappropriation in the ensuing year's budget.

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

a. The County department heads prepare departmental revenue and expenditure projections on or before September 1.
b. The County Auditor reviews and revises the projections based upon budgeted revenue projections.
c. By November 15, the County Auditor submits a proposed budget to the County Commission.
d. A public hearing to obtain taxpayer comments on the budget is held by the County Commission during the month of December.
e. Prior to January 1, the budget is legally enacted. In an election year, the budget is legally enacted prior to January 31. Projected expenditures cannot exceed estimated revenues plus available balances at the beginning of the year.
f. Expenditures may not legally exceed appropriations at the department level.
g. Current year budget includes amendments. Budget amendments between funds or departments must be approved by the County Commission.
h. All annual appropriations lapse at fiscal year-end.

OTHER SUPPLEMENTAL INFORMATION SECTION

CAPITAL PROJECTS MAJOR FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	$ 390,000	390,000	384,571	(5,429)
EXPENDITURES				
Current:				
General government	125,000	77,885	-	(77,885)
Capital outlay	9,720,256	9,720,256	-	(9,720,256)
Total Expenditures	9,845,256	9,798,141	-	(9,798,141)
REVENUES OVER (UNDER) EXPENDITURES	(9,455,256)	(9,408,141)	384,571	9,792,712
OTHER FINANCING USES				
Transfers out	(65,000)	(65,000)	-	65,000
NET CHANGE IN FUND BALANCE	$ (9,520,256)	(9,473,141)	384,571	9,857,712
FUND BALANCE, JANUARY 1			11,803,069	
FUND BALANCE, DECEMBER 31			$ 12,187,640	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of special revenue sources (other than special assessment, expendable trusts, or major capital projects) that are legally restricted to expenditures for special purposes.

Assessment - This fund accounts for the activities of the assessor's department.

Community Development - This fund is established for the various Community Development Block programs and other economic development projects.

Law Enforcement Training - This fund is used to account for revenues which are used for law enforcement training.

County-Wide 911 System - This fund is used to account for revenues which are used for 911 emergency telephone services.

Record Preservation - This fund is used to account for fees collected for preservation of the recorder's records.

Family Access - This fund is used to account for fees collected to defray the costs associated with family access motions.

Prosecuting Attorney Bad Check - This fund is used to account for fees collected for bad checks received by the prosecuting attorney's office.

Collector's Tax Maintenance - This fund is used to account for fees collected for purchases of supplies and equipment or any other collector's office expenses.

Election Services - This fund is used to account for fees collected for purchases of supplies and equipment and training to improve conduct of election.

	Assessment	Community Development	Law Enforcement Training
ASSETS			
Cash	$ 241,651	316,527	47,697
Accounts receivable	66,496	-	2,040
Due from other funds	-	1,105	-
Restricted assets:			
Cash	118,253	177,500	-
Long-term notes receivable	-	19,748	-
Total Assets	$ 426,400	514,880	49,737
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 8,287	-	79
Wages payable	9,025	-	-
Total Liabilities	17,312	-	79
Fund Balance			
Reserved for:			
Unemployment benefits	118,253	-	-
Long-term receivables - other	-	15,500	-
Long-term receivables - Economic Development Administration	-	4,248	-
Economic Development Administration proceeds	-	177,500	-
Unreserved:			
Special Revenue Funds	290,835	317,632	49,658
Total Fund Balances	409,088	514,880	49,658
Total Liabilities And Fund Balances	$ 426,400	514,880	49,737

County-Wide 911 System	Record Preservation	Family Access	Prosecuting Attorney Bad Check	Collector's Tax Maintenance	Election Services	Total
860,623	249,782	59,024	175,142	74,795	67,274	2,092,515
130,051	-	6,350	-	-	14,014	218,951
-	-	-	-	-	-	1,105
-	-	-	-	-	-	295,753
-	-	-	-	-	-	19,748
990,674	249,782	65,374	175,142	74,795	81,288	2,628,072
12,974	3,000	24,292	589	-	-	49,221
2,915	-	-	-	-	-	11,940
15,889	3,000	24,292	589	-	-	61,161
-	-	-	-	-	-	118,253
-	-	-	-	-	-	15,500
-	-	-	-	-	-	4,248
-	-	-	-	-	-	177,500
974,785	246,782	41,082	174,553	74,795	81,288	2,251,410
974,785	246,782	41,082	174,553	74,795	81,288	2,566,911
990,674	249,782	65,374	175,142	74,795	81,288	2,628,072

