

FRANKLIN COUNTY, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2005

FRANKLIN COUNTY, MISSOURI

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PREPARED BY THE COUNTY AUDITOR

FRANKLIN COUNTY, MISSOURI
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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 12, 2006

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, 2005 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; 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 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, 2005, 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, 2005, 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 99,090. 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 7.0% 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, 2005 Census Bureau estimate lists Franklin County with a population of 99,090. 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 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 \$1,077,000 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 Deeds 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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Franklin County, Missouri for its comprehensive annual financial report for the year ended December 31, 2004. This award has been received every year since 1992. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements. We are submitting this report to GFOA to determine its eligibility for another certificate.

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, 2004

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.



Carla E. Perry

President

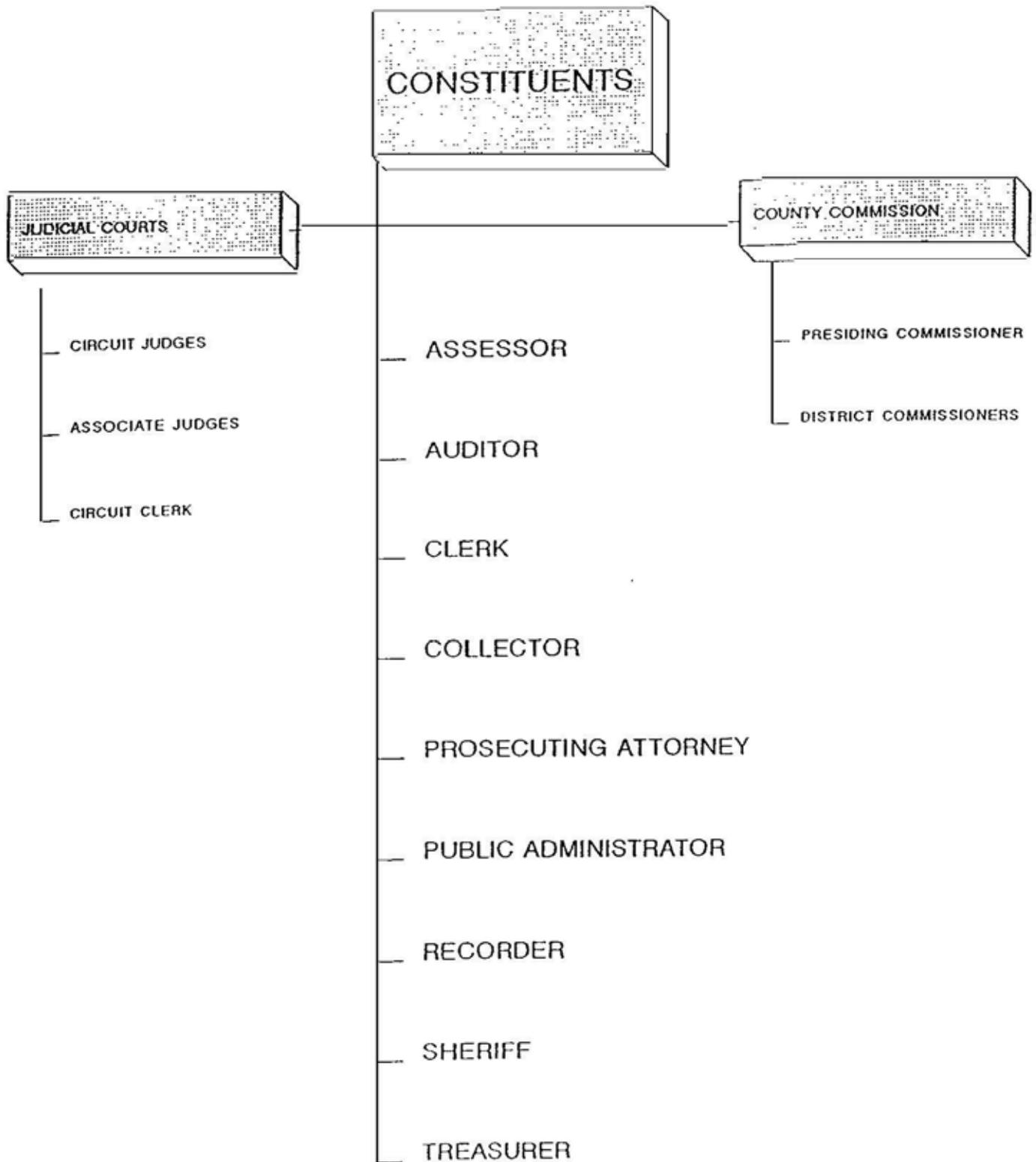
Jeffrey R. Emer

Executive Director

FRANKLIN COUNTY, MISSOURI
LIST OF PRINCIPAL OFFICIALS

<u>Office</u>	<u>Principal Officials At January 1, 2005</u>
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

FRANKLIN COUNTY, MISSOURI
ORGANIZATION CHART



FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

May 12, 2006

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, 2005, 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, 2005, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 12, 2006 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.

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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

Management's Discussion and Analysis

This section of Franklin County, Missouri's (the County) 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, 2005. 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 the County exceeded its liabilities at the close of the 2005 fiscal year by \$64,169,219. Of this amount, \$44,500,475 is invested in capital assets, net of related debt and \$5,752,129 is restricted for specific purposes. The remaining \$13,916,615 can be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$10,721 during 2005. For governmental activities, expenses exceeded revenue by \$781,089, offset by business-type activities with revenue over expenses of \$770,368.
- As of the close of the 2005 fiscal year, the County's governmental funds reported combined ending fund balances of \$29,535,279. This is an increase of \$5,420,667, in comparison with the prior year, and is the result of the \$6,910,000 issuance of Certificates of Participation for the new administrative office building.
- Governmental activities expenses totaled \$30,487,438 in 2005 versus \$25,075,482 in 2004. Highways and streets expenses were \$10,766,711 or 35%. The public safety and judicial expenditures totaled \$11,422,073 or 38%. Other governmental activities totaled \$8,298,654 or 27%.
- The County has a construction loan from USDA for the Brush Creek Sewer in the amount of \$3,046,344 which will convert to a long-term loan in 2006, and will be paid by user fees. On June 1, 2005, the 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 3.65%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The 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 supplemental information in addition to the basic financial statements themselves.

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

The **Statement of Net Assets** presents information on all of the County'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 the 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.

The County government-wide financial statements can be found on pages 12 and 13.

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 or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County can be divided into three categories: governmental fund, fiduciary funds, and proprietary 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.

The County maintains thirteen 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*, see page 46.

The County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 14 through 17 and 37 through 57 of this report.

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

The fiduciary fund financial statements can be found on pages 21 and 59 through 62 of this report.

Proprietary fund. The County maintains one proprietary fund 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 through 20 of this report.

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 through 35 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 the County, assets exceeded liabilities by \$64,169,219 at the close of the 2005 fiscal year.

Net Assets
December 31

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004 Restated	2005	2004 Restated	2005	2004 Restated
	ASSETS					
Current and other assets	\$32,844,374	25,500,924	109,625	75	32,953,999	25,500,999
Capital assets	44,478,655	40,453,417	4,286,265	1,368,298	48,764,920	41,821,715
Total Assets	77,323,029	65,954,341	4,395,890	1,368,373	81,718,919	67,322,714
LIABILITIES						
Long-term liabilities	11,150,578	806,077	3,046,344	987,276	14,196,922	1,793,353
Other liabilities	2,827,403	1,022,127	525,375	327,294	3,352,778	1,349,421
Total Liabilities	13,977,981	1,828,204	3,571,719	1,314,570	17,549,700	3,142,774
NET ASSETS						
Invested in capital assets	43,260,554	40,453,417	1,239,921	381,022	44,500,475	40,834,439
Restricted	5,752,129	5,955,232	-	-	5,752,129	5,955,232
Unrestricted	14,332,365	17,717,488	(415,750)	(327,219)	13,916,615	17,390,269
Total Net Assets	\$63,345,048	64,126,137	824,171	53,803	64,169,219	64,179,940

Analysis of Net Assets

The largest portion of the County's net assets, 69%, 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 the County's net assets, 9%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$13,916,615 may be used to meet the ongoing obligations of the County, including new building construction. Business-type activities are 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 \$29,706,349 in 2005 and \$28,145,852 in 2004. Taxes represent 62% of the County's revenue in both years. Another 18% comes from fees charged for services, (19% in 2004) and the remainder is federal and state aid, interest earnings, licenses and permits, and miscellaneous revenues. The cost for all programs and services was \$30,487,438 in 2005 and \$25,075,482 in 2004 of which 65% was used for highway and public safety in both years. Business-type activities are 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		2004		2004	
	2005	Restated	2005	Restated	2005	Restated
REVENUES						
Program revenues:						
Charges for services	\$ 5,223,707	5,326,111	-	-	5,223,707	5,326,111
Operating grants and contributions	4,016,824	3,857,295	-	-	4,016,824	3,857,295
Capital grants and contributions	1,021,538	735,395	770,368	54,000	1,791,906	789,395
General revenues:						
Taxes	18,382,143	17,369,115	-	-	18,382,143	17,369,115
Investment income	898,490	686,172	-	-	898,490	686,172
Miscellaneous	163,647	171,764	-	-	163,647	171,764
Total Revenues	<u>29,706,349</u>	<u>28,145,852</u>	<u>770,368</u>	<u>54,000</u>	<u>30,476,717</u>	<u>28,199,852</u>
EXPENSES						
General government	7,227,959	5,527,112	-	-	7,227,959	5,527,112
Public safety	9,101,620	7,388,465	-	-	9,101,620	7,388,465
Judicial	2,320,453	2,192,369	-	-	2,320,453	2,192,369
Highway and streets	10,766,711	8,948,239	-	-	10,766,711	8,948,239
Health and welfare	904,604	858,367	-	-	904,604	858,367
Education	165,210	160,930	-	-	165,210	160,930
Interest and fiscal charges	881	-	-	-	881	-
Total Expenses	<u>30,487,438</u>	<u>25,075,482</u>	<u>-</u>	<u>-</u>	<u>30,487,438</u>	<u>25,075,482</u>
EXCESS REVENUES BEFORE TRANSFERS	(781,089)	3,070,370	770,368	54,000	(10,721)	3,124,370
Transfers in (out)	-	272,996	-	(272,996)	-	-
CHANGE IN NET ASSETS	<u>(781,089)</u>	<u>3,343,366</u>	<u>770,368</u>	<u>(218,996)</u>	<u>(10,721)</u>	<u>3,124,370</u>
BEGINNING NET ASSETS	<u>64,126,137</u>	<u>60,782,771</u>	<u>53,803</u>	<u>272,799</u>	<u>64,179,940</u>	<u>61,055,570</u>
ENDING NET ASSETS	<u>\$63,345,048</u>	<u>64,126,137</u>	<u>824,171</u>	<u>53,803</u>	<u>64,169,219</u>	<u>64,179,940</u>

Significant Changes in Net Assets

The increase in net assets is the result of the County's investment in the Brush Creek Sewer offset by reducing the reserve in the General Fund.

