

FRANKLIN COUNTY, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006

FRANKLIN COUNTY, MISSOURI

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006

PREPARED BY THE COUNTY AUDITOR

FRANKLIN COUNTY, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

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FRANKLIN COUNTY

COUNTY COMMISSION



400 EAST LOCUST STREET
ROOM 206
UNION, MISSOURI 63084
COMMISSION: (636) 583-6358
CLERK: (636) 583-6355
FAX: (636) 583-6399
www.franklinmo.org

EDWARD HILLHOUSE
Presiding Commissioner
of the County Commission

June 29, 2007

To the Citizens and Officeholders of
FRANKLIN COUNTY, MISSOURI

TERRY O. WILSON
Commissioner 1st District

In accordance with applicable Missouri state statutes, the Comprehensive Annual Financial Report (CAFR) of Franklin County, Missouri (the County) for the fiscal year ended December 31, 2006 is hereby submitted.

ANN G. L. SCHROEDER
Commissioner 2nd District

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.

DEBBIE DOOR
Clerk of the County Commission

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

The 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 the County for the fiscal year ended December 31, 2006, 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 auditors' concluded, based upon the audit, that there was a reason-able basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2006, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section.

The independent audit of the financial statements of the County 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 auditors 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 the County'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 compliment the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the County

The County 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. The County which was established in 1818 covers 922 square miles and has a population of 100,067. There are 65,619 registered voters in the County comprising 87% 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 \$46,384 annually with 4.5% of county families and 7% of the total population with incomes below the poverty level. There are 1,498 miles of roadways in the County with 69% maintained by municipal and county governments and 31% maintained by the State of Missouri.

The County is governed by a three member County Commission who control the County's 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 the County'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 the 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, 2006 Census Bureau estimate lists the County with a population of 100,067. Due to the 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 the County in the future. The key findings were that: population will increase from 92,000 to 125,000 at a 3.3% rate, an additional 13,000 jobs will be added at a rate of 2.7%, commuters into the County will increase from 6,000 to 9,000 and commuters out of the County will increase from 16,000 to 25,000, per capita income will increase from \$22,400 to \$28,300 increasing at 2.4% after inflation, retail sales are projected to grow at 6.1% per year from \$800 million to \$1.3 billion, the 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 the 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 ¼% sales tax for law enforcement which was increased to 1/2% on February 6, 2007. During 2006, the tax generated \$2,623,000 in additional revenue for law enforcement in the 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 2006.

In 1988, a one half cent sales tax for roads and bridges was approved by the County voters. This tax enabled the County to replace and refurbish 118 bridges. There are 13 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 February 6, 2007, the highway capital improvements sales tax was renewed indefinitely. The County's highway department also uses federal funding through the Intermodal Surface Transportation Efficiency Act (ISTEA). Four construction projects that are presently programmed exceed \$1,300,000 and require a 20% match of funds by the County. The County has made provisions to fund the amount necessary to meet the match requirements.

Long-term Financial Planning - The County uses a financial planning model that includes 14 previous years history and 3 to 20 future years. Linear projections of past revenue and expenditures project forward. Adjustments are made for growth prospects and expenditure variations.

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 - The 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 - The County participates in two multiple employer public employee retirement systems. The 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 the County for its CAFR for the year ended December 31, 2005. 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 CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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 go 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, 2005

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



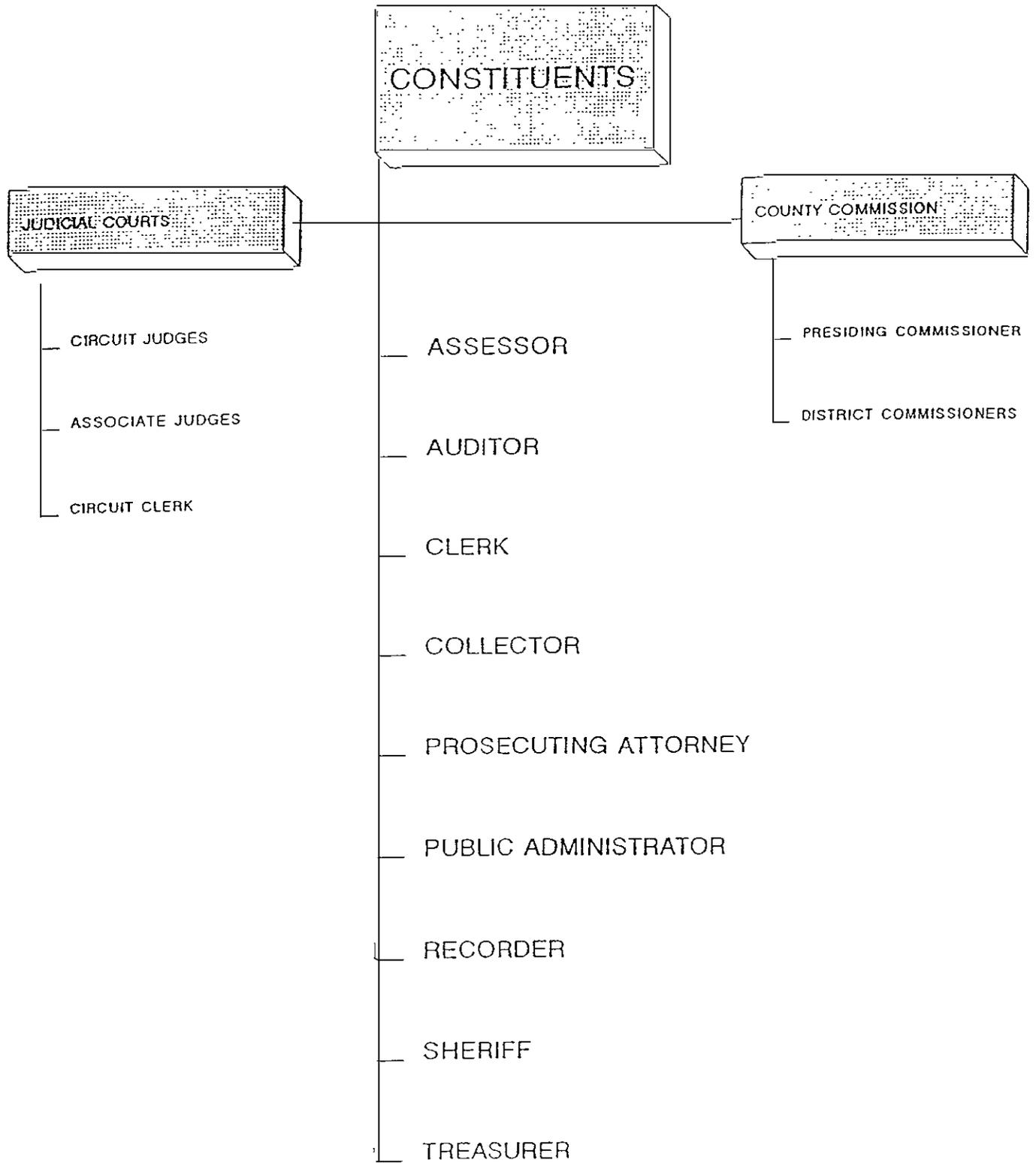
President

Executive Director

FRANKLIN COUNTY, MISSOURI
LIST OF PRINCIPAL OFFICIALS

<u>Office</u>	<u>Principal Officials At January 1, 2006</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

June 29, 2007

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, 2006, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, 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 as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with U.S. generally accepted accounting principles.

□ 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055

□ 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2007 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

Nochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

**FRANKLIN COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

This section of the 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, 2006. For a comprehensive understanding of the financial statements, please review the transmittal letter at the front of this report (pages ii - v) along with the County's financial statements, including the footnotes that follow this Management's Discussion and Analysis (MD&A)

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the 2006 fiscal year by \$71,752,216. Of this amount, \$50,281,515 is invested in capital assets, net of related debt and \$5,693,081 is restricted for specific purposes. The remaining \$15,777,620 can be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$7,582,997 during 2006. For governmental activities, revenues exceeded expenses by \$5,378,860 and business-type activities had revenues over expenses of \$2,204,137.
- As of the close of the 2006 fiscal year, the County's governmental funds reported combined ending fund balances of \$24,607,539. This is a decrease of \$4,927,740 in comparison with the prior year, and is the result of the \$4,792,598 invested in the new administrative office building.
- Governmental activities expenses totaled \$25,124,978 in 2006 versus \$30,487,438 in 2005. Highways and streets expenses were \$7,393,725 or 29%. The public safety and judicial expenditures totaled \$10,999,067 or 44%. Other governmental activities totaled \$6,732,186 or 27%.
- The County has a construction loan from USDA for the Brush Creek Sewer in the amount of \$3,605,210 which was converted to a long-term loan in 2007, 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 December 31, 2006 principal balance of \$6,845,000 at an average interest rate of 3.65%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A 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.

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

**FRANKLIN COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

statement of net assets also provides information on unrestricted and restricted net assets and net assets invested in capital assets.

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's 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 funds, fiduciary funds, and proprietary 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 funds 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 13 individual governmental funds. Information is presented individually for the four largest of the funds since they are considered major funds. See the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances, starting on page 14. Data from the other 9 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 47.

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 their budget.

The governmental funds financial statements can be found on pages 14 through 17 and 38 through 58 of this report.

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 60 through 63 of this report.

**FRANKLIN COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

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 District operations. See pages 18 through 20 of this report.

Notes to 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 financial statements can be found on pages 22 through 36 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 \$71,752,216 at the close of the 2006 fiscal year.

The condensed statement of net assets was as follows:

	December 31					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
ASSETS						
Current and other assets	\$27,289,127	32,844,374	1,121,693	109,625	28,410,820	32,953,999
Capital assets	53,945,176	44,478,655	6,159,166	4,286,265	60,104,342	48,764,920
Total Assets	<u>81,234,303</u>	<u>77,323,029</u>	<u>7,280,859</u>	<u>4,395,890</u>	<u>88,515,162</u>	<u>81,718,919</u>
LIABILITIES						
Long-term liabilities	10,204,434	11,150,578	3,605,210	3,046,344	13,809,644	14,196,922
Other liabilities	2,305,961	2,827,403	647,341	525,375	2,953,302	3,352,778
Total Liabilities	<u>12,510,395</u>	<u>13,977,981</u>	<u>4,252,551</u>	<u>3,571,719</u>	<u>16,762,946</u>	<u>17,549,700</u>
NET ASSETS						
Invested in capital assets	47,727,559	43,260,554	2,553,956	1,239,921	50,281,515	44,500,475
Restricted	5,693,081	5,752,129	-	-	5,693,081	5,752,129
Unrestricted	15,303,268	14,332,365	474,352	(415,750)	15,777,620	13,916,615
Total Net Assets	<u>\$68,723,908</u>	<u>63,345,048</u>	<u>3,028,308</u>	<u>824,171</u>	<u>71,752,216</u>	<u>64,169,219</u>

ANALYSIS OF NET ASSETS

The largest portion of the County's net assets, 70%, 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.

FRANKLIN COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006

An additional portion of the County's net assets, 8%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$15,777,620 may be used to meet the ongoing obligations of the County, including new building construction. Business-type activities are the grant, loans, and related construction of Brush Creek Sewer District.

Changes in net assets. The County's total revenues for governmental activities was \$30,503,838 in 2006 and \$29,706,349 in 2005. Taxes represent 58% of the County's revenues in 2006 and 62% in 2005. Another 17% comes from fees charged for services in 2006 and 18% in 2005. The remainder is federal and state aid, interest earnings, licenses and permits, and miscellaneous revenues. The cost for the governmental activities programs and services was \$25,124,978 in 2006 and \$30,487,438 in 2005 of which 64% and 65% was used for highway and public safety in 2006 and 2005, respectively. Business-type activities are the grants, loans, and related construction and start up of operations of Brush Creek Sewer District.

The condensed statement of activities was as follows:

**FRANKLIN COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	For The Years Ended December 31					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
REVENUES						
Program revenues:						
Charges for services	\$ 5,234,962	5,223,707	288,177	-	5,523,139	5,223,707
Operating grants and contribution	4,178,399	4,016,824	-	-	4,178,399	4,016,824
Capital grants and contribution	1,784,907	1,021,538	2,086,141	770,368	3,871,048	1,791,906
General revenues:						
Taxes	17,824,097	18,382,143	-	-	17,824,097	18,382,143
Investment income	1,232,052	898,490	-	-	1,232,052	898,490
Miscellaneous	249,421	163,647	-	-	249,421	163,647
Total Revenues	<u>30,503,838</u>	<u>29,706,349</u>	<u>2,374,318</u>	<u>770,368</u>	<u>32,878,156</u>	<u>30,476,717</u>
EXPENSES						
General government	5,412,425	7,227,959	-	-	5,412,425	7,227,959
Public safety	8,681,594	9,101,620	-	-	8,681,594	9,101,620
Judicial	2,317,473	2,320,453	-	-	2,317,473	2,320,453
Highways and streets	7,393,725	10,766,711	-	-	7,393,725	10,766,711
Health and welfare	873,977	904,604	-	-	873,977	904,604
Education	167,679	165,210	-	-	167,679	165,210
Interest and fiscal charges	278,105	881	-	-	278,105	881
Sewer	-	-	170,181	-	170,181	-
Total Expenses	<u>25,124,978</u>	<u>30,487,438</u>	<u>170,181</u>	<u>-</u>	<u>25,295,159</u>	<u>30,487,438</u>
CHANGES IN NET ASSETS	5,378,860	(781,089)	2,204,137	770,368	7,582,997	(10,721)
BEGINNING 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>
ENDING NET ASSETS	<u>\$68,723,908</u>	<u>63,345,048</u>	<u>3,028,308</u>	<u>824,171</u>	<u>71,752,216</u>	<u>64,169,219</u>

Significant changes in net assets. The increase in net assets is the result of the County's investment in the new County Government Center building of \$7,427,541 and the Brush Creek Sewer District of \$6,116,332.