	Assessment	Community Development	Law Enforcement Training
REVENUES			
Taxes	$ -	-	-
Charges for services	481,715	200	23,367
Intergovernmental	394,279	-	17,616
Investment income	4,813	10,256	1,137
Miscellaneous	2,953	-	-
Total Revenues	883,760	10,456	42,120
EXPENDITURES			
Current:			
General government	869,826	-	-
Public safety	-	-	31,00
Judicial	-	-	-
Capital outlay	23,675	-	-
	893,501	-	31,00
REVENUES OVER (UNDER) EXPENDITURES	(9,741)	10,456	11,119
OTHER FINANCING SOURCES (USES)			
Transfers in	192,000	272,996	-
Transfers out	-	(236,158)	-
Total Other Financing Sources (Uses)	192,000	36,838	-
NET CHANGES IN FUND BALANCES	182,259	47,294	11,119
FUND BALANCES, JANUARY 1	226,829	467,586	38,539
FUND BALANCES, DECEMBER 31	$ 409,088	514,880	49,658

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2004

County-Wide 911 System	Record Preservation	Family Access	Prosecuting Attorney Bad Check	Collector's Tax Maintenance	Election Services	Total
708,640	-	-	-	-	-	708,640
6,559	113,365	39,754	49,152	139,512	17,903	871,527
-	-	-	-	-	14,014	425,909
23,810	5,629	-	5,717	1,840	1,625	54,827
-	-	-	-	-	-	2,953
739,009	118,994	39,754	54,869	141,352	33,542	2,063,856
-	33,063	-	-	67,770	3,684	974,343
627,312	-	-	-	-	-	658,313
-	-	99,110	19,275	-	-	118,385
4,644	28,719	-	561	13,685	-	71,284
631,956	61,782	99,110	19,836	81,455	3,684	1,822,325
107,053	57,212	(59,356)	35,033	59,897	29,858	241,531
-	-	70,000	-	-	-	534,996
-	-	-	(35,798)	(28,944)	-	(300,900)
-	-	70,000	(35,798)	(28,944)	-	234,096
107,053	57,212	10,644	(765)	30,953	29,858	475,627
867,732	189,570	30,438	175,318	43,842	51,430	2,091,284
974,785	246,782	41,082	174,553	74,795	81,288	2,566,911

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ASSESSMENT SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	$ 357,500	481,715	124,215
Intergovernmental	330,430	394,279	63,849
Investment income	-	4,813	4,813
Miscellaneous	-	2,953	2,953
Total Revenues	687,930	883,760	195,830
EXPENDITURES			
Current:			
General government	897,858	869,826	(28,032)
Capital outlay	27,000	23,675	(3,325)
Total Expenditures	924,858	893,501	(31,357)
REVENUES OVER (UNDER) EXPENDITURES	(236,928)	(9,741)	227,187
OTHER FINANCING SOURCES			
Transfers in	192,000	192,000	-
NET CHANGE IN FUND BALANCE	$ (44,928)	182,259	227,187
FUND BALANCE, JANUARY 1		226,829	
FUND BALANCE, DECEMBER 31		$ 409,088	

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	$ -	200	200
Intergovernmental	4,000,000	-	(4,000,000)
Investment income	5,500	10,256	4,756
Total Revenues	4,005,500	10,456	(3,995,244)
EXPENDITURES			
Current:			
General government	4,000,000	-	(4,000,000)
REVENUES OVER (UNDER) EXPENDITURES	5,500	10,456	4,756
OTHER FINANCING SOURCES			
Transfers in	-	272,996	272,996
Transfers out	-	(236,158)	(236,158)
Total Other Financing Sources (Uses)	-	36,838	36,838
NET CHANGE IN FUND BALANCE	$ 5,500	47,294	41,594
FUND BALANCE, JANUARY 1		467,586	
FUND BALANCE, DECEMBER 31		$ 514,880	

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LAW ENFORCEMENT TRAINING SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	$ 20,000	23,367	3,367
Intergovernmental	-	17,616	17,616
Investment income	1,000	1,137	137
Total Revenues	21,000	42,120	21,120
EXPENDITURES			
Current:			
Public safety	41,668	31,001	(10,667)
NET CHANGE IN FUND BALANCE	$ (20,668)	11,119	31,787
FUND BALANCE, JANUARY 1		38,539	
FUND BALANCE, DECEMBER 31		$ 49,658	

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COUNTY-WIDE 911 SYSTEM SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	$ 610,000	708,640	98,640
Charges for services	-	6,559	6,559
Investment income	25,000	23,810	(1,190)
Total Revenues	635,000	739,009	104,009
EXPENDITURES			
Current:			
Public safety	717,240	627,312	(89,928)
Capital outlay	62,000	4,644	(57,356)
Total Expenditures	779,240	631,956	(147,284)
NET CHANGE IN FUND BALANCE	$ (144,240)	107,053	251,293
FUND BALANCE, JANUARY 1		867,732	
FUND BALANCE, DECEMBER 31		$ 974,785	

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - RECORD PRESERVATION SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	$ 155,000	113,365	(41,635)
Investment income	2,000	5,629	3,629
Total Revenues	157,000	118,994	(38,006)
EXPENDITURES			
Current:			
General government	230,544	33,063	(197,481)
Capital outlay	65,000	28,719	(36,281)
Total Expenditures	295,544	61,782	(233,762)
REVENUES OVER (UNDER) EXPENDITURES	(138,544)	57,212	195,756
OTHER FINANCING USES			
Transfers out	(17,726)	-	17,726
NET CHANGE IN FUND BALANCE	$ (156,270)	57,212	213,482
FUND BALANCE, JANUARY 1		189,570	
FUND BALANCE, DECEMBER 31		$ 246,782	