Significant Changes in Revenue

The state reassessment program requires updates every two years and 2005 was a reassessment year. Property tax revenue increased in 2005 over 2004 by 12.8% due to a combination of new construction and updated values. This resulted in increased property tax revenues of \$503,256 for 2005. In 2004, without reassessment, property taxes increased by \$58,434, for a 1% increase.

Sales taxes increased by \$538,926 in 2005 and \$290,000 in 2004 for 4.3% and 2.4%, respectively increases due to sales growth at existing retailers.

Intergovernmental revenue increased by \$328,318 for federal drug fighting programs, offset by a reduction in federal road programs funds of \$128,979 in 2005. Federal road and bridge projects increased by \$434,765 and was reduced by \$46,404 due to less money from federal preparedness programs during 2004. State funding for prisoner per diem decreased by \$204,657 in 2005 after it increased by \$109,887 in 2004. The state assessment program funding was increased by \$63,855 in 2004. Local funds maintain these programs when state funding falls short.

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 decrease of \$218,425 in 2004. Fees charged to other taxing districts for tax collection and assessing 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 \$17,000 in 2005. 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 the County with a minor share of the Federal prisoner housing revenue.

Significant Changes in Expenses

Personal services was the largest expense increase in 2005, increasing from \$14,265,609 in 2004 to \$14,971,060 in 2005. This is a change of \$705,451 or 5% versus a change of \$827,085 or 6.2% in 2004. Of this amount, all employees received a 2.6% raise in 2004 and 3.6% raise in 2005. Employee benefits included in personal services were \$4,488,027 in 2005 and \$4,153,188 in 2004, for an increase of \$334,839 or 8.1% in 2005 versus \$388,351 or 10.3% in 2004. The cost of benefits has increased faster than the change in rates as the mix of County employees with family coverage has become greater. The County pays 80% of the cost of health insurance for employees and family.

The County lost a lawsuit filed for the 2000 tax year. The court found that the property tax rates certified by the Missouri State Auditor were set too high. The effect is an estimated future change of \$1,658,054 to the General Fund and \$1,115,222 to the Road and Bridge Fund either by potential refund or reduction of future tax to be determined by the Court. Future tax rates will also be reduced as a result of the lawsuit.

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 2005 increased by \$305,000 for additional funds for use by departments to provide services. The budget was increased \$6,910,000 for the funds received in the new office building lease purchase. Revenues exceeded the budget by \$834,621 and expenditures were \$1,203,948 less than the budget for 2005. The increase in property taxes was \$297,704 over the budget. Charges for services were \$324,565 higher than the budget due to other tax district collection commission increases for the collector and \$97,882 higher than the original budget and \$52,882 higher than the revised budget for

the health department due to the need for birth certificates to renew drivers licenses and higher flu immunization charges to cover the higher cost of vaccine. Building inspection fees were \$85,780 higher than budget since there was no reduction in new building starts as budgeted. Investment income was \$245,735 higher than budget due to higher rates earned on County funds and higher balances due to the \$6,910,000 lease purchase.

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 started construction in July 2005 and is scheduled to be finished in September 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 2008. After these projects are completed, the present courthouse will be remodeled at an estimated cost of \$2,000,000.

The 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 third quarter of 2006 with a completed cost of approximately \$6,500,000. Limited startup operations of the sewer system started in early 2006.

During 2006 the County plans to spend \$6,567,000 for new road infrastructure. The plan includes approximately 30 miles of asphalt overlay, and 20 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 2006 for \$246,000.

Capital Assets (net of depreciation) December 31

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Land and right of ways	\$ 1,836,195	1,616,445	33,034	19,820	1,869,229	1,636,265
Construction-in-progress	4,739,580	494,993	4,253,231	1,348,478	8,992,811	1,843,471
Buildings and other improvements	4,873,788	5,091,054	-	-	4,873,788	5,091,054
Machinery, equipment, and vehicles	3,110,459	3,007,591	-	-	3,110,459	3,007,591
Furniture and office equipment	1,170,696	844,366	-	-	1,170,696	844,366
Infrastructure	28,747,937	29,398,968	-	-	28,747,937	29,398,968
Total	<u>\$44,478,655</u>	<u>40,453,417</u>	<u>4,286,265</u>	<u>1,368,298</u>	<u>48,764,920</u>	<u>41,821,715</u>

Additional information on the County's capital assets can be found in Note E and on pages 67 through 69 of this report.

Long-term Debt

During 2005, the County issued \$6,910,000 of Certificates of Participation, Series 2005 to finance a new administrative building. The final maturity of this issue is June 1, 2030 and will be paid from general revenue. The County has a short-term construction loan payable for Brush Creek Sewer District in the amount of \$3,046,344 which will be refinanced in 2006 and is payable from user fees. The construction loan balance at December 31, 2004 was \$987,276. See Note C (page 29) for more information and the debt limit calculation on pages 75 and 77.

Requests for information

This financial report is designed to provide a general overview of the 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.

FRANKLIN COUNTY, MISSOURI

STATEMENT OF NET ASSETS

DECEMBER 31, 2005

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 6,691,598	105,914	6,797,512
Investments	16,479,143	-	16,479,143
Accounts receivable	2,341,234	-	2,341,234
Grants receivable	588,273	4,816	593,089
Property taxes receivable	526,225	-	526,225
Internal balances	1,105	(1,105)	-
Bond issue costs	43,191	-	43,191
Deposit	100,000	-	100,000
Restricted assets:			
Cash	5,654,001	-	5,654,001
Investments	296,362	-	296,362
Long-term notes receivable	123,242	-	123,242
Capital assets:			
Land and construction in progress	6,575,775	4,286,265	10,862,040
Other capital assets, net of accumulated depreciation	37,902,880	-	37,902,880
Total Assets	<u>77,323,029</u>	<u>4,395,890</u>	<u>81,718,919</u>
LIABILITIES			
Accounts payable	2,323,975	193,592	2,517,567
Retainage payable	-	331,783	331,783
Wages payable	213,504	-	213,504
Due to other taxing districts	121,473	-	121,473
Unearned revenue	168,451	-	168,451
Noncurrent liabilities:			
Due within one year	4,147,101	3,046,344	7,193,445
Due in more than one year	7,003,477	-	7,003,477
Total Liabilities	<u>13,977,981</u>	<u>3,571,719</u>	<u>17,549,700</u>
NET ASSETS			
Invested in capital assets, net of related debt	43,260,554	1,239,921	44,500,475
Restricted for:			
Community development	533,813	-	533,813
Unemployment benefits	118,253	-	118,253
Road and bridge	3,670,999	-	3,670,999
Other purposes	1,429,064	-	1,429,064
Unrestricted (deficit)	14,332,365	(415,750)	13,916,615
Total Net Assets	<u>\$ 63,345,048</u>	<u>824,171</u>	<u>64,169,219</u>

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Net Revenues (Expenses) And Changes In Net Assets					
	Program Revenues			Primary Government		
	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS						
Primary Government						
Governmental Activities						
General government	\$ 7,227,959	398,510	228,882	(3,190,445)	-	(3,190,445)
Public safety	9,101,620	532,872	189,785	(7,476,304)	-	(7,476,304)
Judicial	2,320,453	315,811	-	(1,367,652)	-	(1,367,652)
Highways and streets	10,766,711	2,276,765	602,871	(7,887,075)	-	(7,887,075)
Health and welfare	904,604	492,866	-	(137,802)	-	(137,802)
Education	165,210	-	-	(165,210)	-	(165,210)
Interest and fiscal charges	881	-	-	(881)	-	(881)
Total Governmental Activities	30,487,438	4,016,824	1,021,538	(20,225,369)	-	(20,225,369)
Business-type Activities						
Sewer	-	-	770,368	-	770,368	770,368
Total Primary Government	\$ 30,487,438	4,016,824	1,791,906	(20,225,369)	770,368	(19,455,001)
General Revenues						
Taxes:						
Sales tax				13,048,036	-	13,048,036
Property taxes				4,445,656	-	4,445,656
Other taxes				888,451	-	888,451
Investment income				898,490	-	898,490
Miscellaneous				163,647	-	163,647
Total General Revenues				19,444,280	-	19,444,280
CHANGES IN NET ASSETS				(781,089)	770,368	(10,721)
NET ASSETS, JANUARY 1				64,126,137	53,803	64,179,940
NET ASSETS, DECEMBER 31				\$ 63,345,048	824,171	64,169,219

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS -
DECEMBER 31, 2005

	General	Road And Bridge	Law Enforcement Sales Tax	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 2,856,117	2,901,986	-	-	377,725	555,770	6,691,598
2,505,000	-	-	-	12,235,505	1,738,638	16,479,143
802,478	972,742	366,942	-	-	199,072	2,341,234
300,907	151,964	135,402	-	-	-	588,273
239,826	286,399	-	-	-	-	526,225
-	-	-	-	-	1,105	1,105
100,000	-	-	-	-	-	100,000
5,648,708	-	-	-	-	5,293	5,654,001
-	-	-	-	-	296,362	296,362
-	-	-	-	-	123,242	123,242
\$ 12,453,036	4,313,091	502,344	12,613,230	2,919,482	32,801,183	

LIABILITIES AND FUND BALANCES

\$ 240,011	272,320	229,664	1,416,183	165,797	2,323,975
72,833	42,072	82,044	-	16,555	213,504
-	121,473	-	-	-	121,473
400,725	206,227	-	-	-	606,952
713,569	642,092	311,708	1,416,183	182,352	3,265,904