Significant changes in revenue. Property tax revenue collected was reduced by \$517,664 to \$3,927,992 in 2006 as a result of the settlement of the tax rate lawsuit which lowered the tax rate. Also, refunded past taxes paid were adjusted through a reduction of the long-term liability. Refunds will be paid through 2010. The largest source of tax revenue is the sales tax which decreased in 2006 to \$13,010,612 from \$13,048,036 in 2005.

**FRANKLIN COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Intergovernmental revenue increased by \$35,065 in 2006 and \$328,318 in 2005 for federal drug fighting programs, and by \$250,306 in 2006 for federal road programs, but offset by a reduction of funding 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 \$26,622 in 2006 and \$204,657 in 2005. The state assessment program funding was increased by \$107,364 in 2006 due to an increase in rates paid and for a change in timing of payments to match the state fiscal year.

Charges for services increased slightly in 2006 with special election and vital records fees up, offset by reductions in recording fees and building permits. In 2005, fees increased for County programs with building permits up \$54,237 and election fees up \$65,675 offset by the recorder filing fee decreases of \$218,425 in 2004. Fees charged to other taxing districts for tax collection and assessing increased by \$42,000 in 2006 and \$158,435 or 14% in 2005 due to increased tax collections for those districts. The federal prisoner housing program has decreased from \$910,000 in 1993 to \$82 in 2006. 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. The County no longer participates in housing agreements for Federal prisoners.

Investment income has increased as interest rates have gone up and the County has financed new additions to capital assets at a lower cost than the County earns on bank investments.

Significant changes in expenses. Personal services is the largest expense and increased in 2006, 2005, and 2004, increasing from \$14,265,609 in 2004 to \$14,971,060 in 2005 to \$15,503,025 in 2006. This is an increase of \$531,965 in 2006, \$705,451 in 2005, and \$827,085 in 2004. Of this amount, all employees received a 4.1% raise in 2006, 3.6% raise in 2005, and 2.6% raise in 2004. Employee benefits included in personal services were \$4,669,194 in 2006, \$4,488,027 in 2005, and \$4,153,188 in 2004, for an increase of \$181,167 or 4.0% in 2006, \$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 their families.

Significant changes in fund balances and fund assets. The General Fund balance increased in 2005 with the proceeds from the \$6,910,000 lease purchase financing and decreased in 2006 as the funds were transferred to the Capital Improvements Fund to be expended. In 2006 the fund balance also decreased due to the court ordered reduction in property tax rates. The Capital Projects Fund balance increased to complete the expenditures for the new government center and additional interest revenue. The Road and Bridge Fund balance varies with weather and construction delays. All of the available cash is planned to be spent. The Law Enforcement Sales Tax Fund balance varies with the amount of employee turnover.

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 expenditures for 2006 increased by \$41,000 for grants. General Fund revenues exceeded the budget by \$158,608 in 2006 and expenditures were \$925,177 less than the 2006 budget. Property taxes were \$441,646 less than budget in 2006 due to the tax rate lawsuit. Charges for services were

**FRANKLIN COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

\$183,830 higher than the 2006 budget due to other tax district collection commission increases for the collector and for the health department due to the need for birth certificates to renew drivers licenses. Building inspection fees were \$47,000 lower in 2006 since the reduction in new building starts was later, but more than budgeted. Investment income was \$255,567 higher in 2006 due to higher rates earned on County funds and higher balances due to the \$6,910,000 lease purchase proceeds and lower expenditures than budgeted.

SIGNIFICANT FUTURE PLANS

The County is presently building a new court building, with an estimated cost of \$8,200,000, to be finished in 2008. It has a matching design of the County Government Center completed in 2006. The County has set aside \$2,000,000 for additional space at the adult detention facility. After these projects are completed, the present courthouse will be remodeled at an estimated cost of approximately \$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 2007 with a completed cost of approximately \$6,200,000. Operations have started as the feeder lines are connected to residences.

During 2007, the County plans to spend \$6,586,000 for new road infrastructure. The plan includes approximately 30 miles of asphalt overlay, and 34.7 miles of road conversion to hard surface.

The County extended the ½% road and bridge tax from a 10 year sunset in 2010 to a no sunset tax and the law enforcement sales tax was increased from 1/4% to 1/2% in February 2007. The County has received a federal grant to operate a multi-jurisdiction drug task force during 2007 and drug preventative grants have been renewed for 2007 for \$260,000.

CAPITAL ASSETS

Capital assets, net of depreciation, were as shown in the following table:

	December 31					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Land	\$ 2,496,719	1,836,195	42,834	33,034	2,539,553	1,869,229
Construction-in-progress	943,245	4,739,580	6,116,332	4,253,231	7,059,577	8,992,811
Buildings and other im- Provements	12,130,864	4,873,788	-	-	12,130,864	4,873,788
Machinery, equipment, and vehicles	3,487,450	3,110,459	-	-	3,487,450	3,110,459
Furniture and office Equipment	2,076,509	1,170,696	-	-	2,076,509	1,170,696
Infrastructure	32,810,389	28,747,937	-	-	32,810,389	28,747,937
Total	\$53,945,176	44,478,655	6,159,166	4,286,265	60,104,342	48,764,920

**FRANKLIN COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Additional information on the County's capital assets can be found in Note E.

LONG-TERM DEBT

During 2005, the County issued \$6,910,000 of Certificates of Participation, Series 2005 to finance the County Government Center 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 \$3,605,210 which was refinanced in 2007 and is payable from user fees. See Note C for more information and the debt limit calculation on pages 88 and 89.

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, 400 East Locust Street, Room 203, 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, 2006

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 22,504,204	480,999	22,985,203
Accounts receivable, net	2,705,221	44,857	2,750,078
Grants receivable	565,458	595,837	1,161,295
Property taxes receivable	490,218	-	490,218
Prepaid items	11,288	-	11,288
Bond issue costs	41,428	-	41,428
Restricted assets:			
Cash	858,361	-	858,361
Long-term notes receivable	112,949	-	112,949
Capital assets:			
Land and construction in progress	3,439,964	6,159,166	9,599,130
Other capital assets, net of accumulated depreciation	50,505,212	-	50,505,212
Total Assets	<u>81,234,303</u>	<u>7,280,859</u>	<u>88,515,162</u>
LIABILITIES			
Accounts payable	1,482,726	438,940	1,921,666
Retainage payable	-	208,401	208,401
Wages payable	213,324	-	213,324
Due to other taxing districts	299,388	-	299,388
Unearned revenue	310,523	-	310,523
Noncurrent liabilities:			
Due within one year	1,532,480	3,605,210	5,137,690
Due in more than one year	8,671,954	-	8,671,954
Total Liabilities	<u>12,510,395</u>	<u>4,252,551</u>	<u>16,762,946</u>
NET ASSETS			
Invested in capital assets, net of related debt	47,727,559	2,553,956	50,281,515
Restricted for:			
Public safety	558,138	-	558,138
Community development	555,561	-	555,561
Unemployment benefits	118,253	-	118,253
Road and bridge	3,420,601	-	3,420,601
Other County offices	1,040,528	-	1,040,528
Unrestricted	15,303,268	474,352	15,777,620
Total Net Assets	<u>\$ 68,723,908</u>	<u>3,028,308</u>	<u>71,752,216</u>

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Changes In Net Assets		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contribution	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 5,412,425	3,432,877	505,874	264,500	(1,209,174)	-	(1,209,174)
Public safety	8,681,594	855,295	509,897	713,063	(6,603,339)	-	(6,603,339)
Judicial	2,317,473	650,450	302,804	-	(1,364,219)	-	(1,364,219)
Highways and streets	7,393,725	-	2,399,158	796,859	(4,197,708)	-	(4,197,708)
Health and welfare	873,977	296,340	460,666	10,485	(106,486)	-	(106,486)
Education	167,679	-	-	-	(167,679)	-	(167,679)
Interest and fiscal charges	278,105	-	-	-	(278,105)	-	(278,105)
Total Governmental Activities	<u>25,124,978</u>	<u>5,234,962</u>	<u>4,178,399</u>	<u>1,784,907</u>	<u>(13,926,710)</u>	<u>-</u>	<u>(13,926,710)</u>
Business-type Activities							
Sewer	170,181	288,177	-	2,086,141	-	2,204,137	2,204,137
Total Primary Government	<u>\$ 25,295,159</u>	<u>5,523,139</u>	<u>4,178,399</u>	<u>3,871,048</u>	<u>(13,926,710)</u>	<u>2,204,137</u>	<u>(11,722,573)</u>
General Revenues							
Taxes:							
Sales tax					13,010,612	-	13,010,612
Property taxes					3,927,992	-	3,927,992
Other taxes					885,493	-	885,493
Investment income					1,232,052	-	1,232,052
Miscellaneous					249,421	-	249,421
Total General Revenues					<u>19,305,570</u>	<u>-</u>	<u>19,305,570</u>
CHANGES IN NET ASSETS					5,378,860	2,204,137	7,582,997
NET ASSETS, JANUARY 1					<u>63,345,048</u>	<u>824,171</u>	<u>64,169,219</u>
NET ASSETS, DECEMBER 31					<u>\$ 68,723,908</u>	<u>3,028,308</u>	<u>71,752,216</u>

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	<u>General</u>	<u>Road And Bridge</u>	<u>Law Enforcement Sales Tax</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 4,155,098	2,988,786	-	12,986,983	2,373,337	22,504,204
Prepaid items	6,080	-	5,208	-	-	11,288
Accounts receivable	939,191	1,047,232	426,615	2,550	289,633	2,705,221
Grants receivable	201,032	116,143	248,283	-	-	565,458
Property taxes receivable	217,349	272,869	-	-	-	490,218
Due from other funds	141,009	-	-	-	-	141,009
Restricted assets:						
Cash	608,559	-	-	-	249,802	858,361
Long-term notes receivable	-	-	-	-	112,949	112,949
Total Assets	<u>\$ 6,268,318</u>	<u>4,425,030</u>	<u>680,106</u>	<u>12,989,533</u>	<u>3,025,721</u>	<u>27,388,708</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 334,964	478,609	92,452	334,462	242,239	1,482,726
Wages payable	73,754	42,414	79,966	-	17,190	213,324
Due to other funds	-	-	141,009	-	-	141,009
Due to other taxing districts	-	299,388	-	-	-	299,388
Deferred revenue	445,909	184,018	-	-	14,795	644,722
Total Liabilities	<u>854,627</u>	<u>1,004,429</u>	<u>313,427</u>	<u>334,462</u>	<u>274,224</u>	<u>2,781,169</u>
Fund Balances						
Reserved for:						
Capital projects	608,559	-	-	-	-	608,559
Prepaid items	6,080	-	5,208	-	-	11,288
Unemployment benefits	-	-	-	-	118,253	118,253
Long-term receivables - other	-	-	-	-	59,269	59,269
Long-term receivables - Economic Development Administration	-	-	-	-	53,680	53,680
Economic Development Administration proceeds	-	-	-	-	131,549	131,549
Unreserved:						
Designated for jail facility	-	-	-	2,046,133	-	2,046,133
Designated for office building	-	-	-	10,608,938	-	10,608,938
Undesignated reported in:						
General Fund	4,799,052	-	-	-	-	4,799,052
Special Revenue Funds	-	3,420,601	361,471	-	2,388,746	6,170,818
Total Fund Balances	<u>5,413,691</u>	<u>3,420,601</u>	<u>366,679</u>	<u>12,655,071</u>	<u>2,751,497</u>	<u>24,607,539</u>
Total Liabilities And Fund Balances	<u>\$ 6,268,318</u>	<u>4,425,030</u>	<u>680,106</u>	<u>12,989,533</u>	<u>3,025,721</u>	<u>27,388,708</u>

FRANKLIN COUNTY, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2006

Total Fund Balances - Governmental Funds	\$ 24,607,539
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 \$99,953,913 and the accumulated depreciation is \$46,008,737.	53,945,176
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	334,199
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	(1,387,269)
Certificates of participation	(6,845,000)
Unamortized bond issuance costs	41,428
Capital lease	(110,058)
Lawsuit contingency	(1,862,107)
Net Assets Of Governmental Activities	<u>\$ 68,723,908</u>