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FAMILY ACCESS SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Charges for services	$ 56,500	56,500	39,754	(16,746)
EXPENDITURES				
Current:				
Judicial	385,470	367,974	99,110	(268,864)
Capital outlay	4,000	4,000	-	(4,000)
Total Expenditures	389,470	371,974	99,110	(272,864)
REVENUES OVER (UNDER) EXPENDITURES	(332,970)	(315,474)	(59,356)	256,118
OTHER FINANCING SOURCES				
Transfers in	285,036	285,036	70,000	(215,036)
NET CHANGE IN FUND BALANCE	$ (47,934)	(30,438)	10,644	41,082
FUND BALANCE, JANUARY 1			30,438	
FUND BALANCE, DECEMBER 31			$ 41,082	

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PROSECUTING ATTORNEY BAD CHECK SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	$ 45,000	49,152	4,152
Investment income	3,000	5,717	2,717
Total Revenues	48,000	54,869	6,869
EXPENDITURES			
Current:			
Judicial	102,081	19,275	(82,806)
Capital outlay	8,000	561	(7,439)
Total Expenditures	110,081	19,836	(90,245)
REVENUES OVER (UNDER) EXPENDITURES	(62,081)	35,033	97,114
OTHER FINANCING USES			
Transfers out	(79,000)	(35,798)	43,202
NET CHANGE IN FUND BALANCE	$ (141,081)	(765)	140,316
FUND BALANCE, JANUARY 1		175,318	
FUND BALANCE, DECEMBER 31		$ 174,553	

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COLLECTOR'S TAX MAINTENANCE SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Charges for services	$ 120,000	120,000	139,512	19,512
Investment income	2,000	2,000	1,840	(160)
Total Revenues	122,000	122,000	141,352	19,352
EXPENDITURES				
Current:				
General government	84,000	78,482	67,770	(10,712)
Capital outlay	47,360	47,360	13,685	(33,675)
Total Expenditures	131,360	125,842	81,455	(44,387)
REVENUES OVER (UNDER) EXPENDITURES	(9,360)	(3,842)	59,897	63,739
OTHER FINANCING USES				
Transfers out	(40,000)	(40,000)	(28,944)	11,056
NET CHANGE IN FUND BALANCE	$ (49,360)	(43,842)	30,953	74,795
FUND BALANCE, JANUARY 1			43,842	
FUND BALANCE, DECEMBER 31			$ 74,795	

FRANKLIN COUNTY, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ELECTION SERVICES SPECIAL REVENUE FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	$ 14,000	17,903	3,903
Intergovernmental	-	14,014	14,014
Investment income	400	1,625	1,225
Total Revenues	14,400	33,542	19,142
EXPENDITURES			
Current:			
General government	4,298	3,684	(614)
Capital outlay	59,000	-	(59,000)
Total Expenditures	63,298	3,684	(59,614)
NET CHANGE IN FUND BALANCE	$ (48,898)	29,858	78,756
FUND BALANCE, JANUARY 1		51,430	
FUND BALANCE, DECEMBER 31		$ 81,288	

AGENCY FUNDS

Agency Funds account for assets held by the County as an agent for other County funds, individuals, private organizations, or other governments.

Various Departments and County Offices - These funds account for the collection and distribution of monies collected on behalf of the State of Missouri, other political subdivisions, and the County.

	Treasurer	Collector	Sheriff
ASSETS			
Cash	$ 1,131,175	58,433,145	13,354
Accounts receivable	-	-	-
Total Assets	$ 1,131,175	58,433,145	13,354
LIABILITIES			
Due to others	$ 57,769	510,883	13,354
Due to other taxing districts	1,073,406	57,922,262	-
Total Liabilities	$ 1,131,175	58,433,145	13,354

County Clerk	Prosecuting Attorney	Recorder Of Deeds	Criminal Activity Forfeiture Act	Building Department	Sheriff Commissary	Totals
81	60,656	37,992	28,987	232,096	10,929	59,948,415
-	-	11,400	-	-	-	11,400
81	60,656	49,392	28,987	232,096	10,929	59,959,815
81	60,656	11,360	28,987	232,096	10,929	926,115
-	-	38,032	-	-	-	59,033,700
81	60,656	49,392	28,987	232,096	10,929	59,959,815