5,748,708	-	-	-	-	5,748,708
-	-	-	-	118,253	118,253
-	-	-	-	63,045	63,045
-	-	-	-	60,197	60,197
-	-	-	-	183,402	183,402
5,990,759	-	-	-	-	5,990,759
-	3,670,999	190,636	2,342,049	-	2,342,049
-	-	-	8,854,998	-	8,854,998
11,739,467	3,670,999	190,636	11,197,047	2,737,130	29,535,279
\$ 12,453,036	4,313,091	502,344	12,613,230	2,919,482	32,801,183

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2005

Total Fund Balances - Governmental Funds	\$ 29,535,279
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 \$84,314,079 and the accumulated depreciation is \$39,835,424.	44,478,655
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	438,501
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	(1,467,302)
Certificates of participation	(6,910,000)
Unamortized bond issuance costs	43,191
Lawsuit contingency	<u>(2,773,276)</u>
Net Assets Of Governmental Activities	<u>\$ 63,345,048</u>

FRANKLIN COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	General	Road And Bridge	Law Enforcement Sales Tax	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 7,479,579	9,839,001	2,594,383	-	671,627	20,584,590
Licenses and permits	73,670	-	-	-	-	73,670
Charges for services	3,344,505	-	879,386	-	926,146	5,150,037
Intergovernmental	1,082,170	602,871	378,554	-	638,324	2,701,919
Investment income	296,375	56,963	3,924	462,541	78,687	898,490
Miscellaneous	71,201	10,740	14,235	66,116	1,354	163,646
Total Revenues	<u>12,347,500</u>	<u>10,509,575</u>	<u>3,870,482</u>	<u>528,657</u>	<u>2,316,138</u>	<u>29,572,352</u>
EXPENDITURES						
Current:						
General government	4,079,805	-	-	74,027	1,039,082	5,192,914
Public safety	156,048	-	7,173,029	-	717,441	8,046,518
Judicial	2,092,177	-	-	-	127,490	2,219,667
Highways and streets	-	5,738,110	-	-	-	5,738,110
Health and welfare	907,963	-	-	-	-	907,963
Education	166,334	-	-	-	-	166,334
Capital outlay	902,431	4,339,358	437,275	2,746,552	320,491	8,746,107
Debt service:						
Bond issuance costs	-	-	-	44,072	-	44,072
Total Expenditures	<u>8,304,758</u>	<u>10,077,468</u>	<u>7,610,304</u>	<u>2,864,651</u>	<u>2,204,504</u>	<u>31,061,685</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>4,042,742</u>	<u>432,107</u>	<u>(3,739,822)</u>	<u>(2,335,994)</u>	<u>111,634</u>	<u>(1,489,333)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of certificates of participation	6,910,000	-	-	-	-	6,910,000
Transfers in	66,415	-	3,242,765	1,345,401	125,000	4,779,581
Transfers out	(4,713,166)	-	-	-	(66,415)	(4,779,581)
Total Other Financing Sources (Uses)	<u>2,263,249</u>	<u>-</u>	<u>3,242,765</u>	<u>1,345,401</u>	<u>58,585</u>	<u>6,910,000</u>
NET CHANGES IN FUND BALANCES	6,305,991	432,107	(497,057)	(990,593)	170,219	5,420,667
FUND BALANCES, JANUARY 1	5,433,476	3,238,892	687,693	12,187,640	2,566,911	24,114,612
FUND BALANCES, DECEMBER 31	<u>\$ 11,739,467</u>	<u>3,670,999</u>	<u>190,636</u>	<u>11,197,047</u>	<u>2,737,130</u>	<u>29,535,279</u>

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, 2005

Net Change In Fund Balances - Governmental Funds		\$ 5,420,667
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 (\$5,663,186) exceeded capital outlays over the capitalization threshold (\$9,899,368) in the current period.	4,236,182	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	74,316	
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(210,944)	
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued for the current year - certificates of participation	(6,910,000)	
Debt issuance costs, net of amortization of \$881	43,191	(6,866,809)
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	(661,225)	
Lawsuit contingency	(2,773,276)	(3,434,501)
Change In Net Assets Of Governmental Activities		\$ (781,089)

FRANKLIN COUNTY, MISSOURI
STATEMENT OF NET ASSETS - PROPRIETARY FUND
DECEMBER 31, 2005

	<u>Business-type Activities - Enterprise Fund Brush Creek Sewer District</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 105,914
Grants receivable	4,816
Total Current Assets	<u>110,730</u>
Noncurrent Assets	
Capital assets:	
Land and construction in progress	<u>4,286,265</u>
Total Assets	<u>4,396,995</u>
LIABILITIES	
Current Liabilities	
Accounts payable	193,592
Retainage payable	331,783
Due to other funds	1,105
Loan payable	<u>3,046,344</u>
Total Current Liabilities	<u>3,572,824</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,239,921
Unrestricted (deficiency)	<u>(415,750)</u>
Total Net Assets	<u><u>\$ 824,171</u></u>

FRANKLIN COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Business-type Activities - Enterprise Fund Brush Creek Sewer District</u>
NONOPERATING REVENUES	
Intergovernmental revenue	<u>\$ 770,368</u>
CHANGE IN NET ASSETS	770,368
NET ASSETS, JANUARY 1	<u>53,803</u>
NET ASSETS, DECEMBER 31	<u><u>\$ 824,171</u></u>

FRANKLIN COUNTY, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Business-type Activities - Enterprise Fund Brush Creek Sewer District</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows provided by noncapital financing activities:	
Due to other funds	\$ 1,105
Cash flows from capital and related financing activities:	
Intergovernmental revenue	765,372
Proceeds from loan payable	2,059,068
Acquisition and construction of capital assets	<u>(2,719,811)</u>
Net Cash Provided By Capital And Related Financing Activities	<u>104,629</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	105,734
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>180</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 105,914</u></u>

FRANKLIN COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2005

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 68,715,247
Accounts receivable	<u>9,974</u>
Total Assets	<u>\$ 68,725,221</u>
 LIABILITIES	
Due to others	\$ 1,561,151
Due to other taxing districts	<u>67,164,070</u>
Total Liabilities	<u>\$ 68,725,221</u>

FRANKLIN COUNTY, MISSOURI
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 County reports the following major proprietary fund:

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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. The Agency Funds include Treasurer, Collector, Sheriff, County Clerk, Prosecuting Attorney, Recorder of Deeds, Criminal Activity Forfeiture Act, Building Department, and Sheriff Commissary.

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.

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

4. Cash and Cash Equivalents

For purposes of the statements of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

5. Investments

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.

The County invests all pooled temporary cash surpluses in certificates of deposit with the County depository bank as authorized by Missouri state statute. Certificates of deposit are stated at fair value.

6. 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:

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Capital Assets (Continued)

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

7. Restricted Assets

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

8. Compensated Absences

The County allows employees to accumulate personal leave and catastrophic illness within certain limitations. Upon separation of employment due to resignation, death, or termination, employees who are not in an introductory status will be paid for unused personal leave time that has been earned and accrued. In no event shall an employee be paid for more days than the total of the maximum number of days which an employee may carry over plus the number of days which the employee has earned but not used since the employee's most recent anniversary date. Employees may not carry over personal leave days from one year to the next in excess of the combined total of fifteen (15) plus the earned and accrued but unused personal leave days which the employee has earned and accrued in the anniversary year preceding the employee's most recent anniversary date. Personal leave days in excess of the above total not taken within thirty (30) days after the employees' most recent anniversary date shall either be banked for catastrophic illness purposes up to the maximum allowable or donated to the Shared Leave Program. Any days not so banked or donated shall be forfeited. Under the Shared Leave Program, employees do not earn or accrue time, therefore, benefits will not be paid upon separation of employment due to resignation, death, or termination. An employee shall under no circumstances be entitled to accrue more than 180 days in an employee's Catastrophic Illness Bank. Unused catastrophic illness leave benefits will not be paid to the employee while they are employed or upon termination of employment unless those employees were employed prior to January 1, 2000 and who have been with the County at least ten (10) years of service. They shall be entitled to payment as agreed upon in the "Employee Status Audits" performed from January 1 through September 28, 2005 and Commission Order 05-344 dated September 29, 2005. This buyout provision shall not apply to members of the Union which represents employees within the Highway Department and shall not apply to employees of the Sheriff's Department who elected pay pursuant to settlement of an employee's lawsuit.

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

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. 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.

9. 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.

10. Inventories

Inventories of supplies are not recorded at December 31, 2005. Purchases of all supplies are recorded as expenditures at the time of purchase.

11. Allowance for Doubtful Accounts

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

12. 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.

13. 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.

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. 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.

15. 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.

16. 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 - DEPOSITS

Custodial Credit Risk for deposits is the risk that, in the event of a bank failure, the County’s deposits may not be returned or the County will not be able to recover collateral securities in the possession of an outside party.

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, 2005, 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.

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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, 2005 is \$3,046,344. The interest rate is 3.5%.

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

	<u>For The Year Ended December 31, 2005</u>			<u>Balance</u> <u>December 31</u> <u>2005</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
	<u>Balance</u> <u>December 31</u> <u>2004</u>	<u>Additions</u>	<u>Reductions</u>		
	Governmental Activities				
Certificates of participation	\$ -	6,910,000	-	6,910,000	65,000
Compensated absences payable	806,077	1,233,540	572,315	1,467,302	1,308,825
Lawsuit contingency	<u>-</u>	<u>2,773,276</u>	<u>-</u>	<u>2,773,276</u>	<u>2,773,276</u>
Governmental Activity Long-Term Liabilities	<u>\$806,077</u>	<u>10,916,816</u>	<u>572,315</u>	<u>11,150,578</u>	<u>4,147,101</u>
Business-type Activities					
Loan payable	<u>\$987,276</u>	<u>2,059,068</u>	<u>-</u>	<u>3,046,344</u>	<u>3,046,344</u>

On June 1, 2005 the County issued \$6,910,000 of Certificates of Participation, Series 2005 to finance a new administrative office building. The interest rates range from 2.89% through 4.42% and the maturity date is June 1, 2030.