FRANKLIN COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General</u>	<u>Road And Bridge</u>	<u>Law Enforcement Sales Tax</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 7,201,250	9,547,078	2,622,934	-	656,295	20,027,557
Licenses and permits	72,801	-	-	-	-	72,801
Charges for services	3,370,132	-	832,633	-	959,396	5,162,161
Intergovernmental	1,056,780	796,859	460,228	-	781,418	3,095,285
Investment income	401,007	67,176	6,623	649,968	107,278	1,232,052
Miscellaneous	21,808	19,273	51,421	830,874	1,275	924,651
Total Revenues	<u>12,123,778</u>	<u>10,430,386</u>	<u>3,973,839</u>	<u>1,480,842</u>	<u>2,505,662</u>	<u>30,514,507</u>
EXPENDITURES						
Current:						
General government	4,414,493	-	-	322,464	1,228,372	5,965,329
Public safety	144,242	-	7,269,027	-	753,406	8,166,675
Judicial	2,133,226	-	-	-	138,275	2,271,501
Highways and streets	-	6,060,000	-	-	-	6,060,000
Health and welfare	871,917	-	-	-	-	871,917
Education	167,256	-	-	-	-	167,256
Capital outlay	1,406,290	4,620,784	496,678	4,838,439	355,843	11,718,034
Debt service:						
Principal	65,000	-	-	-	-	65,000
Interest	276,342	-	-	-	-	276,342
Total Expenditures	<u>9,478,766</u>	<u>10,680,784</u>	<u>7,765,705</u>	<u>5,160,903</u>	<u>2,475,896</u>	<u>35,562,054</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,645,012</u>	<u>(250,398)</u>	<u>(3,791,866)</u>	<u>(3,680,061)</u>	<u>29,766</u>	<u>(5,047,547)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital lease	-	-	119,807	-	-	119,807
Transfers in	85,399	-	3,848,102	5,138,085	70,000	9,141,586
Transfers out	<u>(9,056,187)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,399)</u>	<u>(9,141,586)</u>
Total Other Financing Sources (Uses)	<u>(8,970,788)</u>	<u>-</u>	<u>3,967,909</u>	<u>5,138,085</u>	<u>(15,399)</u>	<u>119,807</u>
NET CHANGES IN FUND BALANCES	<u>(6,325,776)</u>	<u>(250,398)</u>	<u>176,043</u>	<u>1,458,024</u>	<u>14,367</u>	<u>(4,927,740)</u>
FUND BALANCES, JANUARY 1	<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>
FUND BALANCES, DECEMBER 31	<u>\$ 5,413,691</u>	<u>3,420,601</u>	<u>366,679</u>	<u>12,655,071</u>	<u>2,751,497</u>	<u>24,607,539</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, 2006

Net Change In Fund Balances - Governmental Funds \$ (4,927,740)

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 capital outlays over the capitalization threshold (\$15,792,240) exceeded depreciation (\$6,749,634) in the current period. 9,042,606

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (104,302)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. 423,915

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. All 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.

Repayment of certificates of participation	65,000	
Amortization expense	(1,763)	
Debt issued for the current year - capital lease	(119,807)	
Repayment of capital lease	9,749	(46,821)

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		80,033
Lawsuit contingency		911,169

Change In Net Assets Of Governmental Activities \$ 5,378,860

FRANKLIN COUNTY, MISSOURI
STATEMENT OF NET ASSETS - PROPRIETARY FUND
DECEMBER 31, 2006

	<u>Business-type Activities - Enterprise Fund Brush Creek Sewer District</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 480,999
Accounts receivable	44,857
Grants receivable	595,837
Total Current Assets	<u>1,121,693</u>
Noncurrent Assets	
Capital assets:	
Land and construction in progress	<u>6,159,166</u>
Total Assets	<u>7,280,859</u>
LIABILITIES	
Current Liabilities	
Accounts payable	438,940
Retainage payable	208,401
Loan payable	3,605,210
Total Current Liabilities	<u>4,252,551</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,553,956
Unrestricted	474,352
Total Net Assets	<u><u>\$ 3,028,308</u></u>

FRANKLIN COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Business-type Activities - Enterprise Fund Brush Creek Sewer District</u>
OPERATING REVENUE	
Charges for services	<u>\$ 288,177</u>
OPERATING EXPENSES	
Other charges and services	169,288
Operating supplies	893
Total Operating Expenses	<u>170,181</u>
OPERATING INCOME	117,996
NONOPERATING REVENUES	
Intergovernmental revenue	<u>2,086,141</u>
CHANGE IN NET ASSETS	2,204,137
NET ASSETS, JANUARY 1	<u>824,171</u>
NET ASSETS, DECEMBER 31	<u><u>\$ 3,028,308</u></u>

FRANKLIN COUNTY, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Business-type Activities - Enterprise Fund Brush Creek Sewer District</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows from operating activities:	
Receipts from customers and users	\$ 243,320
Payments to suppliers	(149,137)
Net Cash Provided By Operating Activities	<u>94,183</u>
 Cash flows used in noncapital financing activities:	
Due to other funds	<u>(1,105)</u>
 Cash flows from capital and related financing activities:	
Intergovernmental revenue	1,495,120
Proceeds from loan payable	558,866
Acquisition and construction of capital assets	(1,771,979)
Net Cash Provided By Capital And Related Financing Activities	<u>282,007</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 375,085
 CASH AND CASH EQUIVALENTS, JANUARY 1	 <u>105,914</u>
 CASH AND CASH EQUIVALENTS, DECEMBER 31	 <u>\$ 480,999</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 117,996
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(44,857)
Increase in accounts payable	21,044
Net Cash Provided By Operating Activities	<u>\$ 94,183</u>
 Supplemental disclosure of noncash investing activities:	
Construction of sewer plant was financed through payables	<u>\$ 100,922</u>

See notes to financial statements

FRANKLIN COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2006

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 63,313,711
Accounts receivable	<u>10,033</u>
Total Assets	<u><u>\$ 63,323,744</u></u>
LIABILITIES	
Due to others	\$ 1,028,886
Due to other taxing districts	<u>62,294,858</u>
Total Liabilities	<u><u>\$ 63,323,744</u></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.

1

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

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

Property taxes, intergovernmental revenues, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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 Enterprise Fund are charges to customers for sales and services. Operating expenses for the 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 and economic development loans are classified as restricted assets on the balance sheet because their use is limited by the state and loan agreement, respectively.

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 may 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 represent 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.

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Compensated Absences (Continued)

The entire compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the General Fund and Special 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, 2006. 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.

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 GAAP 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 City’s deposits may not be returned or the City 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.

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - DEPOSITS (Continued)

As of December 31, 2006, 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.

NOTE C - LONG-TERM DEBT

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

	<u>For The Year Ended December 31, 2006</u>			<u>Balance</u> <u>December 31</u> <u>2006</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
	<u>Balance</u> <u>December 31</u> <u>2005</u>	<u>Additions</u>	<u>Reductions</u>		
	Governmental Activities:				
Certificates of participation	\$ 6,910,000	-	65,000	6,845,000	85,000
Capital lease	-	119,807	9,749	110,058	37,934
Compensated absences payable	1,467,302	1,068,197	1,148,230	1,387,269	1,278,158
Lawsuit contingency	<u>2,773,276</u>	<u>-</u>	<u>911,169</u>	<u>1,862,107</u>	<u>131,388</u>
Governmental Activities Long- Term Liabilities	<u>\$11,150,578</u>	<u>1,188,004</u>	<u>2,134,148</u>	<u>10,204,434</u>	<u>1,532,480</u>
Business-type Activities:					
Loan payable	<u>\$3,046,344</u>	<u>-</u>	<u>558,866</u>	<u>3,605,210</u>	<u>3,605,210</u>

Loan Payable

The County has a short-term construction loan payable for Brush Creek Sewer District. The balance as of December 31, 2006 is \$3,605,210. The interest rate is 3.5%.

Certificates of Participation

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.

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - LONG-TERM DEBT (Continued)

For The Years Ended December 31	Governmental Activities Certificates Of Participation		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	135,000	260,608	395,608
2012 -2016	920,000	1,216,709	2,136,709
2017 - 2021	1,370,000	1,002,294	2,372,294
2022 - 2026	1,940,000	667,733	2,607,733
2027 - 2030	<u>2,065,000</u>	<u>188,776</u>	<u>2,253,776</u>
	<u>\$6,845,000</u>	<u>4,415,011</u>	<u>11,260,011</u>

Capital Lease

During 2006 the County entered into a lease agreement totaling \$119,807 for vehicles for the Drug Enforcement Division. The interest rate is at 6.45% and the maturity date is September 23, 2009.

A schedule of future minimum lease payments under the capital lease and present value of the net minimum lease payments are as follows:

For The Years Ended December 31	Vehicles
2007	\$ 43,924
2008	43,924
2009	<u>32,518</u>
Total Minimum Lease Payments	120,366
Less - Amount representing interest	<u>10,308</u>
	<u>\$110.058</u>

The assets acquired through the capital leases are as follows:

	<u>December 31 2006</u>
Vehicles	\$119,807
Less - Accumulated depreciation	<u>5,991</u>
	<u>\$113,816</u>

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - LONG-TERM DEBT (Continued)

Long-term Debt Liquidations

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 official's errors and omission, and automobile liability. The County's insurance coverage with MOPERM for each category of risk is in the amount of \$2 million per occurrence. The County pays an annual contribution to MOPERM for its insurance coverage. Should the contributions received not produce sufficient funds to meet obligations, MOPERM is empowered to make special assessments. Members of MOPERM are jointly and severally liable for all claims against MOPERM. Settled claims have not exceeded the County's commercial coverages in any of the past three fiscal years.

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

At December 31, 2006, the County had commitments for the following projects:

	<u>Approximate Amount Still Outstanding</u>
Construction of new government building	\$ 113,972
Brush Creek Sewer District	623,274
Bridge construction	572,252
Equipment	232,029
Construction of new judicial center	6,996,154
Roof repairs of adult detention center	23,763
Renovation of courthouse	143,450
Renovation of jail addition	370,358
Roof repairs of prosecuting attorney building	<u>19,300</u>
	<u>\$9,094,552</u>

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - CAPITAL ASSETS

Capital asset activity was as follows:

	For The Year Ended December 31, 2006			
	Balance December 31 2005	Additions	Reclassi- fications And Deletions	Balance December 31 2006
Governmental Activities				
Capital assets not being depreciated:				
Land and right of ways	\$ 1,836,195	660,524	-	2,496,719
Construction-in-progress	<u>4,739,580</u>	<u>4,919,273</u>	<u>8,715,608</u>	<u>943,245</u>
Total Capital Assets Not Being Depreciated	<u>6,575,775</u>	<u>5,579,797</u>	<u>8,715,608</u>	<u>3,439,964</u>
Capital assets being depreciated:				
Buildings and other improvements	9,290,372	7,475,104	-	16,765,476
Machinery, equipment, and vehicles	8,020,068	1,224,942	246,483	8,998,527
Furniture and office equipment	4,071,578	1,307,304	374,786	5,004,096
Infrastructure	<u>56,356,286</u>	<u>9,389,564</u>	<u>-</u>	<u>65,745,850</u>
Total Capital Assets Being Depreciated	<u>77,738,304</u>	<u>19,396,914</u>	<u>621,269</u>	<u>96,513,949</u>
Less - Accumulated depreciation for:				
Buildings and other improve- ments	4,416,584	218,028	-	4,634,612
Machinery, equipment, and vehicles	4,909,609	811,614	210,146	5,511,077
Furniture and office equipment	2,900,882	392,880	366,175	2,927,587
Infrastructure	<u>27,608,349</u>	<u>5,327,112</u>	<u>-</u>	<u>32,935,461</u>
Total Accumulated Depreciation	<u>39,835,424</u>	<u>6,749,634</u>	<u>576,321</u>	<u>46,008,737</u>
Total Capital Assets Being Depreciated, Net	<u>37,902,880</u>	<u>12,647,280</u>	<u>44,948</u>	<u>50,505,212</u>
Governmental Activities Capital Assets, Net	<u>\$44,478,655</u>	<u>18,227,077</u>	<u>8,760,556</u>	<u>53,945,176</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 33,034	9,800	-	42,834
Construction-in-progress	<u>4,253,231</u>	<u>1,863,101</u>	<u>-</u>	<u>6,116,332</u>
Total Capital Assets Not Being Depreciated	<u>\$4,286,265</u>	<u>1,872,901</u>	<u>-</u>	<u>6,159,166</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 2006
Governmental activities:	
General government	\$ 283,736
Public safety	622,718
Judicial	61,248
Health and welfare	14,087
Education	423
Highways and streets	<u>5,767,422</u>
	<u>\$6,749,634</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 14.8% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the County. The contribution provisions of the County are established by Missouri state statute.