	Balance December 31 2003	Additions	Deductions	Balance December 31 2004
TREASURER				
ASSETS				
Cash	$ 1,025,949	23,794,386	23,689,160	1,131,175
LIABILITIES				
Due to others	$ 97,590	10,131	49,952	57,769
Due to other taxing districts	928,359	23,784,255	23,639,208	1,073,406
Total Liabilities	$ 1,025,949	23,794,386	23,689,160	1,131,175
COLLECTOR				
ASSETS				
Cash	$ 55,843,245	70,804,572	68,214,672	58,433,145
LIABILITIES				
Due to others	$ 414,743	934,926	838,786	510,883
Due to other taxing districts	55,428,502	69,869,646	67,375,886	57,922,262
Total Liabilities	$ 55,843,245	70,804,572	68,214,672	58,433,145
SHERIFF				
ASSETS				
Cash	$ 3,119	475,518	465,283	13,354
LIABILITIES				
Due to others	$ 3,119	475,518	465,283	13,354
COUNTY CLERK				
ASSETS				
Cash	$ 29	230,130	230,078	81
LIABILITIES				
Due to others	$ 29	230,130	230,078	81

(Continued)

	Balance December 31 2003	Additions	Deductions	Balance December 31 2004
PROSECUTING ATTORNEY				
ASSETS				
Cash	$ 30,602	590,740	560,686	60,656
LIABILITIES				
Due to others	$ 30,602	590,740	560,686	60,656
RECORDER OF DEEDS				
ASSETS				
Cash	$ 42,273	466,510	470,791	37,992
Accounts receivable	8,485	13,343	10,428	11,400
Total Assets	$ 50,758	479,853	481,219	49,392
LIABILITIES				
Due to others	$ 7,764	3,596	-	11,360
Due to other taxing districts	42,994	476,257	481,219	38,032
Total Liabilities	$ 50,758	479,853	481,219	49,392
CRIMINAL ACTIVITY FORFEITURE ACT				
ASSETS				
Cash	$ 14,672	16,931	2,616	28,987
LIABILITIES				
Due to others	$ 14,672	16,931	2,616	28,987
BUILDING DEPARTMENT				
ASSETS				
Cash	$ 181,778	263,550	213,232	232,096
LIABILITIES				
Due to others	$ 181,778	263,550	213,232	232,096

(Continued)

	Balance December 31 2003	Additions	Deductions	Balance December 31 2004
SHERIFF COMMISSARY				
ASSETS				
Cash	$ 3,986	83,124	76,181	10,929
LIABILITIES				
Due to others	$ 3,986	83,124	76,181	10,929
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	$ 57,145,653	96,725,461	93,922,699	59,948,415
Accounts receivable	8,485	13,343	10,428	11,400
Total Assets	$ 57,154,138	96,738,804	93,933,127	59,959,815
LIABILITIES				
Due to others	$ 754,283	2,608,646	2,436,814	926,115
Due to other taxing districts	56,399,855	94,130,158	91,496,313	59,033,700
Total Liabilities	$ 57,154,138	96,738,804	93,933,127	59,959,815

ELECTED OFFICIALS

	December 31, 2004	
	Salary	Surety Bond
Edward D. Hillhouse, Presiding Commissioner	$56,400	-
Terry O. Wilson, First District Commissioner	54,400	-
Ann G. L. Schroeder, Second District Commissioner	54,400	-
Debbie K. Door, County Clerk	56,400	5,000
Gael D. Wood, Circuit Judge	(1)	-
Cynthia Eckelkamp, Circuit Judge	(1)	-
Stanley Williams, Associate Circuit Judge	(1)	-
David Hoven, Associate Circuit Judge	(1)	-
Walter A. Murray, Associate Circuit Judge	(1)	-
Bob Parks, Prosecuting Attorney	83,520	10,000
Bill D. Miller, Circuit Clerk	(1)	-
Sharon Birkman, Recorder of Deeds	56,400	5,000
Alvin Marquart, County Treasurer	56,400	850,000
Gary Toelke, Sheriff	61,716	50,000
Ralph Sudholt, County Auditor	56,400	10,000
Carol Eckelkamp, Public Administrator	56,400	300,000
Linda Emmons, County Collector	56,400	750,000
William Overschmidt, Assessor	56,400	10,000

(1)Salary paid by state

ASSESSED VALUATION

	January 1, 2004
Real estate	$ 922,706,701
Personal property	273,034,155
Railroad and utilities	31,898,456
State assessed railroad and utilities	116,524,206
	$1,344,163,518

TAX RATE PER $100 OF ASSESSED VALUATION

	2004 Tax Levy
State	$.0300
County General Fund	.1334
County Road and Bridge Fund	.2323

INSURANCE COVERAGE

Type Of Coverage	Amount Of Coverage
Workers' compensation - all County employees	Statutory
County vehicles - liability	$2,000,000/occurrence
General liability - comprehensive liability	$2,000,000/occurrence
Personal property - contractor's equipment	$5,000,000
Employee benefit liability	$2,000,000/occurrence
Professional liability - claims against public official for wrongful acts, errors, and omissions	$2,000,000/occurrence
Law enforcement professional liability - law enforcement officials	$2,000,000/occurrence
Property including earthquake and boiler and machinery - buildings contents in aggregate	$50,000,000
Medical malpractice	$2,000,000/occurrence
Employment practice liability	$2,000,000/occurrence
Government crime policy	$100,000/occurrence