<u>For The</u> <u>Years Ended</u> <u>December 31</u>	<u>Governmental Activities</u> <u>Certificates Of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 65,000	276,341	341,341
2007	85,000	274,174	359,174
2008	95,000	271,525	366,525
2009	110,000	268,422	378,422
2010	125,000	264,770	389,770
2011 - 2015	840,000	1,247,902	2,087,902
2016 - 2020	1,270,000	1,053,647	2,323,647
2021 - 2025	1,815,000	746,003	2,561,003
2026 - 2030	<u>2,505,000</u>	<u>288,568</u>	<u>2,793,568</u>
Total	<u>\$6,910,000</u>	<u>4,691,352</u>	<u>11,601,352</u>

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - LONG-TERM DEBT (Continued)

Compensated absences are generally liquidated by the General Fund. Certificates of participation will be liquidated by the General Fund. The lawsuit contingency will be liquidated by the General Fund and Road and Bridge 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.

In previous years, the County calculated property tax incorrectly by using the wrong tax rate and incorrect sales tax figures, which resulted in excess property tax collected. As a result of a lawsuit, the County will have to correct its tax rate prospectively as well as reduce future tax levies to adjust for the collection of excess tax. The County will be required to refund \$2,773,276 in excess property taxes that were previously collected. As of June 2006, the time period for refunding the property taxes has not been determined.

As of December 19, 2005, the County entered into an agreement to purchase real estate for \$575,000. A deposit of \$100,000 was paid on December 19, 2005. The County expects to pay the balance of \$475,000 in August 2006. Therefore, the County has a commitment to purchase real estate for \$475,000.

At December 31, 2005, the County had commitments for the following projects:

	<u>Approximate Amount Still Outstanding</u>
Construction of new Government Center	\$3,523,340
Brush Creek Sewer District	2,614,954
Bridge construction	829,205
Equipment	600,858
Construction of new Judicial Center	382,291
Roof repairs of Adult Detention Center	308,170
Renovation of courthouse	143,450
Renovation of jail addition	113,400
Construction of new West District Building	<u>5,825</u>
	<u>\$8,521,493</u>

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - CAPITAL ASSETS

Capital asset activity was as follows:

	<u>For The Year Ended December 31, 2005</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>December 31</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31</u>
	<u>2004</u>			<u>2005</u>
Governmental Activities				
Capital assets not being depreciated:				
Land and right of ways	\$ 1,616,445	219,750	-	1,836,195
Construction-in-progress	<u>494,993</u>	<u>4,244,587</u>	-	<u>4,739,580</u>
Total Capital Assets Not Being Depreciated	<u>2,111,438</u>	<u>4,464,337</u>	-	<u>6,575,775</u>
Capital assets being depreciated:				
Buildings and other improvements	9,290,372	-	-	9,290,372
Machinery, equipment, and vehicles	7,802,810	1,173,667	956,409	8,020,068
Furniture and office equipment	3,407,243	677,400	13,065	4,071,578
Infrastructure	<u>52,712,644</u>	<u>3,643,642</u>	-	<u>56,356,286</u>
Total Capital Assets Being Depreciated	<u>73,213,069</u>	<u>5,494,709</u>	<u>969,474</u>	<u>77,738,304</u>
Less - Accumulated depreciation for:				
Buildings and other improvements	4,199,318	217,266	-	4,416,584
Machinery, equipment, and vehicles	4,795,219	800,783	686,393	4,909,609
Furniture and office equipment	2,562,877	350,464	12,459	2,900,882
Infrastructure	<u>23,313,676</u>	<u>4,294,673</u>	-	<u>27,608,349</u>
Total Accumulated Depreciation	<u>34,871,090</u>	<u>5,663,186</u>	<u>698,852</u>	<u>39,835,424</u>
Total Capital Assets Being Depreciated, Net	<u>38,341,979</u>	<u>(168,477)</u>	<u>270,622</u>	<u>37,902,880</u>
Governmental Activities Capital Assets, Net	<u>\$40,453,417</u>	<u>4,295,860</u>	<u>270,622</u>	<u>44,478,655</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 19,820	13,214	-	33,034
Construction-in-progress	<u>1,348,478</u>	<u>2,904,753</u>	-	<u>4,253,231</u>
Total Capital Assets Not Being Depreciated	<u>\$ 1,368,298</u>	<u>2,917,967</u>	<u>-</u>	<u>4,286,265</u>

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

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - CAPITAL ASSETS (Continued)

	For The Year Ended December 31 2005
Governmental activities:	
General government	\$ 253,326
Public safety	579,095
Judicial	50,056
Health and welfare	13,589
Education	1,183
Road and bridge	<u>4,765,937</u>
	<u>\$5,663,186</u>

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 14.7% (general) and 15.1% (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.

3. Annual Pension Cost

For the plan year ended June 30, 2005, the County's annual pension cost of \$1,389,504 was equal to the required and actual contributions. The required contribution was deter-

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - EMPLOYEES' PENSION PLAN (Continued)

3. Annual Pension Cost (Continued)

mined as part of the February 28/29, 2003 and/or 2004 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 28, 2005 was 15 years.

Three-year trend information follows:

<u>For The Plan Years Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2005	\$1,389,504	100%	\$ -
2004	1,248,245	100	-
2003	1,185,663	100	-

Schedule of funding progress follows:

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Actuarial Value Of Assets</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL</u>
2005	\$20,185,422	\$23,001,905	(\$2,816,483)
2004	18,717,945	21,684,911	(2,966,966)
2003	17,685,462	20,580,358	(2,894,896)

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - EMPLOYEES' PENSION PLAN (Continued)

3. Annual Pension Cost (Continued)

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded AAL As A Percentage Of Covered Payroll</u>
2005	88%	\$9,196,182	31%
2004	86	8,877,139	33
2003	86	8,437,651	34

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, 2001 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 (\$415,750) in the Enterprise Fund - Brush Creek Sewer District.

NOTE I - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - INTERFUND TRANSACTIONS (Continued)

<u>Transfers In</u>	<u>Transfers Out</u>	<u>For The Year Ended December 31 2005</u>
General Fund	Nonmajor fund - Collector's Tax Maintenance	\$ 29,782
General Fund	Nonmajor fund - Prosecuting Attorney Bad Check	36,633
Major fund - Law Enforcement Sales Tax	General Fund	3,242,765
Major fund - Capital Projects Fund	General Fund	1,345,401
Nonmajor fund - Assessment	General Fund	70,000
Nonmajor fund - Family Access	General Fund	<u>55,000</u>
		<u>\$4,779,581</u>

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

NOTE J - RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$5,752,129 of restricted net assets, of which \$5,390,277 is restricted by enabling legislation.

NOTE K - PRIOR PERIOD ADJUSTMENT

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

	<u>Law Enforcement Sales Tax</u>	<u>Governmental Fund Types</u>
Fund balances/net assets, December 31, 2004, as previously reported	\$640,757	64,079,201
Restatement for grant revenue	<u>46,936</u>	<u>46,936</u>
Fund Balances/Net Assets, December 31, 2004, As Restated	<u>\$687,693</u>	<u>64,126,137</u>

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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes	\$ 6,994,247	7,254,247	7,479,579	225,332
Licenses and permits	66,100	66,100	73,670	7,570
Charges for services	2,974,940	3,019,940	3,344,505	324,565
Intergovernmental	1,047,231	1,047,231	1,082,170	34,939
Investment income	50,640	50,640	296,375	245,735
Miscellaneous	74,721	74,721	71,201	(3,520)
Total Revenues	<u>11,207,879</u>	<u>11,512,879</u>	<u>12,347,500</u>	<u>834,621</u>
EXPENDITURES				
Current:				
General government:				
County commission	288,054	288,054	270,330	(17,724)
County clerk	378,347	378,447	379,202	755
County treasurer	100,533	100,533	92,795	(7,738)
County auditor	168,892	168,892	130,164	(38,728)
County collector	452,990	452,990	439,909	(13,081)
County counselor	72,583	82,583	81,927	(656)
Memberships	40,000	53,500	53,390	(110)
Courthouse maintenance	396,858	396,858	321,050	(75,808)
Employee benefits	255,000	255,000	232,913	(22,087)
Recorder	471,764	471,764	463,424	(8,340)
Miscellaneous	406,863	406,863	206,487	(200,376)
Registration and elections	482,961	482,961	313,803	(169,158)
Building permits and inspections	605,486	605,486	591,999	(13,487)
Planning and zoning department	278,137	278,137	197,447	(80,690)
Information technology	483,034	483,034	386,124	(96,910)
Capital improvements	435,000	635,000	592,763	(42,237)
Total General Government	<u>5,316,502</u>	<u>5,540,102</u>	<u>4,753,727</u>	<u>(786,375)</u>
Public safety:				
Emergency management	400,922	400,922	330,654	(70,268)

(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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Judicial:				
Circuit court - Division I and II	143,400	143,400	28,036	(115,364)
Court reporter - Division I and II	5,180	5,180	3,541	(1,639)
Drug court	-	2,150	2,141	(9)
Circuit court - Division V	19,000	19,000	9,885	(9,115)
Circuit court - Division VI	30,600	30,600	29,097	(1,503)
Circuit court - Division VII	25,300	25,300	16,715	(8,585)
Circuit clerk	48,152	48,152	27,730	(20,422)
Prosecuting attorney	1,109,865	1,141,865	1,131,590	(10,275)
Juvenile office	318,689	318,689	280,661	(38,028)
Public administrator	103,070	103,070	102,000	(1,070)
Juvenile detention center	204,745	204,745	131,981	(72,764)
Youth services	108,889	108,889	61,145	(47,744)
Child support	316,863	316,863	299,598	(17,265)
Total Judicial	<u>2,433,753</u>	<u>2,467,903</u>	<u>2,124,120</u>	<u>(343,783)</u>
Health and welfare:				
Program costs	721,176	766,176	767,479	1,303
Medical examiner	155,000	155,000	153,544	(1,456)
Indigent care	12,000	12,000	8,900	(3,100)
Total Health And Welfare	<u>888,176</u>	<u>933,176</u>	<u>929,923</u>	<u>(3,253)</u>
Education:				
Extension office	150,087	152,337	152,068	(269)
Soil conservation	14,266	14,266	14,266	-
Total Education	<u>164,353</u>	<u>166,603</u>	<u>166,334</u>	<u>(269)</u>
Total Expendi- tures	<u>9,203,706</u>	<u>9,508,706</u>	<u>8,304,758</u>	<u>(1,203,948)</u>