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - EMPLOYEES' PENSION PLAN (Continued)

3. Annual Pension Cost

For the plan year ended June 30, 2006, the County's annual pension cost of \$1,518,944 was equal to the required and actual contributions. The required contribution was determined as part of the February 29/28, 2004 and/or 2005 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 6% per year, depending on age, attributable to seniority/merit; d) pre-retirement mortality based on the RP-2000 set back 0 years for men and 0 years for women; 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, 2006 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>
2006	\$1,518,944	100%	\$ -
2005	1,389,504	100	-
2004	1,248,245	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>
2006	\$22,075,946	\$24,478,508	(\$2,402,562)
2005	20,185,422	23,001,905	(2,816,483)
2004	18,717,945	21,684,911	(2,966,966)

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - EMPLOYEES' PENSION PLAN (Continued)

3. Annual Pension Cost (Continued)

For The Actuarial Valuation Years Ended <u>February 28/29</u>	Funded Ratio	Annual Covered <u>Payroll</u>	Unfunded AAL As A Percentage Of Covered <u>Payroll</u>
2006	90%	\$9,630,496	25%
2005	88	9,196,182	31
2004	86	8,877,139	33

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, 2006 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 - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

FRANKLIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - INTERFUND TRANSACTIONS (Continued)

<u>Transfers In</u>	<u>Transfers Out</u>	<u>For The Year Ended December 31 2006</u>
General Fund	Nonmajor Fund - Election Services	\$ 46,900
General Fund	Nonmajor Fund - Prosecuting Attorney Bad Check	38,499
Major fund -Law Enforce- ment Sales Tax	General Fund	3,848,102
Major fund - Capital Projects Fund	General Fund	5,138,085
Nonmajor fund - Family Access	General Fund	<u>70,000</u>
		<u>\$9,141,586</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 I - RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$5,693,081 of restricted net assets, of which \$5,507,852 is restricted by enabling legislation.

NOTE J - EXCESS EXPENDITURES OVER APPROPRIATIONS

The following fund exceeded budgeted expenditures. Revenues and fund equity were available to cover the excess.

	<u>For The Year Ended December 31, 2006</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Nonmajor			
Special Revenue Fund - Election Services	\$217,491	236,911	19,420

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, 2006

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 7,564,841	7,564,841	7,201,250	(363,591)
Licenses and permits	68,100	68,100	72,801	4,701
Charges for services	3,186,302	3,186,302	3,370,132	183,830
Intergovernmental	880,523	921,523	1,056,780	135,257
Investment income	145,440	145,440	401,007	255,567
Miscellaneous	75,721	78,964	21,808	(57,156)
Total Revenues	<u>11,920,927</u>	<u>11,965,170</u>	<u>12,123,778</u>	<u>158,608</u>
EXPENDITURES				
Current:				
General government:				
County commission	283,779	283,779	254,652	(29,127)
County clerk	404,552	404,552	397,524	(7,028)
County treasurer	106,822	106,822	104,384	(2,438)
County auditor	173,267	173,267	133,981	(39,286)
County collector	466,931	466,931	467,112	181
County counselor	90,538	90,538	83,571	(6,967)
Memberships	46,000	51,000	50,666	(334)
Maintenance	443,742	443,742	350,345	(93,397)
Employee benefits	255,000	255,000	245,195	(9,805)
Recorder	485,341	485,341	463,590	(21,751)
Miscellaneous	323,475	318,475	545,505	227,030
Registration and elections	739,287	739,287	513,657	(225,630)
Building permits and inspections	676,000	676,000	611,055	(64,945)
Planning and zoning department	285,251	285,251	230,652	(54,599)
Information technology	495,016	495,016	432,907	(62,109)
Capital improvements	1,042,631	1,042,631	995,558	(47,073)
Total General Government	<u>6,317,632</u>	<u>6,317,632</u>	<u>5,880,354</u>	<u>(437,278)</u>
Public safety:				
Emergency management	356,194	380,194	349,279	(30,915)

(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, 2006

	<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	31,043	(112,357)
Court reporter - Division I and II	5,180	5,180	2,869	(2,311)
Drug court	-	4,000	2,610	(1,390)
Circuit court - Division V	17,300	17,300	10,974	(6,326)
Circuit court - Division VI	34,160	34,160	27,807	(6,353)
Circuit court - Division VII	24,900	24,900	18,229	(6,671)
Circuit clerk	52,950	52,950	29,179	(23,771)
Prosecuting attorney	1,158,645	1,171,645	1,171,728	83
Juvenile office	370,931	370,931	259,988	(110,943)
Public administrator	126,151	126,151	116,606	(9,545)
Juvenile detention center	209,845	209,845	133,064	(76,781)
Youth services	113,397	113,397	64,846	(48,551)
Child support	316,180	316,180	311,112	(5,068)
Total Judicial	<u>2,573,039</u>	<u>2,590,039</u>	<u>2,180,055</u>	<u>(409,984)</u>
Health and welfare:				
Program costs	757,803	757,803	719,916	(37,887)
Medical examiner	172,756	172,756	172,756	-
Indigent care	12,000	12,000	9,150	(2,850)
Total Health And Welfare	<u>942,559</u>	<u>942,559</u>	<u>901,822</u>	<u>(40,737)</u>
Education:				
Extension office	158,719	158,719	152,456	(6,263)
Soil conservation	14,800	14,800	14,800	-
Total Education	<u>173,519</u>	<u>173,519</u>	<u>167,256</u>	<u>(6,263)</u>
Total Expendi- tures	<u>10,362,943</u>	<u>10,403,943</u>	<u>9,478,766</u>	<u>(925,177)</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, 2006

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES OVER EXPENDI- TURES	1,557,984	1,561,227	2,645,012	1,083,785
OTHER FINANCING SOURCES (USES)				
Issuance of certificates of participation	4,500,000	-	-	-
Transfers in	80,000	80,000	85,399	5,399
Transfers out	(8,484,438)	(9,733,146)	(9,056,187)	(676,959)
Total Other Financing Sources (Uses)	(3,904,438)	(9,653,146)	(8,970,788)	(682,358)
NET CHANGE IN FUND BALANCE	\$ (2,346,454)	(8,091,919)	(6,325,776)	1,766,143
FUND BALANCE, JANUARY 1			11,739,467	
FUND BALANCE, DECEM- BER 31			\$ 5,413,691	

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, 2006

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 9,749,608	9,800,608	9,547,078	(253,530)
Intergovernmental	1,077,000	1,077,000	796,859	(280,141)
Investment income	66,500	66,500	67,176	676
Miscellaneous	5,000	5,000	19,273	14,273
Total Revenues	10,898,108	10,949,108	10,430,386	(518,722)
EXPENDITURES				
Current:				
Highways and streets	6,669,055	6,520,055	6,060,000	(460,055)
Capital outlay	5,316,810	5,250,052	4,620,784	(629,268)
Total Expenditures	11,985,865	11,770,107	10,680,784	(1,089,323)
NET CHANGE IN FUND BALANCE	\$ (1,087,757)	(820,999)	(250,398)	570,601
FUND BALANCE, JANUARY 1			3,670,999	
FUND BALANCE, DECEMBER 31			\$ 3,420,601	

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, 2006

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 2,615,000	2,615,000	2,622,934	7,934
Charges for services	973,234	973,234	832,633	(140,601)
Intergovernmental	122,130	382,130	460,228	78,098
Investment income	2,211	2,211	6,623	4,412
Miscellaneous	-	-	51,421	51,421
Total Revenues	3,712,575	3,972,575	3,973,839	1,264
EXPENDITURES				
Current:				
Public safety	7,372,950	7,493,950	7,269,027	(224,923)
Capital outlay	248,100	387,100	496,678	109,578
Total Expenditures	7,621,050	7,881,050	7,765,705	(115,345)
REVENUES UNDER EXPENDI- TURES	(3,908,475)	(3,908,475)	(3,791,866)	116,609
OTHER FINANCING SOURCES				
Proceeds from capital lease	-	-	119,807	119,807
Transfers in	-	3,848,102	3,848,102	-
Total Other Financing Sources	-	3,848,102	3,967,909	119,807
NET CHANGE IN FUND BALANCE	\$ (3,908,475)	(60,373)	176,043	236,416
FUND BALANCE, JANUARY 1			190,636	
FUND BALANCE, DECEMBER 31			\$ 366,679	

**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, 2006**

Budgets

Budgets are adopted on a basis consistent with GAAP. 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, 2006

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ 250,000	250,000	649,968	399,968
Miscellaneous	-	-	830,874	830,874
Total Revenues	250,000	250,000	1,480,842	1,230,842
EXPENDITURES				
Current:				
General government	2,389,273	2,342,049	322,464	(2,019,585)
Capital outlay	12,190,000	12,190,000	4,838,439	(7,351,561)
Total Expenditures	14,579,273	14,532,049	5,160,903	(9,371,146)
REVENUES UNDER EXPENDITURES	(14,329,273)	(14,282,049)	(3,680,061)	10,601,988
OTHER FINANCING SOURCES (USES)				
Transfers in	4,500,000	4,500,000	5,138,085	638,085
Transfers out	(65,000)	(65,000)	-	(65,000)
Total Other Financing Sources (Uses)	4,435,000	4,435,000	5,138,085	703,085
NET CHANGE IN FUND BALANCE	\$ (9,894,273)	(9,847,049)	1,458,024	11,305,073
FUND BALANCE, JANUARY 1			11,197,047	
FUND BALANCE, DECEMBER 31			\$ 12,655,071	

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

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.

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	<u>Assessment</u>	<u>Community Development</u>	<u>Law Enforcement Training</u>	<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>
ASSETS										
Cash and cash equivalents	\$ 277,642	311,063	45,180	871,987	231,271	54,824	166,865	161,587	252,918	2,373,337
Accounts receivable	143,608	-	1,824	128,095	7,424	5,492	3,190	-	-	289,633
Restricted assets:										
Cash	118,253	131,549	-	-	-	-	-	-	-	249,802
Long-term notes receivable	-	112,949	-	-	-	-	-	-	-	112,949
Total Assets	<u>\$ 539,503</u>	<u>555,561</u>	<u>47,004</u>	<u>1,000,082</u>	<u>238,695</u>	<u>60,316</u>	<u>170,055</u>	<u>161,587</u>	<u>252,918</u>	<u>3,025,721</u>
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ 6,187	-	66	10,501	5,953	30,583	3,446	2,903	182,600	242,239
Wages payable	12,618	-	-	4,572	-	-	-	-	-	17,190
Deferred revenue	-	-	-	-	-	-	-	-	14,795	14,795
Total Liabilities	<u>18,805</u>	<u>-</u>	<u>66</u>	<u>15,073</u>	<u>5,953</u>	<u>30,583</u>	<u>3,446</u>	<u>2,903</u>	<u>197,395</u>	<u>274,224</u>
Fund Balance										
Reserved for:										
Unemployment benefits	118,253	-	-	-	-	-	-	-	-	118,253
Long-term receivables - other	-	59,269	-	-	-	-	-	-	-	59,269
Long-term receivables - Economic Development Administration	-	53,680	-	-	-	-	-	-	-	53,680
Economic Development Administration proceeds	-	131,549	-	-	-	-	-	-	-	131,549
Unreserved:										
Spccial Revenue Funds	402,445	311,063	46,938	985,009	232,742	29,733	166,609	158,684	55,523	2,388,746
Total Fund Balances	<u>520,698</u>	<u>555,561</u>	<u>46,938</u>	<u>985,009</u>	<u>232,742</u>	<u>29,733</u>	<u>166,609</u>	<u>158,684</u>	<u>55,523</u>	<u>2,751,497</u>
Total Liabilities And Fund Balances	<u>\$ 539,503</u>	<u>555,561</u>	<u>47,004</u>	<u>1,000,082</u>	<u>238,695</u>	<u>60,316</u>	<u>170,055</u>	<u>161,587</u>	<u>252,918</u>	<u>3,025,721</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, 2006