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	Charges	%	Collections	%	Delinquent	%
CURRENT TAXES						
Real estate	$ 51,564,844	100.00 %	48,830,493	94.70	2,679,034	5.20
Personal	15,478,905	100.00	14,037,721	90.68	1,289,741	8.33
Railroad and utilities	8,762,256	100.00	8,761,981	100.00	275	0.00
Levee districts	38,809	100.00	38,798	99.97	11	0.03
License collections	955	100.00	955	100.00	-	-
Total Current Taxes	75,845,769	100.00	71,669,948	94.49	3,969,061	5.23
BACK TAXES						
Real estate	4,324,462	100.00	2,852,092	65.96	1,429,561	33.06
Personal	2,089,442	100.00	1,474,490	70.57	574,325	27.49
Railroad and utilities	81,403	100.00	75,656	92.94	5,747	7.06
Levee districts	7,737	100.00	7,721	99.79	16	0.21
Interest and penalties on back taxes	1,232,770	100.00	1,232,770	100.00	-	-
Collector's maintenance	144,308	100.00	144,308	100.00	-	-
Protested taxes	15,324	100.00	11,168	72.88	-	-
Total Back Taxes	7,895,446	100.00	5,798,205	73.44	2,009,649	25.45
INTEREST EARNED ON INVESTMENTS	154,573	100.00	154,573	100.00	-	-
	$ 83,895,788	100.00 %	77,622,726	92.52	5,978,710	7.13

Credits							
Abatements	%	Protested	%	Refunds	%	Total	%
32,572	0.06	22,745	0.04	-	-	51,564,844	100.00
76,808	0.50	74,635	0.48	-	-	15,478,905	100.00
-	-	-	-	-	-	8,762,256	100.00
-	-	-	-	-	-	38,809	100.00
-	-	-	-	-	-	955	100.00
109,380	0.14	97,380	0.13	-	-	75,845,769	100.00
42,809	0.99	-	-	-	-	4,324,462	100.00
40,627	1.94	-	-	-	-	2,089,442	100.00
-	-	-	-	-	-	81,403	100.00
-	-	-	-	-	-	7,737	100.00
-	-	-	-	-	-	1,232,770	100.00
-	-	-	-	-	-	144,308	100.00
-	-	4,156	27.12	-	0.00	15,324	100.00
83,436	1.06	4,156	0.05	-	0.00	7,895,446	100.00
-	-	-	-	-	-	154,573	100.00
192,816	0.23	101,536	0.12	-	-	83,895,788	100.00

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

FRANKLIN COUNTY, MISSOURI

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
DECEMBER 31, 2004 AND 2003

	2004	2003
Governmental Funds Capital Assets:		
Land and right of ways	$ 1,616,445	1,587,805
Construction in progress	494,993	785,769
Buildings	9,290,372	9,290,372
Machinery, equipment, and vehicles	7,802,810	7,280,394
Furniture and office equipment	3,407,243	3,212,511
Infrastructure	52,712,644	47,462,749
Total Governmental Funds Capital Assets	$ 75,324,507	69,619,600

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2004

Governmental Funds Capital Assets:	Land And Right Of Ways	Construction In Progress	Buildings	Machinery, Equipment, And Vehicles	Furniture And Office Equipment	Infrastructure	Total
General government:							
County commission	$ 1,373,759	130,500	2,544,910	38,871	13,274	-	4,101,314
County clerk	-	-	-	-	76,011	-	76,011
County treasurer	-	-	-	-	5,805	-	5,805
County auditor	-	-	-	-	11,960	-	11,960
County collector	-	-	-	-	113,092	-	113,092
Recorder of deeds	-	-	-	-	475,832	-	475,832
Building	-	-	-	149,043	36,754	-	185,797
Registration and elections	-	-	-	-	157,858	-	157,858
Planning/zoning department	-	-	-	32,300	42,877	-	75,177
Information technology	-	-	-	-	97,171	-	97,171
Geographic information system	-	-	-	-	64,920	-	64,920
Custodial	-	-	-	-	25,180	-	25,180
Assessment	-	-	-	89,886	179,771	-	269,657
Total General Government	1,373,759	130,500	2,544,910	310,100	1,300,505	-	5,659,774
Public safety:							
Sheriff	82,993	-	6,501,383	1,657,780	1,037,773	-	9,279,929
Emergency management	-	-	-	136,463	210,346	-	346,809
County-wide 911	-	-	-	17,609	240,986	-	258,595
Total Public Safety	82,993	-	6,501,383	1,811,852	1,489,105	-	9,885,333
Road and bridge:							
Highways and streets	159,693	364,493	244,079	5,459,530	26,423	52,712,644	58,966,862
Judicial:							
Circuit court I and II	-	-	-	84,462	22,283	-	106,745
Circuit court V	-	-	-	-	24,138	-	24,138
Circuit court VI	-	-	-	-	42,127	-	42,127
Circuit court VII	-	-	-	-	36,170	-	36,170
Circuit clerk	-	-	-	-	152,068	-	152,068
Court reporters I and II	-	-	-	-	1,033	-	1,033
Prosecuting attorney	-	-	-	30,627	60,556	-	91,183
Child support 4-D	-	-	-	-	19,994	-	19,994
Public administrator	-	-	-	-	6,067	-	6,067
Family court	-	-	-	-	7,475	-	7,475
Juvenile court	-	-	-	106,239	64,297	-	170,536
Total Judicial	-	-	-	221,328	436,208	-	657,536
Health and welfare:							
Health services	-	-	-	-	104,734	-	104,734
Education:							
University of Missouri extension	-	-	-	-	50,268	-	50,268
Total Governmental Funds Capital Assets	$ 1,616,445	494,993	9,290,372	7,802,810	3,407,243	52,712,644	75,324,507