(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, 2005

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES OVER EXPENDI- TURES	2,004,173	2,004,173	4,042,742	2,038,569
OTHER FINANCING SOURCES (USES)				
Issuance of certificates of participation	-	6,910,000	6,910,000	-
Transfers in	115,000	115,000	66,415	(48,585)
Transfers out	(3,541,443)	(10,451,443)	(4,713,166)	5,738,277
Total Other Financing Sources (Uses)	(3,426,443)	(3,426,443)	2,263,249	5,689,692
NET CHANGE IN FUND BALANCE	\$ (1,422,270)	(1,422,270)	6,305,991	7,728,261
FUND BALANCE, JANUARY 1			5,433,476	
FUND BALANCE, DECEM- BER 31			\$ 11,739,467	

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, 2005

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	\$ 9,288,334	9,839,001	550,667
Intergovernmental	1,065,000	602,871	(462,129)
Investment income	65,500	56,963	(8,537)
Miscellaneous	5,000	10,740	5,740
Total Revenues	10,423,834	10,509,575	85,741
EXPENDITURES			
Current:			
Highways and streets	5,985,589	5,738,110	(247,479)
Capital outlay	4,576,016	4,339,358	(236,658)
Total Expenditures	10,561,605	10,077,468	(484,137)
NET CHANGE IN FUND BALANCE	\$ (137,771)	432,107	569,878
FUND BALANCE, JANUARY 1		3,238,892	
FUND BALANCE, DECEMBER 31		\$ 3,670,999	

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, 2005

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 2,450,000	2,544,916	2,594,383	49,467
Charges for services	928,000	928,000	879,386	(48,614)
Intergovernmental	50,000	290,000	378,554	88,554
Investment income	2,000	2,000	3,924	1,924
Miscellaneous	-	-	14,235	14,235
Total Revenues	3,430,000	3,764,916	3,870,482	105,566
EXPENDITURES				
Current:				
Public safety	7,053,235	7,293,235	7,173,029	(120,206)
Capital outlay	420,203	420,203	437,275	17,072
Total Expenditures	7,473,438	7,713,438	7,610,304	(103,134)
REVENUES OVER (UNDER) EXPENDITURES	(4,043,438)	(3,948,522)	(3,739,822)	208,700
OTHER FINANCING SOURCES				
Transfers in	3,307,765	3,307,765	3,242,765	(65,000)
NET CHANGE IN FUND BALANCE	\$ (735,673)	(640,757)	(497,057)	143,700
FUND BALANCE, JANUARY 1			687,693	
FUND BALANCE, DECEMBER 31			\$ 190,636	

FRANKLIN COUNTY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

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

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

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, 2005

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Investment income	\$ 250,000	462,541	212,541
Miscellaneous	-	66,116	66,116
Total Revenues	<u>250,000</u>	<u>528,657</u>	<u>278,657</u>
EXPENDITURES			
Current:			
General government	68,150	74,027	5,877
Capital outlay	10,007,317	2,746,552	(7,260,765)
Debt service:			
Bond issuance costs	-	44,072	44,072
Total Expenditures	<u>10,075,467</u>	<u>2,864,651</u>	<u>(7,210,816)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(9,825,467)</u>	<u>(2,335,994)</u>	<u>7,489,473</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,345,401	1,345,401
Transfers out	(65,000)	-	65,000
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>1,345,401</u>	<u>1,410,401</u>
NET CHANGE IN FUND BALANCE	<u>\$ (9,890,467)</u>	(990,593)	<u>8,899,874</u>
FUND BALANCE, JANUARY 1		<u>12,187,640</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 11,197,047</u>	

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.

	<u>Assessment</u>	<u>Community Development</u>	<u>Law Enforcement Training</u>
ASSETS			
Cash and cash equivalents	\$ 292,606	34,466	9,824
Investments	22,040	191,598	25,000
Accounts receivable	50,842	-	2,208
Due from other funds	-	1,105	-
Restricted assets:			
Cash	5,293	-	-
Investments	112,960	183,402	-
Long-term notes receivable	-	123,242	-
Total Assets	<u>\$ 483,741</u>	<u>533,813</u>	<u>37,032</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 4,044	-	1,018
Wages payable	12,112	-	-
Total Liabilities	<u>16,156</u>	<u>-</u>	<u>1,018</u>
Fund Balances			
Reserved for:			
Special Revenue Funds:			
Unemployment benefits	118,253	-	-
Long-term receivables - other	-	63,045	-
Long-term receivables - Economic Development Administration	-	60,197	-
Economic Development Administration proceeds	-	183,402	-
Unreserved:			
Special Revenue Funds	349,332	227,169	36,014
Total Fund Balances	<u>467,585</u>	<u>533,813</u>	<u>36,014</u>
Total Liabilities And Fund Balances	<u>\$ 483,741</u>	<u>533,813</u>	<u>37,032</u>

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

<u>County-Wide 911 System</u>	<u>Record Preservation</u>	<u>Family Access</u>	<u>Prosecuting Attorney Bad Check</u>	<u>Collector's Tax Maintenance</u>	<u>Election Services</u>	<u>Total</u>
124,802	28,737	49,589	-	9,422	6,324	555,770
850,000	275,000	-	200,000	125,000	50,000	1,738,638
125,173	9,167	4,942	6,740	-	-	199,072
-	-	-	-	-	-	1,105
-	-	-	-	-	-	5,293
-	-	-	-	-	-	296,362
-	-	-	-	-	-	123,242
<u>1,099,975</u>	<u>312,904</u>	<u>54,531</u>	<u>206,740</u>	<u>134,422</u>	<u>56,324</u>	<u>2,919,482</u>
80,728	8,868	24,750	28,553	17,688	148	165,797
4,443	-	-	-	-	-	16,555
<u>85,171</u>	<u>8,868</u>	<u>24,750</u>	<u>28,553</u>	<u>17,688</u>	<u>148</u>	<u>182,352</u>
-	-	-	-	-	-	118,253
-	-	-	-	-	-	63,045
-	-	-	-	-	-	60,197
-	-	-	-	-	-	183,402
<u>1,014,804</u>	<u>304,036</u>	<u>29,781</u>	<u>178,187</u>	<u>116,734</u>	<u>56,176</u>	<u>2,312,233</u>
<u>1,014,804</u>	<u>304,036</u>	<u>29,781</u>	<u>178,187</u>	<u>116,734</u>	<u>56,176</u>	<u>2,737,130</u>
<u>1,099,975</u>	<u>312,904</u>	<u>54,531</u>	<u>206,740</u>	<u>134,422</u>	<u>56,324</u>	<u>2,919,482</u>

	<u>Assessment</u>	<u>Community Development</u>	<u>Law Enforcement Training</u>
REVENUES			
Taxes	\$ -	-	-
Charges for services	543,491	2,405	23,273
Intergovernmental	398,510	-	10,932
Investment income	5,122	16,653	1,059
Miscellaneous	1,354	-	-
Total Revenues	<u>948,477</u>	<u>19,058</u>	<u>35,264</u>
EXPENDITURES			
Current:			
General government	935,679	125	-
Public safety	-	-	48,908
Judicial	-	-	-
Capital outlay	24,301	-	-
Total Expenditures	<u>959,980</u>	<u>125</u>	<u>48,908</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(11,503)</u>	<u>18,933</u>	<u>(13,644)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	70,000	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>70,000</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	58,497	18,933	(13,644)
FUND BALANCES, JANUARY 1	<u>409,088</u>	<u>514,880</u>	<u>49,658</u>
FUND BALANCES, DECEMBER 31	<u>\$ 467,585</u>	<u>533,813</u>	<u>36,014</u>

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, 2005

<u>County-Wide 911 System</u>	<u>Record Preservation</u>	<u>Family Access</u>	<u>Prosecuting Attorney Bad Check</u>	<u>Collector's Tax Maintenance</u>	<u>Election Services</u>	<u>Total</u>
671,627	-	-	-	-	-	671,627
5,130	110,031	37,053	59,293	140,327	5,143	926,146
-	-	-	-	-	228,882	638,324
32,928	9,682	-	6,883	3,370	2,990	78,687
-	-	-	-	-	-	1,354
<u>709,685</u>	<u>119,713</u>	<u>37,053</u>	<u>66,176</u>	<u>143,697</u>	<u>237,015</u>	<u>2,316,138</u>
-	32,283	-	-	65,245	5,750	1,039,082
668,533	-	-	-	-	-	717,441
-	-	103,354	24,136	-	-	127,490
1,133	30,176	-	1,773	6,731	256,377	320,491
<u>669,666</u>	<u>62,459</u>	<u>103,354</u>	<u>25,909</u>	<u>71,976</u>	<u>262,127</u>	<u>2,204,504</u>
<u>40,019</u>	<u>57,254</u>	<u>(66,301)</u>	<u>40,267</u>	<u>71,721</u>	<u>(25,112)</u>	<u>111,634</u>
-	-	55,000	-	-	-	125,000
-	-	-	(36,633)	(29,782)	-	(66,415)
-	-	55,000	(36,633)	(29,782)	-	58,585
40,019	57,254	(11,301)	3,634	41,939	(25,112)	170,219
974,785	246,782	41,082	174,553	74,795	81,288	2,566,911
<u>1,014,804</u>	<u>304,036</u>	<u>29,781</u>	<u>178,187</u>	<u>116,734</u>	<u>56,176</u>	<u>2,737,130</u>

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, 2005

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Charges for services	\$ 405,000	543,491	138,491
Intergovernmental	400,000	398,510	(1,490)
Investment income	2,000	5,122	3,122
Miscellaneous	1,000	1,354	354
Total Revenues	<u>808,000</u>	<u>948,477</u>	<u>140,477</u>
EXPENDITURES			
Current:			
General government	980,219	935,679	(44,540)
Capital outlay	29,000	24,301	(4,699)
Total Expenditures	<u>1,009,219</u>	<u>959,980</u>	<u>(49,239)</u>
REVENUES OVER (UNDER) EXPENDITURES	(201,219)	(11,503)	189,716
OTHER FINANCING SOURCES			
Transfers in	<u>105,000</u>	<u>70,000</u>	<u>(35,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (96,219)</u>	58,497	<u>154,716</u>
FUND BALANCE, JANUARY 1		<u>409,088</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 467,585</u>	