	<u>Assessment</u>	<u>Community Development</u>	<u>Law Enforcement Training</u>	<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>
REVENUES										
Taxes	\$ -	-	-	656,295	-	-	-	-	-	656,295
Charges for services	561,496	-	22,619	5,538	102,084	39,500	55,248	157,432	15,479	959,396
Intergovernmental	505,874	-	11,044	-	-	-	-	-	264,500	781,418
Investment income	7,026	22,853	1,472	43,820	13,591	-	8,576	6,761	3,179	107,278
Miscellaneous	1,275	-	-	-	-	-	-	-	-	1,275
Total Revenues	<u>1,075,671</u>	<u>22,853</u>	<u>35,135</u>	<u>705,653</u>	<u>115,675</u>	<u>39,500</u>	<u>63,824</u>	<u>164,193</u>	<u>283,158</u>	<u>2,505,662</u>
EXPENDITURES										
Current:										
General government	984,807	1,105	-	-	136,548	-	-	67,049	38,863	1,228,372
Public safety	-	-	24,211	729,195	-	-	-	-	-	753,406
Judicial	-	-	-	-	-	109,379	28,896	-	-	138,275
Capital outlay	37,751	-	-	6,253	50,421	169	8,007	55,194	198,048	355,843
Total Expenditures	<u>1,022,558</u>	<u>1,105</u>	<u>24,211</u>	<u>735,448</u>	<u>186,969</u>	<u>109,548</u>	<u>36,903</u>	<u>122,243</u>	<u>236,911</u>	<u>2,475,896</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>53,113</u>	<u>21,748</u>	<u>10,924</u>	<u>(29,795)</u>	<u>(71,294)</u>	<u>(70,048)</u>	<u>26,921</u>	<u>41,950</u>	<u>46,247</u>	<u>29,766</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	70,000	-	-	-	70,000
Transfers out	-	-	-	-	-	-	(38,499)	-	(46,900)	(85,399)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>(38,499)</u>	<u>-</u>	<u>(46,900)</u>	<u>(15,399)</u>
NET CHANGES IN FUND BALANCES	<u>53,113</u>	<u>21,748</u>	<u>10,924</u>	<u>(29,795)</u>	<u>(71,294)</u>	<u>(48)</u>	<u>(11,578)</u>	<u>41,950</u>	<u>(653)</u>	<u>14,367</u>
FUND BALANCES, JANUARY 1	<u>467,585</u>	<u>533,813</u>	<u>36,014</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>
FUND BALANCES, DECEMBER 31	<u>\$ 520,698</u>	<u>555,561</u>	<u>46,938</u>	<u>985,009</u>	<u>232,742</u>	<u>29,733</u>	<u>166,609</u>	<u>158,684</u>	<u>55,523</u>	<u>2,751,497</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, 2006

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	\$ 475,000	561,496	86,496
Intergovernmental	400,000	505,874	105,874
Investment income	2,000	7,026	5,026
Miscellaneous	1,000	1,275	275
Total Revenues	878,000	1,075,671	197,671
EXPENDITURES			
Current:			
General government	1,022,562	984,807	(37,755)
Capital outlay	36,500	37,751	1,251
Total Expenditures	1,059,062	1,022,558	(36,504)
NET CHANGE IN FUND BALANCE	\$ (181,062)	53,113	234,175
FUND BALANCE, JANUARY 1		467,585	
FUND BALANCE, DECEMBER 31		\$ 520,698	

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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 11,500	11,500	22,853	11,353
EXPENDITURES				
Current:				
General government	<u>329,012</u>	<u>238,669</u>	<u>1,105</u>	<u>(237,564)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (317,512)</u></u>	<u><u>(227,169)</u></u>	21,748	<u><u>248,917</u></u>
FUND BALANCE, JANUARY 1			<u>533,813</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 555,561</u></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, 2006

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	\$ 22,000	22,619	619
Intergovernmental	10,000	11,044	1,044
Investment income	1,000	1,472	472
Total Revenues	33,000	35,135	2,135
EXPENDITURES			
Current:			
Public safety	62,464	24,211	(38,253)
NET CHANGE IN FUND BALANCE	\$ (29,464)	10,924	40,388
FUND BALANCE, JANUARY 1		36,014	
FUND BALANCE, DECEMBER 31		\$ 46,938	

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, 2006

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 695,000	695,000	656,295	(38,705)
Charges for services	4,500	4,500	5,538	1,038
Investment income	25,000	30,500	43,820	13,320
Total Revenues	724,500	730,000	705,653	(24,347)
EXPENDITURES				
Current:				
Public safety	817,611	823,110	729,195	(93,915)
Capital outlay	60,000	60,000	6,253	(53,747)
Total Expenditures	877,611	883,110	735,448	(147,662)
NET CHANGE IN FUND BALANCE	\$ (153,111)	(153,110)	(29,795)	123,315
FUND BALANCE, JANUARY 1			1,014,804	
FUND BALANCE, DECEMBER 31			\$ 985,009	

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, 2006

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	\$ 107,300	102,084	(5,216)
Investment income	4,000	13,591	9,591
Total Revenues	111,300	115,675	4,375
EXPENDITURES			
Current:			
General government	202,500	136,548	(65,952)
Capital outlay	176,150	50,421	(125,729)
Total Expenditures	378,650	186,969	(191,681)
REVENUES UNDER EXPENDITURES	(267,350)	(71,294)	196,056
OTHER FINANCING USES			
Transfers out	(31,076)	-	(31,076)
NET CHANGE IN FUND BALANCE	\$ (298,426)	(71,294)	227,132
FUND BALANCE, JANUARY 1		304,036	
FUND BALANCE, DECEMBER 31		\$ 232,742	

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, 2006

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Charges for services	\$ 43,000	39,500	(3,500)
EXPENDITURES			
Current:			
Judicial	185,458	109,379	(76,079)
Capital outlay	4,000	169	(3,831)
Total Expenditures	<u>189,458</u>	<u>109,548</u>	<u>(79,910)</u>
REVENUES UNDER EXPENDITURES	(146,458)	(70,048)	76,410
OTHER FINANCING SOURCES			
Transfers in	<u>136,336</u>	<u>70,000</u>	<u>(66,336)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (10,122)</u>	(48)	<u>10,074</u>
FUND BALANCE, JANUARY 1		<u>29,781</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 29,733</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, 2006

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	\$ 42,000	55,248	13,248
Investment income	3,000	8,576	5,576
Total Revenues	45,000	63,824	18,824
EXPENDITURES			
Current:			
Judicial	111,291	28,896	(82,395)
Capital outlay	38,000	8,007	(29,993)
Total Expenditures	149,291	36,903	(112,388)
REVENUES OVER (UNDER) EXPENDITURES	(104,291)	26,921	131,212
OTHER FINANCING USES			
Transfers out	(44,000)	(38,499)	(5,501)
NET CHANGE IN FUND BALANCE	\$ (148,291)	(11,578)	136,713
FUND BALANCE, JANUARY 1		178,187	
FUND BALANCE, DECEMBER 31		\$ 166,609	

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, 2006

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Charges for services	\$ 135,000	157,432	22,432
Investment income	1,000	6,761	5,761
Total Revenues	136,000	164,193	28,193
EXPENDITURES			
Current:			
General government	71,023	67,049	(3,974)
Capital outlay	82,360	55,194	(27,166)
Total Expenditures	153,383	122,243	(31,140)
REVENUES OVER (UNDER) EXPENDITURES	(17,383)	41,950	59,333
OTHER FINANCING USES			
Transfers out	(50,000)	-	(50,000)
NET CHANGE IN FUND BALANCE	\$ (67,383)	41,950	109,333
FUND BALANCE, JANUARY 1		116,734	
FUND BALANCE, DECEMBER 31		\$ 158,684	

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, 2006

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Charges for services	\$ 14,000	14,000	15,479	1,479
Intergovernmental	-	215,695	264,500	48,805
Investment income	1,200	1,200	3,179	1,979
Total Revenues	15,200	230,895	283,158	52,263
EXPENDITURES				
Current:				
General government	4,564	4,564	38,863	34,299
Capital outlay	64,132	212,927	198,048	(14,879)
Total Expenditures	68,696	217,491	236,911	19,420
REVENUES OVER (UNDER) EXPENDITURES	(53,496)	13,404	46,247	32,843
OTHER FINANCING USES				
Transfers out	-	(66,900)	(46,900)	(20,000)
NET CHANGE IN FUND BALANCE	\$ (53,496)	(53,496)	(653)	52,843
FUND BALANCE, JANUARY 1			56,176	
FUND BALANCE, DECEMBER 31			\$ 55,523	

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.

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
DECEMBER 31, 2006

	<u>Treasurer</u>	<u>Collector</u>	<u>Sheriff</u>	<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>
ASSETS										
Cash	\$ 1,623,750	61,309,401	101,278	29	26,394	33,759	35,076	175,947	8,077	63,313,711
Accounts receivable	-	-	-	-	-	10,033	-	-	-	10,033
Total Assets	<u>\$ 1,623,750</u>	<u>61,309,401</u>	<u>101,278</u>	<u>29</u>	<u>26,394</u>	<u>43,792</u>	<u>35,076</u>	<u>175,947</u>	<u>8,077</u>	<u>63,323,744</u>
LIABILITIES										
Due to others	\$ 106,149	565,159	101,278	29	26,394	10,777	35,076	175,947	8,077	1,028,886
Due to other taxing districts	1,517,601	60,744,242	-	-	-	33,015	-	-	-	62,294,858
Total Liabilities	<u>\$ 1,623,750</u>	<u>61,309,401</u>	<u>101,278</u>	<u>29</u>	<u>26,394</u>	<u>43,792</u>	<u>35,076</u>	<u>175,947</u>	<u>8,077</u>	<u>63,323,744</u>

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance December 31 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2006</u>
TREASURER				
Assets				
Cash	\$ 1,193,644	29,163,042	28,732,936	1,623,750
Liabilities				
Due to others	\$ 82,442	61,526	37,819	106,149
Due to other taxing districts	1,111,202	29,101,516	28,695,117	1,517,601
Total Liabilities	<u>\$ 1,193,644</u>	<u>29,163,042</u>	<u>28,732,936</u>	<u>1,623,750</u>
COLLECTOR				
Assets				
Cash	\$ 67,150,454	82,957,578	88,798,631	61,309,401
Liabilities				
Due to others	\$ 1,136,377	227,808	799,026	565,159
Due to other taxing districts	66,014,077	82,729,770	87,999,605	60,744,242
Total Liabilities	<u>\$ 67,150,454</u>	<u>82,957,578</u>	<u>88,798,631</u>	<u>61,309,401</u>
SHERIFF				
Assets				
Cash	\$ 60,012	930,097	888,831	101,278
Liabilities				
Due to others	\$ 60,012	930,097	888,831	101,278
COUNTY CLERK				
Assets				
Cash	\$ 29	177,758	177,758	29
Liabilities				
Due to others	\$ 29	177,758	177,758	29

(Continued)

**FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Balance December 31 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2006</u>
PROSECUTING ATTORNEY				
Assets				
Cash	\$ 60,732	540,183	574,521	26,394
Liabilities				
Due to others	\$ 60,732	540,183	574,521	26,394
RECORDER OF DEEDS				
Assets				
Cash	\$ 42,134	429,576	437,951	33,759
Accounts receivable	9,974	11,931	11,872	10,033
Total Assets	\$ 52,108	441,507	449,823	43,792
Liabilities				
Due to others	\$ 13,317	-	2,540	10,777
Due to other taxing districts	38,791	441,507	447,283	33,015
Total Liabilities	\$ 52,108	441,507	449,823	43,792
CRIMINAL ACTIVITY FORFEITURE ACT				
Assets				
Cash	\$ 41,129	6,617	12,670	35,076
Liabilities				
Due to others	\$ 41,129	6,617	12,670	35,076
BUILDING DEPARTMENT				
Assets				
Cash	\$ 197,263	220,600	241,916	175,947
Liabilities				
Due to others	\$ 197,263	220,600	241,916	175,947

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance December 31 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2006</u>
SHERIFF COMMISSARY				
Assets				
Cash	\$ 2,690	123,161	117,774	8,077
Liabilities				
Due to others	\$ 2,690	123,161	117,774	8,077
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 68,748,087	114,548,612	119,982,988	63,313,711
Accounts receivable	9,974	11,931	11,872	10,033
Total Assets	<u>\$ 68,758,061</u>	<u>114,560,543</u>	<u>119,994,860</u>	<u>63,323,744</u>
Liabilities				
Due to others	\$ 1,593,991	2,287,750	2,852,855	1,028,886
Due to other taxing districts	67,164,070	112,272,793	117,142,005	62,294,858
Total Liabilities	<u>\$ 68,758,061</u>	<u>114,560,543</u>	<u>119,994,860</u>	<u>63,323,744</u>

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

ELECTED OFFICIALS

	<u>December 31, 2006</u>	
	<u>Salary</u>	<u>Surety Bond</u>
Edward D. Hillhouse, Presiding Commissioner	\$62,651	-
Terry O. Wilson, First District Commissioner	60,651	-
Ann G. L. Schroeder, Second District Commissioner	60,651	-
Debbie K. Door, County Clerk	62,651	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	62,651	5,000
Alvin Marquart, County Treasurer	62,651	850,000
Gary Toelke, Sheriff	68,557	50,000
Ralph Sudholt, County Auditor	62,651	10,000
Carol Eckelkamp, Public Administrator	62,651	300,000
Linda Emmons, County Collector	62,651	750,000
William Overschmidt, Assessor	62,651	10,000

(1) Salary paid by state

ASSESSED VALUATION

	<u>January 1, 2006</u>
Real estate	\$1,129,485,236
Personal property	303,488,680
Railroad and utilities	32,572,633
State assessed railroad and utilities	<u>118,376,535</u>
	<u>\$1,583,923,084</u>

TAX RATE PER \$100 OF ASSESSED VALUATION

	<u>2006 Tax Levy</u>
State	\$0.0300
County General Fund	0.1161
County Road and Bridge Fund	0.2024