FRANKLIN COUNTY, MISSOURI

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2004

Governmental Funds Capital Assets:	Balance December 31 2003	Additions	Deductions	Balance December 31 2004
General government:				
County commission	$ 3,957,338	143,976	-	4,101,314
County clerk	74,240	1,970	199	76,011
County treasurer	5,805	-	-	5,805
County auditor	11,580	380	-	11,960
County collector	113,198	1,430	1,536	113,092
Recorder of deeds	446,456	30,711	1,335	475,832
Building	161,524	37,902	13,629	185,797
Registration and elections	152,115	5,743	-	157,858
Planning/zoning department	69,439	5,738	-	75,177
Information technology	93,077	4,094	-	97,171
Geographic information system	42,896	22,024	-	64,920
Custodial	26,218	-	1,038	25,180
Assessment	255,503	30,162	16,008	269,657
Total General Government	5,409,389	284,130	33,745	5,659,774
Public safety:				
Sheriff	9,120,797	387,141	228,009	9,279,929
Emergency management	231,087	117,436	1,714	346,809
County-wide 911	255,480	3,777	662	258,595
Total Public Safety	9,607,364	508,354	230,385	9,885,333
Road and bridge:				
Highways and streets	53,795,370	5,937,637	766,145	58,966,862
Judicial:				
Circuit court I and II	33,579	73,166	-	106,745
Circuit court V	26,570	-	2,432	24,138
Circuit court VI	42,127	-	-	42,127
Circuit court VII	36,170	-	-	36,170
Circuit clerk	151,224	844	-	152,068
Court reporters I and II	1,321	-	288	1,033
Prosecuting attorney	158,873	31,078	98,768	91,183
Child support 4-D	19,392	1,192	590	19,994
Public administrator	5,728	339	-	6,067
Family court	6,236	2,843	1,604	7,475
Juvenile court	183,120	-	12,584	170,536
Total Judicial	664,340	109,462	116,266	657,536
Health and welfare:				
Health services	92,869	15,125	3,260	104,734
Education:				
University of Missouri extension	50,268	-	-	50,268
Total Governmental Funds Capital Assets	$ 69,619,600	6,854,708	1,149,801	75,324,507

STATISTICAL SECTION

FRANKLIN COUNTY, MISSOURI

GOVERNMENT-WIDE REVENUES BY SOURCE
FOR THE YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003

Source:	**2004**	**2003**
Program revenues:		
Charges for services	$ 5,326,111	5,241,241
Operating grants and contributions	3,857,295	3,264,807
Capital grants and contributions	735,395	485,220
General revenues:		
Taxes:		
Sales tax	12,509,110	12,148,709
Property taxes	3,942,400	3,955,453
Other taxes	917,605	749,911
Investment income	686,172	605,431
Miscellaneous	171,764	91,164
Transfers	272,996	-
Total Revenues	$ 28,418,848	26,541,936

FRANKLIN COUNTY, MISSOURI
GOVERNMENT-WIDE EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003

Function:	2004	2003
General government	$ 5,527,112	4,812,232
Public safety	7,388,465	7,791,052
Judicial	2,192,369	2,081,484
Highways and streets	8,948,239	8,789,144
Health and welfare	858,367	750,363
Education	160,930	157,093
Total Expenses	$ 25,075,482	24,381,368

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	2004	2003	2002	2001
REVENUES				
Taxes	$ 19,668,057	19,105,706	18,363,352	17,717,327
Licenses and permits	71,483	62,204	60,089	62,760
Charges for services	5,254,628	5,028,364	3,921,512	3,859,533
Intergovernmental	2,270,546	1,727,566	1,965,185	3,464,832
Investment income	686,172	605,431	536,852	764,114
Miscellaneous	171,764	91,164	138,668	126,361
Total Revenues	$ 28,122,650	26,620,435	24,985,658	25,994,927
EXPENDITURES				
Current:				
General government	$ 4,887,752	4,629,820	5,496,261	5,266,324
Public safety	7,559,692	6,898,495	5,825,808	5,590,105
Judicial	2,138,546	2,034,110	1,975,760	1,807,382
Highways and streets	5,444,485	5,730,011	5,623,113	5,536,753
Health and welfare	841,441	739,017	645,274	613,014
Education	159,817	155,980	147,004	143,313
Capital outlay	5,340,789	2,753,129	3,778,234	6,935,905
Total Expenditures	$ 26,372,522	22,940,562	23,491,454	25,892,796