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, 2005

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Charges for services	\$ -	2,405	2,405
Investment income	<u>5,500</u>	<u>16,653</u>	<u>11,153</u>
Total Revenues	5,500	19,058	13,558
EXPENDITURES			
Current:			
General government	<u>74,904</u>	<u>125</u>	<u>(74,779)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (69,404)</u>	18,933	<u>88,337</u>
FUND BALANCE, JANUARY 1		<u>514,880</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 533,813</u>	

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, 2005

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Charges for services	\$ 22,000	23,273	1,273
Intergovernmental	8,029	10,932	2,903
Investment income	1,000	1,059	59
Total Revenues	<u>31,029</u>	<u>35,264</u>	<u>4,235</u>
EXPENDITURES			
Current:			
Public safety	<u>77,215</u>	<u>48,908</u>	<u>(28,307)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (46,186)</u>	<u>(13,644)</u>	<u>32,542</u>
FUND BALANCE, JANUARY 1		<u>49,658</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 36,014</u>	

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, 2005

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Taxes	\$ 715,000	671,627	(43,373)
Charges for services	4,500	5,130	630
Investment income	28,668	32,928	4,260
Total Revenues	<u>748,168</u>	<u>709,685</u>	<u>(38,483)</u>
EXPENDITURES			
Current:			
Public safety	602,174	668,533	66,359
Capital outlay	60,000	1,133	(58,867)
Total Expenditures	<u>662,174</u>	<u>669,666</u>	<u>7,492</u>
NET CHANGE IN FUND BALANCE	<u>\$ 85,994</u>	40,019	<u>(45,975)</u>
FUND BALANCE, JANUARY 1		<u>974,785</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 1,014,804</u>	

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, 2005

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Charges for services	\$ 115,000	110,031	(4,969)
Investment income	2,000	9,682	7,682
Total Revenues	<u>117,000</u>	<u>119,713</u>	<u>2,713</u>
EXPENDITURES			
Current:			
General government	250,000	32,283	(217,717)
Capital outlay	100,293	30,176	(70,117)
Total Expenditures	<u>350,293</u>	<u>62,459</u>	<u>(287,834)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (233,293)</u>	57,254	<u>290,547</u>
FUND BALANCE, JANUARY 1		<u>246,782</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 304,036</u>	

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, 2005

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Charges for services	\$ 49,500	37,053	(12,447)
EXPENDITURES			
Current:			
Judicial	267,079	103,354	(163,725)
Capital outlay	4,000	-	(4,000)
Total Expenditures	<u>271,079</u>	<u>103,354</u>	<u>(167,725)</u>
REVENUES OVER (UNDER) EXPENDITURES	(221,579)	(66,301)	155,278
OTHER FINANCING SOURCES			
Transfers in	<u>193,678</u>	<u>55,000</u>	<u>(138,678)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (27,901)</u>	(11,301)	<u>16,600</u>
FUND BALANCE, JANUARY 1		<u>41,082</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 29,781</u>	

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, 2005

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	\$ 45,000	59,293	14,293
Investment income	3,000	6,883	3,883
Total Revenues	48,000	66,176	18,176
EXPENDITURES			
Current:			
Judicial	82,318	24,136	(58,182)
Capital outlay	8,000	1,773	(6,227)
Total Expenditures	90,318	25,909	(64,409)
REVENUES OVER (UNDER) EXPENDITURES	(42,318)	40,267	82,585
OTHER FINANCING USES			
Transfers out	(79,000)	(36,633)	42,367
NET CHANGE IN FUND BALANCE	\$ (121,318)	3,634	124,952
FUND BALANCE, JANUARY 1		174,553	
FUND BALANCE, DECEMBER 31		\$ 178,187	

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, 2005

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Charges for services	\$ 135,000	140,327	5,327
Investment income	<u>1,000</u>	<u>3,370</u>	<u>2,370</u>
Total Revenues	<u>136,000</u>	<u>143,697</u>	<u>7,697</u>
EXPENDITURES			
Current:			
General government	65,650	65,245	(405)
Capital outlay	<u>47,360</u>	<u>6,731</u>	<u>(40,629)</u>
Total Expenditures	<u>113,010</u>	<u>71,976</u>	<u>(41,034)</u>
REVENUES OVER EXPENDITURES	22,990	71,721	48,731
OTHER FINANCING USES			
Transfers out	<u>(40,000)</u>	<u>(29,782)</u>	<u>10,218</u>
NET CHANGE IN FUND BALANCE	<u>\$ (17,010)</u>	41,939	<u>58,949</u>
FUND BALANCE, JANUARY 1		<u>74,795</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 116,734</u>	

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, 2005

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Charges for services	\$ 6,000	6,000	5,143	(857)
Intergovernmental	-	200,000	228,882	28,882
Investment income	600	600	2,990	2,390
Total Revenues	6,600	206,600	237,015	30,415
EXPENDITURES				
Current:				
General government	4,000	4,000	5,750	1,750
Capital outlay	64,132	264,132	256,377	(7,755)
Total Expenditures	68,132	268,132	262,127	(6,005)
NET CHANGE IN FUND BALANCE	\$ (61,532)	(61,532)	(25,112)	36,420
FUND BALANCE, JANUARY 1			81,288	
FUND BALANCE, DECEMBER 31			\$ 56,176	

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

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.

	<u>Treasurer</u>	<u>Collector</u>	<u>Sheriff</u>
ASSETS			
Cash	\$ 1,193,644	67,150,454	18,330
Accounts receivable	-	-	-
	<u>\$ 1,193,644</u>	<u>67,150,454</u>	<u>18,330</u>
Total Assets	<u>\$ 1,193,644</u>	<u>67,150,454</u>	<u>18,330</u>
LIABILITIES			
Due to others	\$ 82,442	1,136,377	18,330
Due to other taxing districts	<u>1,111,202</u>	<u>66,014,077</u>	<u>-</u>
	<u>\$ 1,193,644</u>	<u>67,150,454</u>	<u>18,330</u>
Total Liabilities	<u>\$ 1,193,644</u>	<u>67,150,454</u>	<u>18,330</u>

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
DECEMBER 31, 2005

<u>County Clerk</u>	<u>Prosecuting Attorney</u>	<u>Recorder Of Deeds</u>	<u>Criminal Activity Forfeiture Act</u>	<u>Building Department</u>	<u>Sheriff Commissary</u>	<u>Totals</u>
29	60,732	42,134	41,129	197,263	11,532	68,715,247
-	-	9,974	-	-	-	9,974
<u>29</u>	<u>60,732</u>	<u>52,108</u>	<u>41,129</u>	<u>197,263</u>	<u>11,532</u>	<u>68,725,221</u>
29	60,732	13,317	41,129	197,263	11,532	1,561,151
-	-	38,791	-	-	-	67,164,070
<u>29</u>	<u>60,732</u>	<u>52,108</u>	<u>41,129</u>	<u>197,263</u>	<u>11,532</u>	<u>68,725,221</u>

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Balance December 31 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2005</u>
TREASURER				
Assets				
Cash	\$ 1,131,175	22,277,482	22,215,013	1,193,644
Liabilities				
Due to others	\$ 57,769	144,785	120,112	82,442
Due to other taxing districts	1,073,406	22,132,697	22,094,901	1,111,202
Total Liabilities	<u>\$ 1,131,175</u>	<u>22,277,482</u>	<u>22,215,013</u>	<u>1,193,644</u>
COLLECTOR				
Assets				
Cash	\$ 58,485,980	79,795,125	71,130,651	67,150,454
Liabilities				
Due to others	\$ 563,718	1,920,273	1,347,614	1,136,377
Due to other taxing districts	57,922,262	77,874,852	69,783,037	66,014,077
Total Liabilities	<u>\$ 58,485,980</u>	<u>79,795,125</u>	<u>71,130,651</u>	<u>67,150,454</u>
SHERIFF				
Assets				
Cash	\$ 13,354	487,182	482,206	18,330
Liabilities				
Due to others	\$ 13,354	487,182	482,206	18,330
COUNTY CLERK				
Assets				
Cash	\$ 81	108,713	108,765	29
Liabilities				
Due to others	\$ 81	108,713	108,765	29

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Balance December 31 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2005</u>
PROSECUTING ATTORNEY				
Assets				
Cash	\$ 60,656	661,710	661,634	60,732
Liabilities				
Due to others	\$ 60,656	661,710	661,634	60,732
RECORDER OF DEEDS				
Assets				
Cash	\$ 37,992	462,257	458,115	42,134
Accounts receivable	11,400	11,738	13,164	9,974
Total Assets	<u>\$ 49,392</u>	<u>473,995</u>	<u>471,279</u>	<u>52,108</u>
Liabilities				
Due to others	\$ 11,360	1,957	-	13,317
Due to other taxing districts	38,032	472,038	471,279	38,791
Total Liabilities	<u>\$ 49,392</u>	<u>473,995</u>	<u>471,279</u>	<u>52,108</u>
CRIMINAL ACTIVITY FORFEITURE ACT				
Assets				
Cash	\$ 28,987	34,094	21,952	41,129
Liabilities				
Due to others	\$ 28,987	34,094	21,952	41,129
BUILDING DEPARTMENT				
Assets				
Cash	\$ 232,096	243,300	278,133	197,263
Liabilities				
Due to others	\$ 232,096	243,300	278,133	197,263

(Continued)

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Balance December 31 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2005</u>
SHERIFF COMMISSARY				
Assets				
Cash	\$ 10,929	43,131	42,528	11,532
Liabilities				
Due to others	\$ 10,929	43,131	42,528	11,532
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 60,001,250	104,112,994	95,398,997	68,715,247
Accounts receivable	11,400	11,738	13,164	9,974
Total Assets	<u>\$ 60,012,650</u>	<u>104,124,732</u>	<u>95,412,161</u>	<u>68,725,221</u>
Liabilities				
Due to others	\$ 978,950	3,645,145	3,062,944	1,561,151
Due to other taxing districts	59,033,700	100,479,587	92,349,217	67,164,070
Total Liabilities	<u>\$ 60,012,650</u>	<u>104,124,732</u>	<u>95,412,161</u>	<u>68,725,221</u>

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
ELECTED OFFICIALS, ASSESSED VALUATION, AND
TAX RATE PER \$100 OF ASSESSED VALUATION