FRANKLIN COUNTY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
INSURANCE COVERAGE
DECEMBER 31, 2006

INSURANCE COVERAGE

<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

STATISTICAL SECTION

FRANKLIN COUNTY, MISSOURI

STATISTICAL

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	68 - 76
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	77 - 87
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	88 - 89
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	90 - 91
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	92 - 96

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

FRANKLIN COUNTY, MISSOURI
NET ASSETS INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT
LAST FOUR FISCAL YEARS

For The Years Ended December 31	<u>Governmental</u>	<u>Business-type</u>	<u>Government-wide</u>	<u>Growth</u>
2006	\$ 47,727,559	\$ 2,553,956	\$ 50,281,515	13.0 %
2005	43,260,554	1,239,921	44,500,475	9.0
2004	40,453,417	381,022	40,834,439	3.9
2003	39,293,529	-	39,293,529	-

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
NET ASSETS - RESTRICTED
LAST FOUR FISCAL YEARS

<u>For The</u> <u>Years Ended</u> <u>December 31</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Government-wide</u>
2006	\$ 5,693,081	\$ -	\$ 5,693,081
2005	5,752,129	-	5,752,129
2004	5,955,232	-	5,955,232
2003	5,090,181	-	5,090,181

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
NET ASSETS - UNRESTRICTED
LAST FOUR FISCAL YEARS

For The Years Ended December 31	Governmental	Business-type	Government-wide	Growth
2006	\$ 15,303,268	\$ 474,352	\$ 15,777,620	13.4 %
2005	14,332,365	(415,750)	13,916,615	(19.8)
2004	17,670,552	(327,219)	17,343,333	6.1
2003	16,343,707	-	16,343,707	-

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
CHANGES IN NET ASSETS - EXPENSES BY FUNCTION
LAST FOUR FISCAL YEARS

	For The Years Ended December 31			
	2006	2005	2004	2003
Governmental				
General government	\$ 5,412,425	7,227,959	5,527,112	4,812,232
Public safety	8,681,594	9,101,620	7,388,465	7,791,052
Judicial	2,317,473	2,320,453	2,192,369	2,081,484
Highways and streets	7,393,725	10,766,711	8,948,239	8,888,940
Health and welfare	873,977	904,604	858,367	750,363
Education	167,679	165,210	160,930	157,093
Interest and fiscal changes	278,105	881	-	-
Total Governmental Expenses	\$ 25,124,978	30,487,438	25,075,482	24,481,164
Change from year to year	(17.6) %	21.6	2.4	N/A
Business-type				
Sewer	\$ 170,181	-	-	-
Change from year to year	100.0 %	N/A	N/A	N/A

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
NET ASSETS - PROGRAM REVENUES BY CATEGORY
LAST FOUR FISCAL YEARS

Charges for Services

	For The Years Ended December 31			
	2006	2005	2004	2003
Governmental				
General government	\$ 3,432,877	3,410,122	3,367,566	3,192,144
Public safety	855,295	902,659	1,142,431	1,013,266
Judicial	650,450	636,990	638,448	797,207
Health and welfare	296,340	273,936	177,666	176,420
Total Governmental Expenses	<u>\$ 5,234,962</u>	<u>5,223,707</u>	<u>5,326,111</u>	<u>5,179,037</u>
Change from year to year	0.2 %	(1.9)	2.8	N/A
Business-type				
Sewer	<u>\$ 288,177</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change from year to year	100.0 %	N/A	N/A	N/A

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
CHANGES IN NET ASSETS - PROGRAM REVENUES BY CATEGORY
LAST FOUR FISCAL YEARS

Operating Grants and Contributions

	For The Years Ended December 31			
	2006	2005	2004	2003
Governmental				
General government	\$ 505,874	398,510	408,293	330,425
Public safety	509,897	532,872	283,741	136,038
Judicial	302,804	315,811	357,112	140,885
Highways and streets	2,399,158	2,276,765	2,322,144	2,217,251
Health and welfare	460,666	492,866	486,005	484,325
 Total Governmental Expenses	 <u>\$ 4,178,399</u>	 <u>4,016,824</u>	 <u>3,857,295</u>	 <u>3,308,924</u>
 Change from year to year	 4.0 %	 4.1	 16.6	 N/A
 Business-type				
Sewer	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Change from year to year	 N/A	 N/A	 N/A	 N/A

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
CHANGES IN NET ASSETS - REVENUES BY CATEGORY
LAST FOUR FISCAL YEARS

Capital Grants and Contributions

	For The Years Ended December 31			
	2006	2005	2004	2003
Governmental				
General government	\$ 264,500	228,882	-	13,109
Public safety	713,063	189,785	59,863	231,344
Highways and streets	796,859	602,871	675,532	240,767
Health and welfare	10,485	-	-	-
Total Governmental Expenses	<u>\$ 1,784,907</u>	<u>1,021,538</u>	<u>735,395</u>	<u>485,220</u>
Change from year to year	74.7 %	38.9	51.6	N/A
Business-type				
Sewer	<u>\$ 2,086,141</u>	<u>770,368</u>	<u>54,000</u>	<u>-</u>
Change from year to year	170.8 %	1,326.61	100.0	N/A

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
CHANGES IN NET ASSETS - NET REVENUES (EXPENSES) BY FUNCTION
LAST FOUR FISCAL YEARS

	For The Years Ended December 31			
	2006	2005	2004	2003
Governmental				
General government	\$ (1,209,174)	(3,190,445)	(1,751,253)	(1,276,554)
Public safety	(6,603,339)	(7,476,304)	(5,902,430)	(6,410,404)
Judicial	(1,364,219)	(1,367,652)	(1,196,809)	(1,143,392)
Highways and streets	(4,197,708)	(7,887,075)	(5,950,563)	(6,430,922)
Health and welfare	(106,486)	(137,802)	(194,696)	(89,618)
Education	(167,679)	(165,210)	(160,930)	(157,093)
Interest and fiscal changes	(278,105)	(881)	-	-
 Total Net Govern- mental Expenses	 <u>\$ (13,926,710)</u>	 <u>(20,225,369)</u>	 <u>(15,156,681)</u>	 <u>(15,507,983)</u>
 Change from year to year	 (31.1) %	 33.4	 (2.3)	 N/A
 Business-type				
Sewer	\$ <u>2,204,137</u>	<u>770,368</u>	<u>54,000</u>	<u>-</u>
 Change from year to year	 186.1 %	 1,326.6	 100.0	 N/A

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
CHANGES IN NET ASSETS - GENERAL REVENUES AND OTHER CHANGES
LAST FOUR FISCAL YEARS

	For The Years Ended December 31			
	2006	2005	2004	2003
Governmental				
General Revenues:				
Taxes:				
Sales tax	\$ 13,010,612	13,048,036	12,509,110	12,148,709
Property taxes	3,927,992	4,445,656	3,942,400	3,955,453
Other taxes	885,493	888,451	917,605	749,911
Investment income	1,232,052	898,490	686,172	605,431
Miscellaneous	249,421	163,647	171,764	91,164
Licenses and permits	-	-	-	62,204
Transfers	-	-	272,996	-
Total General Revenues And Transfers	\$ 19,305,570	19,444,280	18,500,047	17,612,872
 Business-type				
Transfers	\$ -	-	(272,996)	-

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
MAJOR GENERAL REVENUE SOURCES - TAXES
LAST FOUR FISCAL YEARS

	For The Years Ended December 31			
	2006	2005	2004	2003
Property Tax				
General Fund	\$ 1,743,249	2,097,849	1,816,452	1,847,944
Road and Bridge Fund	1,884,743	2,347,807	2,125,948	3,066,393
Total Property Tax Revenues	<u>\$ 3,627,992</u>	<u>4,445,656</u>	<u>3,942,400</u>	<u>4,914,337</u>
Changes from year to year	(18.4) %	12.8	(19.8)	N/A
Sales and Use Tax				
General Fund	\$ 5,246,012	5,189,689	4,994,404	4,879,080
Road and Bridge Fund	5,245,968	5,189,646	4,994,362	4,877,376
Law enforcement sales tax	2,622,934	2,594,383	2,497,142	2,439,514
Total Sales And Use Tax Revenues	<u>\$ 13,114,914</u>	<u>12,973,718</u>	<u>12,485,908</u>	<u>12,195,970</u>
Changes from year to year	1.1 %	3.9	2.4	N/A

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

For The Years Ended December 31	Tax Levy	Current Collections	Portion Of Tax Levy Collected In First Year	Delinquent Collections	Total Collections	Portion Of Tax Levy Collected In Total	Outstanding Delinquent Taxes	Portion Of Tax Levy Delinquent
2006	\$ 88,678,141	\$ 83,658,924	94.3 %	N/A	\$ 83,658,924	94.3 %	\$ 5,019,217	5.7 %
2005	86,472,683	80,871,437	93.5	\$ 1,278,843	82,150,280	95.0	4,322,403	5.0
2004	75,845,769	71,669,947	94.5	125,071	71,795,018	94.7	4,050,751	5.3
2003	73,399,210	68,435,237	93.2	15,487	68,450,724	93.3	4,948,486	6.7
2002	67,273,841	62,519,711	92.9	7,535	62,519,711	92.9	4,754,130	7.1
2001	65,616,613	60,290,609	91.9	3,416	60,290,609	91.9	5,326,004	8.1
2000	57,495,204	53,374,485	92.8	N/A	53,374,485	92.8	4,120,719	7.2
1999	53,787,237	49,737,491	92.5	N/A	49,737,491	92.5	4,049,746	7.5
1998	49,873,214	46,641,765	93.5	N/A	46,641,765	93.5	3,231,449	6.5
1997	46,459,851	42,239,917	90.9	N/A	42,239,917	90.9	4,219,934	9.1

FRANKLIN COUNTY, MISSOURI
PROPERTY VALUES AND TAX RATES LEVIED
LAST TEN FISCAL YEARS

For The Years Ended December 31	Real Estate				Personal Property		Railroad And Utility		Total		
	Assessed Value				Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated
	Residential	Commercial	Agriculture	Total	Actual Value	Value	Actual Value	Value	Actual Value	Value	Actual Value
2006	\$ 824,608,502	271,783,875	33,092,859	1,129,485,236	5,465,143,182	303,488,680	910,466,040	150,949,168	467,410,144	1,583,923,084	6,843,019,366
2005	791,914,588	262,364,507	31,195,026	1,085,474,121	5,247,819,150	295,824,667	887,474,001	155,277,718	480,313,202	1,536,576,506	6,615,606,353
2004	665,865,813	228,768,385	28,072,503	922,706,701	4,453,395,639	273,034,155	819,102,465	148,422,662	459,307,785	1,344,163,518	5,731,805,889
2003	641,528,764	219,860,155	27,950,185	889,339,104	4,296,448,372	286,081,411	858,244,233	143,381,317	443,307,032	1,318,801,832	5,597,999,637
2002	587,143,450	213,624,323	22,220,683	822,988,456	3,942,977,052	269,536,860	808,610,580	146,947,638	454,632,600	1,239,472,954	5,206,220,232
2001	566,604,635	208,948,027	21,945,412	797,498,074	3,817,970,676	258,431,678	775,295,034	154,315,262	477,066,989	1,210,245,014	5,070,332,699
2000	510,520,083	186,899,320	20,927,463	718,346,866	3,445,403,705	225,177,676	675,533,028	145,027,067	448,525,226	1,088,551,609	4,569,461,959
1999	486,997,736	178,110,357	19,818,254	684,926,347	3,284,892,961	205,533,334	616,600,002	146,862,593	454,265,742	1,037,322,274	4,355,758,705
1998	437,985,455	154,115,922	18,161,709	610,263,086	2,938,146,437	193,433,544	580,300,632	140,948,378	436,356,872	944,645,008	3,954,803,941
1997	420,268,244	149,441,877	18,010,175	587,720,296	2,829,028,784	186,518,082	559,554,246	141,576,624	438,331,452	915,815,002	3,826,914,482

Political Subdivision	For The Years Ended December 31									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Franklin County:										
General	\$ 0.1161	0.1378	0.1134	0.1398	0.1292	0.1300	0.1000	0.1000	0.0900	0.0900
Road and bridge	0.2024	0.2223	0.2323	0.2314	0.2314	0.2300	0.2100	0.2100	0.2200	0.2200
Subtotal	0.3185	0.3601	0.3457	0.3712	0.3606	0.3600	0.3100	0.3100	0.3100	0.3100
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Schools*	50.6541	52.0755	51.7187	50.9603	49.9010	49.6800	49.2100	47.9700	47.7900	45.9800
Cities*	6.8781	7.0335	6.9986	6.9073	6.8604	6.7500	6.9900	7.0800	7.2400	6.9000
Special districts*	10.7905	11.1874	11.5114	11.4343	10.9313	10.8700	10.7700	10.5000	10.4200	10.0000
Total	\$ 68.6712	70.6865	70.6044	69.7031	68.0833	67.6900	67.3100	65.8900	65.7900	63.2200

* Tax rates of schools, cities, and special districts are composite rates.