Source: Audited Financial Statements

*Includes all governmental fund types

FRANKLIN COUNTY, MISSOURI
GENERAL GOVERNMENTAL* REVENUES AND EXPENDITURES - LAST TEN FISCAL YEARS

2000	1999	1998	1997	1996	1995
16,720,966	15,873,455	15,730,644	14,385,174	12,880,029	10,945,212
61,640	62,684	62,722	62,197	62,582	59,963
3,486,602	3,499,059	3,534,913	3,347,330	3,483,040	3,376,469
2,789,275	2,081,506	2,566,204	1,645,087	1,685,859	2,616,189
1,031,282	820,530	768,302	678,146	579,412	561,081
65,487	226,668	161,667	208,753	295,471	163,823
24,155,252	22,563,902	22,824,452	20,326,687	18,986,393	17,722,737
4,439,631	4,057,499	5,521,202	4,819,015	4,277,264	4,610,504
5,061,555	4,839,727	3,059,732	2,912,302	2,890,467	3,097,787
1,694,630	1,907,952	1,896,717	1,805,078	1,588,538	1,427,869
5,083,399	4,769,478	4,361,766	3,730,210	3,774,372	3,520,924
546,423	635,766	721,846	622,685	594,742	514,893
126,703	135,486	126,685	111,518	109,372	106,500
6,903,450	5,134,407	4,592,002	4,071,346	4,849,993	3,664,147
23,855,791	21,480,315	20,279,950	18,072,154	18,084,748	16,942,624

	2004	2003	2002	2001
Property tax levy - County	$ 4,921,660	$ 4,902,468	4,493,090	4,354,462
Property tax collections# - County	5,120,770	5,053,389	4,668,625	4,403,106
Property tax levy - total	75,845,769	73,399,210	67,273,841	65,616,613
Property tax collections## - total	71,669,947	68,435,237	62,519,711	60,290,609
Taxable property:				
Assessed value	1,344,163,518	1,318,801,832	1,239,472,954	1,210,245,014
Estimated actual value	4,649,317,588	5,587,609,307	5,195,362,748	5,059,053,910
Property tax rates - direct and overlapping governments, per $100 of assessed value:				
General Fund	$ 0.1134	$ 0.1398	0.1292	0.13
Road and Bridge Fund	0.2323	0.2314	0.2314	0.23
Subtotal	0.3457	0.3712	0.3606	0.36
State	0.0300	0.0300	0.0300	0.03
Schools*	51.7187	50.9603	49.9010	49.68
Cities*	6.9986	6.9073	6.8604	6.75
Special districts*	11.5114	11.4343	10.9313	10.87
Total	$ 70.6044	$ 69.7031	68.0833	67.69

*Tax rates of schools, cities, and special districts are composite rates.
County property tax collections include back taxes and surtax.
##Total property tax collections exclude back taxes.

FRANKLIN COUNTY, MISSOURI

PROPERTY TAX LEVIES AND COLLECTIONS; ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY; AND PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS - LAST TEN FISCAL YEARS

2000	1999	1998	1997	1996	1995
3,360,368	3,202,225	2,928,434	2,835,059	2,523,044	2,225,265
3,488,276	3,276,122	3,026,728	2,930,432	2,592,100	2,297,299
57,495,204	53,787,237	49,873,214	46,459,851	41,141,110	37,416,514
53,374,485	49,737,491	46,641,765	42,239,917	38,417,388	34,890,035
1,088,551,609	1,037,322,274	944,645,008	915,815,002	788,439,922	741,754,380
4,558,694,497	4,344,815,178	3,943,778,159	3,815,958,468	3,216,450,754	3,040,718,543
0.10	0.10	0.09	0.09	0.09	0.08
0.21	0.21	0.22	0.22	0.23	0.22
0.31	0.31	0.31	0.31	0.32	0.30
0.03	0.03	0.03	0.03	0.03	0.03
49.21	47.97	47.79	45.98	46.59	45.75
6.99	7.08	7.24	6.90	7.46	7.38
10.77	10.50	10.42	10.00	10.48	10.38
67.31	65.89	65.79	63.22	64.88	63.84

FRANKLIN COUNTY, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2004

Assessed valuation of taxable property	$ 1,344,163,518
Legal debt margin:	
Debt limitation - 10% of assessed value	$ 134,416,352
Amount of debt applicable to debt limit:	
Total bonded debt	-
Less - Amount available in Debt Service Fund	-
Total Debt Applicable To Debt Limit	-
Legal Debt Margin	$ 134,416,352