ELECTED OFFICIALS

	<u>December 31, 2005</u>	
	<u>Salary</u>	<u>Surety Bond</u>
Edward D. Hillhouse, Presiding Commissioner	\$60,826	-
Terry O. Wilson, First District Commissioner	58,826	-
Ann G. L. Schroeder, Second District Commissioner	58,826	-
Debbie K. Door, County Clerk	60,826	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	96,000	10,000
Bill D. Miller, Circuit Clerk	(1)	-
Sharon Birkman, Recorder of Deeds	60,826	5,000
Alvin Marquart, County Treasurer	60,826	850,000
Gary Toelke, Sheriff	66,560	50,000
Ralph Sudholt, County Auditor	60,826	10,000
Carol Eckelkamp, Public Administrator	60,826	300,000
Linda Emmons, County Collector	60,826	750,000
William Overschmidt, Assessor	60,826	10,000

(1) Salary paid by state

ASSESSED VALUATION

	<u>January 1, 2005</u>
Real estate	\$1,085,474,121
Personal property	295,824,667
Railroad and utilities	37,009,666
State assessed railroad and utilities	<u>119,750,244</u>
	<u>\$1,538,058,698</u>

TAX RATE PER \$100 OF ASSESSED VALUATION

	<u>2005 Tax Levy</u>
State	\$.0300
County General Fund	.1378
County Road and Bridge Fund	.2223

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
INSURANCE COVERAGE
DECEMBER 31, 2005

<u>Type Of Coverage</u>	<u>Amount Of Coverage</u>
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
Builders risk	\$5,500,000/occurrence

	<u>Charges</u>	<u>%</u>	<u>Collections</u>	<u>%</u>	<u>Delinquent</u>	<u>%</u>
CURRENT TAXES						
Real estate	\$ 60,450,197	100.00 %	56,969,365	94.24	3,351,825	5.54
Personal	16,730,103	100.00	14,980,504	89.53	1,559,631	9.32
Railroad and utilities	9,253,144	100.00	8,888,349	96.06	14	0.00
Levee districts	38,809	100.00	32,789	84.49	6,020	15.51
License collections	430	100.00	430	100.00	-	-
Total Current Taxes	<u>86,472,683</u>	100.00	<u>80,871,437</u>	93.52	<u>4,917,490</u>	5.69
BACK TAXES						
Real estate	4,116,484	100.00	2,609,438	63.40	1,459,599	35.46
Personal	2,210,846	100.00	1,500,068	67.85	608,537	27.53
Railroad and utilities	6,022	100.00	275	4.57	5,747	95.43
Levee districts	27	100.00	-	0.00	27	100.00
Interest and penalties on back taxes	1,183,740	100.00	1,183,740	100.00	-	-
Collector's maintenance	138,665	100.00	138,665	100.00	-	-
Protested taxes	101,357	100.00	83,165	82.05	-	-
Total Back Taxes	<u>7,757,320</u>	100.00	<u>5,515,351</u>	71.10	<u>2,073,910</u>	26.73
INTEREST EARNED ON INVESTMENTS						
	<u>188,832</u>	100.00	<u>188,832</u>	100.00	<u>-</u>	<u>-</u>
	<u>\$ 94,418,835</u>	100.00 %	<u>86,575,620</u>	91.69	<u>6,991,400</u>	7.40

**FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COUNTY COLLECTOR - CHARGES AND CREDITS
FOR THE YEAR ENDED FEBRUARY 28, 2006**

		Credits					
Abatements	%	Protested	%	Refunds	%	Total	%
53,316	0.09	75,690	0.13	-	-	60,450,196	100.00
99,304	0.59	90,665	0.54	-	-	16,730,104	100.00
-	-	364,781	3.94	-	-	9,253,144	100.00
-	-	-	-	-	-	38,809	100.00
-	-	-	-	-	-	430	100.00
<u>152,620</u>	0.18	<u>531,136</u>	0.61	<u>-</u>	-	<u>86,472,683</u>	100.00
47,446	1.15	-	-	-	-	4,116,483	100.00
102,241	4.62	-	-	-	-	2,210,846	100.00
-	-	-	-	-	-	6,022	100.00
-	-	-	-	-	-	27	100.00
-	-	-	-	-	-	1,183,740	100.00
-	-	-	-	-	-	138,665	100.00
-	-	5,426	5.35	12,946	12.77	101,537	100.00
<u>149,687</u>	1.93	<u>5,426</u>	0.07	<u>12,946</u>	0.17	<u>7,757,320</u>	100.00
-	-	-	-	-	-	188,832	100.00
<u>302,307</u>	0.32	<u>536,562</u>	0.57	<u>12,946</u>	0.01	<u>94,418,835</u>	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, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Governmental Funds Capital Assets		
Land and right of ways	\$ 1,836,195	1,616,445
Construction in progress	4,739,580	494,993
Buildings and other improvements	9,290,372	9,290,372
Machinery, equipment, and vehicles	8,020,068	7,802,810
Furniture and office equipment	4,071,578	3,407,243
Infrastructure	<u>56,356,286</u>	<u>52,712,644</u>
Total Governmental Funds Capital Assets	<u>\$ 84,314,079</u>	<u>75,324,507</u>

FRANKLIN COUNTY, MISSOURI
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2005

	Land And Right Of Ways	Construction In Progress	Buildings And Other Improvements	Machinery, Equipment, And Vehicles	Furniture And Office Equipment	Infrastructure	Total
Governmental Funds Capital Assets							
General government:							
County commission	\$ 1,574,017	3,242,233	2,544,910	42,625	11,950	-	7,415,735
County clerk	-	-	-	-	77,640	-	77,640
County treasurer	-	-	-	-	5,805	-	5,805
County auditor	-	-	-	-	12,004	-	12,004
County collector	-	-	-	-	116,748	-	116,748
Recorder of deeds	-	-	-	-	506,047	-	506,047
Building	-	-	-	148,430	33,564	-	181,994
Registration and elections	-	-	-	-	489,527	-	489,527
Planning/zoning department	-	-	-	32,300	43,007	-	75,307
Information technology	-	-	-	-	107,032	-	107,032
Geographic information system	-	-	-	-	67,845	-	67,845
Custodial	-	-	-	-	25,288	-	25,288
Assessment	-	-	-	88,114	188,180	-	276,294
Total General Government	1,574,017	3,242,233	2,544,910	311,469	1,684,637	-	9,357,266
Public safety:							
Sheriff	82,993	48,600	6,501,383	1,786,041	1,095,841	-	9,514,858
Emergency management	-	-	-	170,405	387,698	-	558,103
County-wide 911	-	-	-	17,609	241,484	-	259,093
Total Public Safety	82,993	48,600	6,501,383	1,974,055	1,725,023	-	10,332,054
Road and bridge:							
Highways and streets	179,185	1,448,747	244,079	5,469,575	31,489	56,356,286	63,729,361
Judicial:							
Circuit court I and II	-	-	-	84,462	22,790	-	107,252
Circuit court V	-	-	-	-	24,138	-	24,138
Circuit court VI	-	-	-	-	51,361	-	51,361
Circuit court VII	-	-	-	-	36,170	-	36,170
Circuit clerk	-	-	-	-	152,075	-	152,075
Court reporters I and II	-	-	-	-	1,595	-	1,595
Prosecuting attorney	-	-	-	30,627	63,797	-	94,424
Child support 4-D	-	-	-	-	19,737	-	19,737
Public administrator	-	-	-	-	8,821	-	8,821
Family court	-	-	-	-	7,213	-	7,213
Juvenile court	-	-	-	120,216	63,803	-	184,019
Total Judicial	-	-	-	235,305	451,500	-	686,805
Health and welfare:							
Health services	-	-	-	29,664	126,354	-	156,018
Education:							
University of Missouri extension	-	-	-	-	52,575	-	52,575
Total Governmental Funds Capital Assets	\$ 1,836,195	4,739,580	9,290,372	8,020,068	4,071,578	56,356,286	84,314,079

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, 2005

Governmental Funds Capital Assets	Balance December 31 2004	Additions And Transfers	Deductions	Balance December 31 2005
General government:				
County commission	\$ 4,101,314	3,314,421	-	7,415,735
County clerk	76,011	1,629	-	77,640
County treasurer	5,805	-	-	5,805
County auditor	11,960	330	286	12,004
County collector	113,092	4,299	643	116,748
Recorder of deeds	475,832	30,315	100	506,047
Building	185,797	763	4,566	181,994
Registration and elections	157,858	331,889	220	489,527
Planning/zoning department	75,177	130	-	75,307
Information technology	97,171	9,861	-	107,032
Geographic information system	64,920	2,925	-	67,845
Custodial	25,180	1,039	931	25,288
Assessment	269,657	24,301	17,664	276,294
Total General Government	<u>5,659,774</u>	<u>3,721,902</u>	<u>24,410</u>	<u>9,357,266</u>
Public safety:				
Sheriff	9,279,929	551,673	316,744	9,514,858
Emergency management	346,809	211,706	412	558,103
County-wide 911	258,595	498	-	259,093
Total Public Safety	<u>9,885,333</u>	<u>763,877</u>	<u>317,156</u>	<u>10,332,054</u>
Road and bridge:				
Highways and streets	<u>58,966,862</u>	<u>5,387,074</u>	<u>624,575</u>	<u>63,729,361</u>
Judicial:				
Circuit court I and II	106,745	927	420	107,252
Circuit court V	24,138	-	-	24,138
Circuit court VI	42,127	9,234	-	51,361
Circuit court VII	36,170	-	-	36,170
Circuit clerk	152,068	1,416	1,409	152,075
Court reporters I and II	1,033	562	-	1,595
Prosecuting attorney	91,183	3,975	734	94,424
Child support 4-D	19,994	(257)	-	19,737
Public administrator	6,067	2,854	100	8,821
Family court	7,475	(262)	-	7,213
Juvenile court	170,536	13,653	170	184,019
Total Judicial	<u>657,536</u>	<u>32,102</u>	<u>2,833</u>	<u>686,805</u>
Health and welfare:				
Health services	<u>104,734</u>	<u>51,784</u>	<u>500</u>	<u>156,018</u>
Education:				
University of Missouri extension	<u>50,268</u>	<u>2,307</u>	<u>-</u>	<u>52,575</u>
Total Governmental Funds Capital Assets	<u>\$ 75,324,507</u>	<u>9,959,046</u>	<u>969,474</u>	<u>84,314,079</u>