FRANKLIN COUNTY, MISSOURI
TOP TEN PROPERTY OWNERS
FISCAL YEARS 2006 AND 1998

<u>Rank</u>	<u>Property Owner</u>	<u>2006</u>	
		<u>Assessed Value</u>	<u>Portion</u>
1	Creeside Land & Development Co. LLC	\$ 4,286,634	0.4 %
2	Lowes Home Centers, Inc.	2,688,355	0.2
3	S M Properties Washington, LLC	2,535,811	0.2
4	Wal-Mart Real Estate Business	2,346,650	0.2
5	Murphy, Stephen C 1/21	2,191,885	0.2
6	Missouri Becknell Investors, LL	2,175,661	0.2
7	Esselte Business Corporation	2,146,093	0.2
8	Bluff Road, LLC	2,098,522	0.2
9	Country Club of St. Albans, Inc.	2,017,953	0.2
10	M I Development Inc.	1,848,154	0.2
	Subtotal Top Ten Property Owners	24,335,718	2.2
	Remaining Property Owners	1,105,149,518	97.8
	Total Assessed Value	\$ 1,129,485,236	100.0 %

<u>Rank</u>	<u>Property Owner</u>	<u>1998</u>	
		<u>Assessed Value</u>	<u>Portion</u>
1	Esselte Pendaflex Corp.	\$ 2,085,252	0.3 %
2	Wal-Mart Stores, Inc.	1,912,410	0.3
3	Country Club of St. Albans, Inc.	1,868,820	0.3
4	Edbro Missouri Realty Co., Inc.	1,767,405	0.3
5	Ind. Development Authority	1,582,141	0.3
6	Wal-Mart Properties, Inc. #01-172	1,562,173	0.3
7	Esselte Pendaflex Corp.	1,296,365	0.2
8	St. Johns' Mercy Hospital	1,271,670	0.2
9	Wal-Mart Stores, Inc.	1,264,794	0.2
10	Sporlan Valve Company	1,217,818	0.2
	Subtotal Top Ten Property Owners	15,828,848	2.6
	Remaining Property Owners	594,434,238	97.4
	Total Assessed Value	\$ 610,263,086	100.0 %

This schedule notes the top ten property taxpayers and their portion of the total. The other major revenue source, sales taxes, cannot be presented since the payors are not known and the remitters' activity is proprietary information which cannot be disclosed.

FRANKLIN COUNTY, MISSOURI
CHANGES IN NET ASSETS - TOTAL CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS

For The Years Ended December 31	<u>Governmental</u>	<u>Business-type</u>	<u>Government-wide</u>
2006	\$ 5,378,860	\$ 2,204,137	\$ 7,582,997
2005	(781,089)	770,368	(10,721)
2004	3,343,366	(218,996)	3,124,370
2003	2,152,150	-	2,152,150

Note: The County implemented GASB 34 in fiscal year 2003 and, therefore, only four years are available for presentation.

FRANKLIN COUNTY, MISSOURI
GOVERNMENTAL FUND BALANCES - RESERVED AND UNRESERVED
LAST TEN FISCAL YEARS

For The Years Ended December 31	Reserved		Unreserved			Other Governmental Funds	Total
	General Fund	All Other Funds	General Fund	Special Revenue	Capital		
2006	\$ 614,639	\$ 367,959	\$ 4,799,052	\$ 3,782,072	\$ 12,655,071	\$ 2,388,746	\$ 24,607,539
2005	5,748,708	424,897	5,990,759	3,861,635	11,197,047	2,312,233	29,535,279
2004	-	315,501	5,433,476	3,879,649	12,187,640	2,251,410	24,067,676
2003	-	320,255	4,796,424	3,445,153	11,803,069	1,771,029	22,135,930
2002	-	11,930,649	3,987,473	2,122,763	-	-	18,040,885
2001	-	10,878,398	3,166,439	2,517,043	-	-	16,561,880
2000	-	2,535,599	9,077,629	4,339,186	-	-	15,952,414
1999	-	2,570,271	7,220,731	6,259,915	-	-	16,050,917
1998	-	2,596,634	5,544,450	6,826,245	-	-	14,967,329
1997	-	2,611,017	4,231,536	5,580,274	-	-	12,422,827

FRANKLIN COUNTY, MISSOURI
GOVERNMENTAL FUNDS - REVENUES BY SOURCE
LAST TEN FISCAL YEARS

For The Years Ended December 31	Taxes	Licenses And Permits	Charges For Services	Intergovern- mental	Investment Income	Miscellaneous	Total
2006	\$ 20,027,557	\$ 72,801	\$ 5,162,161	\$ 3,095,285	\$ 1,232,052	\$ 924,651	\$ 30,514,507
2005	20,584,590	73,670	5,150,037	2,701,919	898,490	163,646	29,572,352
2004	19,668,057	71,483	5,254,628	2,270,546	686,172	171,764	28,122,650
2003	19,105,706	62,204	5,028,364	1,727,566	605,431	91,164	26,620,435
2002	18,363,352	60,089	3,921,512	1,965,185	536,852	138,668	24,985,658
2001	17,717,327	62,760	3,859,533	3,464,832	764,114	126,361	25,994,927
2000	16,720,966	61,640	3,486,602	2,789,275	1,031,282	65,487	24,155,252
1999	15,873,455	62,684	3,499,059	2,081,506	820,530	226,668	22,563,902
1998	15,730,644	62,722	3,534,913	2,566,204	768,302	161,667	22,824,452
1997	14,385,174	62,197	3,347,330	1,645,087	678,146	208,753	20,326,687

FRANKLIN COUNTY, MISSOURI
GOVERNMENTAL FUNDS - EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

For The Years Ended December 31	General	Public Safety	Judicial	Highways And Streets	Health And Welfare	Education	Capital Outlay	Debt Service	Total
2006	\$ 5,965,329	\$ 8,166,675	\$ 2,271,501	\$ 6,060,000	\$ 871,917	\$ 167,256	\$ 11,718,034	\$ 341,342	\$ 35,562,054
2005	5,192,914	8,046,518	2,219,667	5,738,110	907,963	166,334	8,746,107	44,072	31,061,685
2004	4,887,752	7,559,692	2,138,546	5,444,485	841,441	159,817	5,340,789	-	26,372,522
2003	4,629,820	6,898,495	2,034,110	5,730,011	739,017	155,980	2,753,129	-	22,940,562
2002	5,496,261	5,825,808	1,975,760	5,623,113	645,274	147,004	3,778,234	-	23,491,454
2001	5,266,324	5,590,105	1,807,382	5,536,753	613,014	143,313	6,935,905	-	25,892,796
2000	4,439,631	5,061,555	1,694,630	5,083,399	546,423	126,703	6,903,450	-	23,855,791
1999	4,057,499	4,839,727	1,907,952	4,769,478	635,766	135,486	5,134,407	-	21,480,315
1998	5,521,202	3,059,732	1,896,717	4,361,766	721,846	126,685	4,592,002	-	20,279,950
1997	4,819,015	2,912,302	1,805,078	3,730,210	622,685	111,518	4,071,346	-	18,072,154

FRANKLIN COUNTY, MISSOURI
GOVERNMENTAL FUNDS - EXPENDITURES BY TYPE
LAST TEN FISCAL YEARS

For The Years Ended December 31	Special Revenue						General							
	General Government	Public Safety	Judicial	Capital Outlay	Highways And Streets	Total	General Government	Public Safety	Judicial	Health And Welfare	Education	Capital Outlay	Debt Service	Total
2006	\$ 1,228,372	\$ 8,022,433	\$ 138,275	\$ 5,473,305	\$ 6,060,000	\$ 20,922,385	\$ 4,414,493	\$ 144,242	\$ 2,133,226	\$ 871,917	\$ 167,256	\$ 1,406,290	\$ 341,342	\$ 9,478,766
2005	1,039,082	7,890,470	127,490	5,097,124	5,738,110	19,892,276	4,753,727	330,654	2,124,120	929,923	166,334	-	-	8,304,758
2004	974,343	7,377,747	118,385	4,581,041	5,444,485	18,496,001	4,425,934	311,881	2,121,423	857,466	159,817	-	-	7,876,521
2003	1,112,164	6,796,376	389,800	2,125,161	5,730,011	16,153,512	3,515,588	102,119	1,644,310	739,017	155,980	627,968	-	6,784,982
2002	1,946,949	5,825,808	-	3,684,894	5,623,113	17,080,764	3,540,390	-	1,975,760	645,274	147,004	93,340	-	6,401,768
2001	2,189,564	5,590,105	-	6,640,002	5,536,753	19,956,424	3,074,641	-	1,807,382	613,014	143,313	295,903	-	5,934,253
2000	1,477,483	5,061,555	-	6,783,353	5,083,399	18,405,790	2,948,159	-	1,694,630	546,423	126,703	120,097	-	5,436,012
1999	1,402,688	4,839,727	-	4,936,305	4,769,478	15,948,198	2,647,640	-	1,907,952	635,766	135,486	198,102	-	5,524,946
1998	2,863,009	-	-	4,233,513	4,361,766	11,458,288	2,636,535	3,059,732	1,896,717	721,846	126,685	358,489	-	8,800,004
1997	2,383,499	-	-	3,472,791	3,730,210	9,586,500	2,416,260	2,912,302	1,805,078	622,685	111,518	598,555	-	8,466,398

For The Years Ended December 31	Capital Projects				Total								
	General Government	Capital Outlay	Debt Service	Total	General Government	Public Safety	Judicial	Highways And Streets	Health And Welfare	Education	Capital Outlay	Debt Service	Total
2006	\$ 322,464	\$ 4,838,439	-	\$ 5,160,903	\$ 5,965,329	\$ 8,166,675	\$ 2,271,501	\$ 6,060,000	\$ 871,917	\$ 167,256	\$ 11,718,034	\$ 341,342	\$ 35,562,054
2005	74,027	2,746,552	44,072	2,864,651	5,866,836	8,221,124	2,251,610	5,738,110	929,923	166,334	7,843,676	44,072	31,061,685
2004	77,885	9,720,256	-	9,798,141	5,478,162	7,689,628	2,239,808	5,444,485	857,466	159,817	14,301,297	-	36,170,663
2003	2,068	-	-	2,068	4,629,820	6,898,495	2,034,110	5,730,011	739,017	155,980	2,753,129	-	22,940,562
2002	8,922	-	-	8,922	5,496,261	5,825,808	1,975,760	5,623,113	645,274	147,004	3,778,234	-	23,491,454
2001	2,119	-	-	2,119	5,266,324	5,590,105	1,807,382	5,536,753	613,014	143,313	6,935,905	-	25,892,796
2000	13,898	-	-	13,898	4,439,540	5,061,555	1,694,630	5,083,399	546,423	126,703	6,903,450	-	23,855,700
1999	7,171	-	-	7,171	4,057,499	4,839,727	1,907,952	4,769,478	635,766	135,486	5,134,407	-	21,480,315
1998	21,658	-	-	21,658	5,521,202	3,059,732	1,896,717	4,361,766	721,846	126,685	4,592,002	-	20,279,950
1997	19,256	-	-	19,256	4,819,015	2,912,302	1,805,078	3,730,210	622,685	111,518	4,071,346	-	18,072,154

FRANKLIN COUNTY, MISSOURI
GOVERNMENTAL FUNDS - OTHER FINANCING SOURCES (USES)
AND OTHER CHANGES IN FUND BALANCES BY TYPE
LAST TEN FISCAL YEARS

For The Years Ended December 31	General				Special Revenue			
	Transfers In	Transfers Out	Issuance Of Certificates Of Participation	Total	Transfers In	Transfers In	Proceeds From Capital Lease	Total
2006	\$ 85,399	\$ (9,056,187)	\$ -	\$ (8,970,788)	\$ 3,918,102	\$ (85,399)	\$ 119,807	\$ 3,952,510
2005	66,415	(4,713,166)	6,910,000	2,263,249	3,367,765	(66,415)	-	3,301,350
2004	300,900	(3,489,502)	-	(3,188,602)	3,762,498	(300,900)	-	3,461,598
2003	25,000	(3,933,829)	-	(3,908,829)	3,998,829	(25,000)	-	3,973,829
2002	-	(10,189,795)	-	(10,189,795)	2,189,795	-	-	2,189,795
2001	-	(3,191,063)	-	(3,191,063)	2,481,063	-	-	2,481,063
2000	-	(2,159,795)	-	(2,159,795)	2,279,795	-	-	2,279,795
1999	27,946	(1,984,946)	-	(1,957,000)	2,077,000	-	-	2,077,000
1998	139,766	(217,000)	-	(77,234)	192,000	-	-	192,000
1997	165,022	(217,868)	-	(52,846)	192,000	(4,154)	-	187,846