FRANKLIN COUNTY, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	Business	2004 Taxes Assessed	Percent Of Total
AmerenUE	Utility	$ 5,929,787	7.8 %
Southwestern Bell	Telephone	1,108,615	1.5
Union Pacific Railroad	Railroad	356,507	0.5
Gen Corp Inc.	Manufacturer	342,834	0.5
Esselte Pendaflex	Manufacturer	342,088	0.4
Sporlan Valve Company	Manufacturer	332,795	0.4
Creekside Land & Development	Developer	231,501	0.3
Lowes Home Centers	Home Improvement Warehouse	187,174	0.2
Orius Telecom Services	Utility	152,068	0.2
Integram St. Louis	Manufacturer	150,064	0.2
Others		66,712,336	88.0
		$ 75,845,769	100.0 %

	Gross General Obligation Debt Outstanding	Sinking Funds	Net General Obligation Debt Outstanding	Percent Applicable To Franklin County	Amount Applicable To Franklin County
Underlying:					
Cities:					
City of Washington	$ 2,145,000	$ 125,252	$ 2,019,748	100 %	$ 2,019,748
City of St. Clair	1,100,000	-	1,100,000	81	891,000
City of New Haven	120,000	-	120,000	100	120,000
City of Pacific	250,000	-	250,000	90	225,000
School Districts:					
Union R-XI	28,535,000	-	28,535,000	100	28,535,000
Washington	18,155,000	-	18,155,000	86	15,613,300
Meramec Valley R-III	38,525,000	-	38,525,000	92	35,443,000
Sullivan	16,695,000	-	16,695,000	83	13,856,850
Gerald	2,300,000	-	2,300,000	30	690,000
St. Clair R-13	11,570,000	-	11,570,000	100	11,570,000
Spring Bluff	1,475,000	-	1,475,000	100	1,475,000
Franklin County R-2	425,000	-	425,000	100	425,000
Londell R-14	650,000	-	650,000	100	650,000
East Central College	6,309,000	-	6,309,000	88	5,551,920
	128,254,000	125,252	128,128,748		117,065,818
Direct:					
Franklin County	-	-	-	-	-
Total	$ 128,254,000	$ 125,252	$ 128,128,748	89 %	$ 117,065,818

FRANKLIN COUNTY, MISSOURI, the fourth largest in area of the 114 counties of Missouri, covers 922 square miles. It was organized as a separate county in 1818 out of the western portion of St. Louis County. The first county seat was at Newport located on the Missouri River bluff between New Haven and Washington. In 1826, the county seat was moved to a small log cabin in Union by order of the State Legislature. A larger log building was erected in 1828 and was used until a stone and brick building was erected on the present courthouse square in 1868. This was dismantled in 1920 and the present building was erected in 1923 at a total cost of $200,348. After being bombed in November 1969 as a diversion for a bank robbery, it was renovated, an elevator installed, and unused space utilized.

In 1981, a courthouse annex was built to house three court rooms and offices of the circuit court and the juvenile detention unit. In 1985, construction of a new facility began for the sheriff's department and adult detention units. The cost of this project was financed by 1/2¢ sales tax. After full payment of this indebtedness and by vote of the constituents, this tax was continued to be used for the maintenance and improvements of county roads and bridges.

As growth continued, the County achieved First Class status on January 1, 1991. The County Commission, consisting of a Presiding Commissioner and two District Commissioners, determine the county tax rate, make appropriations, appoint board members and trustees of special services, account for County property and upkeep, approve purchases of necessary equipment and supplies, and are responsible for road and bridge construction and maintenance.

Principal functions of other officials and deputies consist of matters involving judicial courts; law enforcement; property assessment; property tax collections; voter registration and elections; maintaining financial, land, and other vital records; and services of importance to the citizens of the County.

Around the time of the Civil War, three railroads were built in the County, which greatly increased the growth, and with the nearness to St. Louis City and County and the present highway system, it has developed greatly. To demonstrate the growth, the census is presented on the following page.

(Continued)

For The Years Ended December 31	Population*	Number Of Construction Permits
2004	98,234#	461***
2003	96,905#	516***
2002	95,890#	517***
2001	95,187#	504***
2000	93,807**	517***
1999	93,128**	580***
1998	91,763**	598***
1997	89,328**	651***
1996	89,585	750***
1995	86,596	721
1994	85,856	760
1993	85,000	642
1992	83,400	648
1991	82,100	442
1990	80,603	409
1989	80,300	540
1988	80,300	608
1987	78,900	672
1986	77,400	681
1980	71,233	-
1970	55,127	-
1960	44,566	-
1950	36,046	-
1940	33,868	-
1930	30,519	-

*Source: Prior audited financial statements
**Source: Franklin County Auditor
***Source: Franklin County Building Commission
#Source: U.S. Bureau of Census Data