STATISTICAL SECTION

FRANKLIN COUNTY, MISSOURI
GOVERNMENT-WIDE REVENUES BY SOURCE
LAST THREE FISCAL YEARS

Source	2005	2004	2003
Program revenues:			
Charges for services	\$ 5,223,707	5,326,111	5,241,241
Operating grants and contributions	4,016,824	3,857,295	3,264,807
Capital grants and contributions	1,021,538	735,395	485,220
General revenues:			
Taxes:			
Sales tax	13,048,036	12,509,110	12,148,709
Property taxes	4,445,656	3,942,400	3,955,453
Other taxes	888,451	917,605	749,911
Investment income	898,490	686,172	605,431
Miscellaneous	163,647	171,764	91,164
Transfers	-	272,996	-
Total Revenues	\$ 29,706,349	28,418,848	26,541,936

FRANKLIN COUNTY, MISSOURI
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST THREE FISCAL YEARS

Function	<u>2005</u>	<u>2004</u>	<u>2003</u>
General government	\$ 7,227,959	5,527,112	4,812,232
Public safety	9,101,620	7,388,465	7,791,052
Judicial	2,320,453	2,192,369	2,081,484
Highways and streets	10,766,711	8,948,239	8,789,144
Health and welfare	904,604	858,367	750,363
Education	165,210	160,930	157,093
Interest and fiscal charges	881	-	-
Total Expenses	<u>\$ 30,487,438</u>	<u>25,075,482</u>	<u>24,381,368</u>

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
REVENUES				
Taxes	\$ 20,584,590	19,668,057	19,105,706	18,363,352
Licenses and permits	73,670	71,483	62,204	60,089
Charges for services	5,150,037	5,254,628	5,028,364	3,921,512
Intergovernmental	2,701,919	2,270,546	1,727,566	1,965,185
Investment income	898,490	686,172	605,431	536,852
Miscellaneous	163,646	171,764	91,164	138,668
Total Revenues	<u>\$ 29,572,352</u>	<u>28,122,650</u>	<u>26,620,435</u>	<u>24,985,658</u>
EXPENDITURES				
Current:				
General government	\$ 5,192,914	4,887,752	4,629,820	5,496,261
Public safety	8,046,518	7,559,692	6,898,495	5,825,808
Judicial	2,219,667	2,138,546	2,034,110	1,975,760
Highways and streets	5,738,110	5,444,485	5,730,011	5,623,113
Health and welfare	907,963	841,441	739,017	645,274
Education	166,334	159,817	155,980	147,004
Capital outlay	8,746,107	5,340,789	2,753,129	3,778,234
Debt service:				
Bond issuance costs	44,072	-	-	-
Total Expenditures	<u>\$ 31,061,685</u>	<u>26,372,522</u>	<u>22,940,562</u>	<u>23,491,454</u>

Source: Audited Financial Statements

*Includes all governmental fund types

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

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
17,717,327	16,720,966	15,873,455	15,730,644	14,385,174	12,880,029
62,760	61,640	62,684	62,722	62,197	62,582
3,859,533	3,486,602	3,499,059	3,534,913	3,347,330	3,483,040
3,464,832	2,789,275	2,081,506	2,566,204	1,645,087	1,685,859
764,114	1,031,282	820,530	768,302	678,146	579,412
126,361	65,487	226,668	161,667	208,753	295,471
<u>25,994,927</u>	<u>24,155,252</u>	<u>22,563,902</u>	<u>22,824,452</u>	<u>20,326,687</u>	<u>18,986,393</u>
5,266,324	4,439,631	4,057,499	5,521,202	4,819,015	4,277,264
5,590,105	5,061,555	4,839,727	3,059,732	2,912,302	2,890,467
1,807,382	1,694,630	1,907,952	1,896,717	1,805,078	1,588,538
5,536,753	5,083,399	4,769,478	4,361,766	3,730,210	3,774,372
613,014	546,423	635,766	721,846	622,685	594,742
143,313	126,703	135,486	126,685	111,518	109,372
6,935,905	6,903,450	5,134,407	4,592,002	4,071,346	4,849,993
-	-	-	-	-	-
<u>25,892,796</u>	<u>23,855,791</u>	<u>21,480,315</u>	<u>20,279,950</u>	<u>18,072,154</u>	<u>18,084,748</u>

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Property tax levy - County	\$ 5,548,790	4,921,660	4,902,468	4,493,090
Property tax collections# - County	5,650,683	5,120,770	5,053,389	4,668,625
Property tax levy - total	86,472,683	75,845,769	73,399,210	67,273,841
Property tax collections## - total	80,871,437	71,669,947	68,435,237	62,519,711
Taxable property:				
Assessed value	1,538,058,698	1,344,163,518	1,318,801,832	1,239,472,954
Estimated actual value	5,452,253,248	4,649,317,588	5,587,609,307	5,195,362,748
Property tax rates - direct and overlapping governments, per \$100 of assessed value:				
General Fund	0.1378	0.1134	0.1398	0.1292
Road and Bridge Fund	0.2223	0.2323	0.2314	0.2314
Subtotal	<u>0.3601</u>	<u>0.3457</u>	<u>0.3712</u>	<u>0.3606</u>
State	0.0300	0.0300	0.0300	0.0300
Schools*	52.0755	51.7187	50.9603	49.9010
Cities*	7.0335	6.9986	6.9073	6.8604
Special districts*	<u>11.1874</u>	<u>11.5114</u>	<u>11.4343</u>	<u>10.9313</u>
Total	<u>\$ 70.6865</u>	<u>70.6044</u>	<u>69.7031</u>	<u>68.0833</u>

*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

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
4,354,462	3,360,368	3,202,225	2,928,434	2,835,059	2,523,044
4,403,106	3,488,276	3,276,122	3,026,728	2,930,432	2,592,100
65,616,613	57,495,204	53,787,237	49,873,214	46,459,851	41,141,110
60,290,609	53,374,485	49,737,491	46,641,765	42,239,917	38,417,388
1,210,245,014	1,088,551,609	1,037,322,274	944,645,008	915,815,002	788,439,922
5,059,053,910	4,558,694,497	4,344,815,178	3,943,778,159	3,815,958,468	3,216,450,754
0.13	0.10	0.10	0.09	0.09	0.09
0.23	0.21	0.21	0.22	0.22	0.23
<u>0.36</u>	<u>0.31</u>	<u>0.31</u>	<u>0.31</u>	<u>0.31</u>	<u>0.32</u>
0.03	0.03	0.03	0.03	0.03	0.03
49.68	49.21	47.97	47.79	45.98	46.59
6.75	6.99	7.08	7.24	6.90	7.46
<u>10.87</u>	<u>10.77</u>	<u>10.50</u>	<u>10.42</u>	<u>10.00</u>	<u>10.48</u>
<u><u>67.69</u></u>	<u><u>67.31</u></u>	<u><u>65.89</u></u>	<u><u>65.79</u></u>	<u><u>63.22</u></u>	<u><u>64.88</u></u>

FRANKLIN COUNTY, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2005

Assessed valuation of taxable property	<u>\$ 1,538,058,698</u>
Legal debt margin:	
Debt limitation - 10% of assessed value	<u>\$ 153,805,870</u>
Amount of debt applicable to debt limit:	
Total Bonded Debt	-
Less - Amount available in Debt Service Fund	<u>-</u>
Total Debt Applicable To Debt Limit	<u>-</u>
Legal Debt Margin	<u>\$ 153,805,870</u>

Less - Amount available in Debt Service

FRANKLIN COUNTY, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS

<u>Taxpayer</u>	<u>Business</u>	<u>2005 Taxes Assessed</u>	<u>Percent Of Total</u>
AmerenUE	Utility	\$ 6,488,560	7.6 %
AT&T	Telephone	1,076,133	1.2
Parker Hannifin Corp	Manufacturer	672,440	0.8
Esselte Pendaflex	Manufacturer	354,102	0.4
Union Pacific Railroad	Railroad	345,394	0.4
Lowes Home Centers	Home Improvement Warehouse	264,132	0.3
Creekside Land and Development	Developer	263,793	0.2
Explorer Pipeline	Utility	261,096	0.3
Burlington Northern and Santa Fe	Railroad	245,607	0.3
Fidelity Telephone	Utility	216,104	0.2
Others		<u>76,285,322</u>	<u>88.3</u>
		<u><u>\$ 86,472,683</u></u>	<u><u>100.0 %</u></u>

FRANKLIN COUNTY, MISSOURI
COMPUTATION OF DIRECT AND UNDERLYING LONG-TERM DEBT
DECEMBER 31, 2005

	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	\$ 1,760,000	\$ 125,808	\$ 1,634,192	100 %	\$ 1,634,192
City of St. Clair	935,000	-	935,000	20	187,000
City of Pacific	250,000	-	250,000	10	25,000
City of New Haven	105,000	-	105,000	21	22,050
School Districts:					
Meramec Valley R-III	38,350,000	-	38,350,000	93	35,665,500
Union R-XI	36,710,000	-	36,710,000	100	36,710,000
Sullivan	19,020,000	-	19,020,000	83	15,786,600
Washington	17,670,000	-	17,670,000	86	15,196,200
Gerald	15,150,000	-	15,150,000	30	4,545,000
St. Clair R-13	11,470,000	-	11,470,000	100	11,470,000
East Central College	6,309,000	-	6,309,000	88	5,551,920
Spring Bluff	1,445,000	-	1,445,000	100	1,445,000
Londell R-14	425,000	-	425,000	100	425,000
Franklin County R-2	325,000	-	325,000	100	325,000
	<u>149,924,000</u>	<u>125,808</u>	<u>149,798,192</u>		<u>128,988,462</u>
Direct:					
Franklin County	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 149,924,000</u>	<u>\$ 125,808</u>	<u>\$ 149,798,192</u>	89 %	<u>\$ 128,988,462</u>

FRANKLIN COUNTY, MISSOURI
HISTORY, ORGANIZATION, DEMOGRAPHIC, AND
MISCELLANEOUS INFORMATION
DECEMBER 31, 2005

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.

FRANKLIN COUNTY, MISSOURI
HISTORY, ORGANIZATION, DEMOGRAPHIC, AND
MISCELLANEOUS INFORMATION (Continued)
DECEMBER 31, 2005

<u>For The</u> <u>Years Ended</u> <u>December 31</u>	<u>Population*</u>	<u>Number Of</u> <u>Construction</u> <u>Permits</u>
2005	99,090#	473***
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