For The Years Ended December 31	Capital Projects			Total				
	Transfers In	Transfers Out	Total	Transfers In	Transfers Out	Issuance Of Certificates Of Participation	Proceeds From Capital Lease	Total
2006	\$ 5,138,085	\$ -	\$ 5,138,085	\$ 9,141,586	\$ (9,141,586)	\$ -	\$ 119,807	\$ 119,807
2005	1,345,401	-	1,345,401	4,779,581	(4,779,581)	6,910,000	-	6,910,000
2004	-	-	-	4,063,398	(3,790,402)	-	-	272,996
2003	-	(65,000)	(65,000)	4,023,829	(4,023,829)	-	-	-
2002	8,000,000	-	8,000,000	10,189,795	(10,189,795)	-	-	-
2001	775,000	(65,000)	710,000	3,256,063	(3,256,063)	-	-	-
2000	-	(120,000)	(120,000)	2,279,795	(2,279,795)	-	-	-
1999	-	(120,000)	(120,000)	2,104,946	(2,104,946)	-	-	-
1998	-	(114,766)	(114,766)	331,766	(331,766)	-	-	-
1997	-	(135,000)	(135,000)	357,022	(357,022)	-	-	-

FRANKLIN COUNTY, MISSOURI
GOVERNMENTAL FUNDS - TOTAL CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS

For The Years Ended December 31	General	Special Revenue	Capital Projects	Other Governmental Funds	Total
2006	\$ (6,325,776)	\$ (74,355)	\$ 1,458,024	\$ 14,367	\$ (4,927,740)
2005	6,305,991	(64,950)	(990,593)	170,219	5,420,667
2004	681,169	481,757	384,571	475,627	2,023,124
2003	855,863	2,278,592	199,443	345,975	3,679,873
2002	821,034	(374,980)	-	-	446,054
2001	(6,078,245)	(2,162,463)	-	-	(8,240,708)
2000	1,979,664	(1,657,531)	-	-	322,133
1999	1,676,281	(566,330)	-	-	1,109,951
1998	1,312,914	1,245,971	-	-	2,558,885
1997	706,918	1,610,184	-	-	2,317,102

FRANKLIN COUNTY, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2006

ASSESSED VALUE	<u>\$ 1,583,923,084</u>
DEBT LIMIT - 10% OF TOTAL ASSESSED VALUATION	<u>\$ 158,392,308</u>
AMOUNT OF DEBT SUBJECT TO LIMIT	
Total Bonded Debt	-
Less: Amounts available in Debt Service Fund	<u>-</u>
Total Amount Of Debt Applicable To Debt Limit	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 158,392,308</u>

FRANKLIN COUNTY, MISSOURI
COMPUTATION OF DIRECT AND OVERLAPPING DEBT -
GENERAL OBLIGATION BONDS
DECEMBER 31, 2006

<u>Political Subdivision</u>	<u>Obligation Bonds Outstanding</u>	<u>Amount Available For Debt Service</u>	<u>Sinking Fund</u>	<u>Net Debt Outstanding</u>	<u>Portion Applicable Countywide</u>	<u>Net Debt Applicable Countywide</u>
Cities						
City of Washington	\$ 1,355,000	\$ -	\$ 217,323	\$ 1,137,677	100.00 %	\$ 1,137,677
City of St. Clair	760,000	202,226	-	557,774	20.00	111,555
City of Pacific	225,000	-	-	225,000	100.00	225,000
City of New Haven	307,677	-	-	307,677	21.00	64,612
Total Cities	<u>2,647,677</u>	<u>202,226</u>	<u>217,323</u>	<u>2,228,128</u>		<u>1,538,844</u>
School Districts						
Crawford County R-1	7,495,000	175,141	-	7,319,859	0.05	3,660
Franklin County R-2	230,000	258,937	-	(28,937)	100.00	(28,937)
Gasconade County R-1	17,420,000	333,361	-	17,086,639	6.36	1,086,710
Gasconade County R-2	14,000,000	1,018,473	-	12,981,527	30.00	3,894,458
Lonedell R-14	425,000	22,212	-	402,788	100.00	402,788
Meramec Valley R-3	33,350,000	4,490,000	-	28,860,000	92.00	26,551,200
Spring Bluff R-15	1,410,000	332,609	-	1,077,391	100.00	1,077,391
St. Clair R-13	11,320,000	813,886	-	10,506,114	100.00	10,506,114
Sullivan	25,980,000	10,418	-	25,969,582	83.00	21,554,753
Union R-11	45,685,000	2,201	-	45,682,799	100.00	45,682,799
Washington	16,915,000	8,413,244	-	8,501,756	86.00	7,311,510
Total School Districts	<u>174,230,000</u>	<u>15,870,482</u>	<u>-</u>	<u>158,359,518</u>		<u>118,042,446</u>
Other						
East Central College	<u>13,114,996</u>	<u>1,001,906</u>	<u>-</u>	<u>12,113,090</u>	88 %	<u>10,659,519</u>
						<u>\$ 130,240,809</u>
Population						100,067
Total Net Debt Applicable Countywide per Capita						<u>\$ 1,302</u>

Source: Various Entities

FRANKLIN COUNTY, MISSOURI
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>For The Years Ended December 31</u>	<u>Population (1)</u>	<u>Median Household Income (2)</u>	<u>Public School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2006	100,067	N/A	16,408	5.2 %
2005	99,090	\$ 46,185	16,323	5.6
2004	98,234	N/A	16,352	5.8
2003	96,905	N/A	16,480	5.5
2002	95,890	N/A	16,709	5.3
2001	95,187	N/A	16,661	4.7
2000	93,807	43,474	16,612	3.4
1999	93,128	N/A	16,664	3.3
1998	91,763	N/A	16,696	4.3
1997	89,328	N/A	16,421	4.7

POPULATION BREAKDOWN

<u>Political Subdivision</u>	<u>Decade Growth</u>	<u>2000 Census</u>	<u>1990 Census</u>
Berger	(16.6) %	206	247
Gerald	31.9	1,171	888
Gray Summit	5.4	2,640	2,505
Leslie	(35.1)	87	134
New Haven	6.3	1,867	1,757
Pacific	26.0	5,482	4,350
St. Clair	12.0	4,390	3,917
Sullivan	12.2	6,351	5,661
Union	31.3	7,757	5,909
Villa Ridge	29.6	2,417	1,865
Washington	23.7	13,243	10,704
Subtotal Incorporated Areas	20.2	45,611	37,937
Unincorporated Areas	13.0	48,196	42,666
Total Population (1)	16.4 %	93,807	80,603

Sources:

- (1) Median income figures are not available annually for the County
- (2) Regional Commerce and Growth Figures
- (3) Missouri Department of Elementary and Secondary Education
- (4) U.S. Department of Labor Statistics (not seasonally adjusted)

FRANKLIN COUNTY, MISSOURI
PRINCIPAL PRIVATE EMPLOYERS
DECEMBER 31, 2006

<u>Employer</u>	<u>Location</u>
Aerofil Technology, Inc.	Sullivan
Altivity	Pacific
Esselte Corp.	Union
GDX Automotive	New Haven
Harman/Becker	Washington
Integram	Pacific
Pauwels Transformers	Washington
Rexam Container	Union
Sporlan	Washington
St. John's Mercy Hospital	Washington

Employment and Earnings by Industry

<u>Industry</u>	<u>Average Employment</u>	<u>Average Monthly Earnings</u>
Food service and drinking places	2,854	\$ 988
Fabricated metal product manufacturing	2,057	2,575
Plastics and rubber products manufacturing	1,501	2,981
Machinery manufacturing	1,421	3,800
Administrative and support services	1,350	1,706
Specialty trade contractors	1,308	2,897
General merchandise stores	1,277	1,468
Transportation equipment manufacturing	1,228	3,771
Ambulatory health care services	977	2,855
Nursing and residential care facilities	893	1,595
 Total All NAICS Subsectors	 31,718	 2,593

FRANKLIN COUNTY, MISSOURI
ENTITY EMPLOYMENT DATA - AUTHORIZED FULL-TIME EQUIVALENTS
LAST TEN FISCAL YEARS

	For The Years Ended December 31									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Government Operations										
County Commission	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
County Clerk	6.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
County Clerk Elections	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
County Treasurer	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
County Auditor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
County Collector	7.5	7.5	7.4	7.4	7.4	6.0	6.0	6.0	6.0	6.0
County Counselor	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
County Recorder of Deeds	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0	8.0	8.0
County Assessor - Real Estate	14.0	13.0	13.0	14.5	18.0	18.0	18.0	18.0	18.0	18.0
County Assessor - Personal Property	6.8	6.8	6.8	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Building Code Enforcement	11.5	11.5	10.5	10.5	9.5	9.5	9.5	9.5	9.5	9.5
Planning and Zoning	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Information Technology	7.0	7.0	7.0	6.0	3.0	2.0	2.0	2.0	2.0	2.0
Building Maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.5
Public Safety										
Sheriff	82.5	83.0	79.0	79.0	79.0	74.0	74.0	73.0	69.0	69.0
Jail and Penal	36.0	36.0	36.0	36.0	37.0	37.0	37.0	37.0	37.0	37.0
Countywide 911 Communications	5.0	5.0	5.0	5.0	5.0					
Countywide 911 Addressing	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Emergency Management Agency	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Judicial										
Prosecuting Attorney	19.5	19.5	19.5	19.5	19.5	20.0	20.0	20.0	18.0	18.0
Child Support 4-D	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
Public Administrator	1.8	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Juvenile Justice	3.0	3.0	3.0	3.0	2.0	2.0	2.0	23.0	23.0	23.0
Health and Welfare										
Health Services	14.0	14.0	14.0	14.0	13.0	13.0	13.0	15.0	15.0	13.0
Road and Bridge										
Road and Bridge	68.0	68.0	68.0	68.0	65.0	65.0	64.0	64.0	61.0	61.0
Total Authorized Positions	<u>326.1</u>	<u>324.3</u>	<u>319.2</u>	<u>318.9</u>	<u>313.4</u>	<u>301.5</u>	<u>300.5</u>	<u>321.5</u>	<u>312.5</u>	<u>310.0</u>

FRANKLIN COUNTY, MISSOURI
OPERATING INDICATORS
LAST TEN FISCAL YEARS

For The Years Ended December 31

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Government Operations										
County Counselor:										
Commission orders	390	475	338	325	324	363	308	345	369	36
County Clerk:										
Checks issued	7,264	6,096	7,095	7,317	6,574	5,973	6,915	6,171	6,979	6,230
Liquor licenses issued	240	240	245	220	213	228	223	234	234	245
County Clerk Elections:										
Registered voters	65,619	64,642	65,556	63,756	61,937	59,576	61,893	68,944	56,953	55,616
Elections held	4	2	4	4	4	4	5	5	3	4
County Treasurer:										
Interest earned	\$ 1,119,882	792,205	657,774	586,895	510,238	739,198	1,017,298	785,006	720,561	617,705
County Auditor										
Purchase orders approved	6,878	6,710	6,707	6,464	6,367	6,524	6,699	7,089	7,204	6,911
County Collector:										
Accounts collected	112,495	112,127	110,139	109,569	108,045	106,835	105,570	100,895	99,324	NA
County Recorder of Deeds:										
Marriage licenses	843	821	830	828	774	800	800	862	763	852
Document filings	29,612	31,916	32,647	41,760	33,893	33,167	26,626	29,626	30,245	24,835
County Assessor:										
Real estate parcels assessed	69,102	68,444	67,544	66,827	66,085	65,461	64,853	63,809	63,064	62,463
Personal property accounts assessed	58,444	55,275	49,045	48,065	46,860	45,620	43,810	41,560	40,326	39,950
Building Code Enforcement:										
Building permits	1,114	1,211	1,257	1,319	1,266	1,262	1,321	1,454	1,515	1,610
Inspections	7,268	8,345	8,326	7,620	7,368	7,149	6,615	7,344	6,961	7,094
Planning and Zoning:										
Zoning applications	331	338	382	378	357	358	432	411	543	594

(Continued)

FRANKLIN COUNTY, MISSOURI
OPERATING INDICATORS (Continued)
LAST TEN FISCAL YEARS

	For The Years Ended December 31									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Public Safety										
Sheriff calls for service	17,195	15,230	14,424	13,418	13,377	13,060	13,993	13,055	13,663	12,577
Sheriff civil process service	9,865	9,640	NA							
Jail and penal bookings	4,542	4,587	4,641	4,468	4,531	4,158	4,488	4,315	3,883	3,430
Countywide 911 communications calls	31,831	29,506	26,917	30,153	NA	NA	NA	NA	NA	16,800
Judicial										
Prosecuting Attorney:										
Felony cases filed	735	716	719	803	823	759	726	558	465	478
Misdemeanor cases filed	1,911	2,177	2,142	1,737	2,278	1,868	1,141	873	786	816
Child Support 4-D:										
Open cases	210	217	229	198	198	300	298	316	278	297
Collections for children	\$ 8,298,512	7,729,937	7,320,250	6,950,057	6,279,547	6,047,470	5,811,461	4,514,172	4,154,213	4,190,929
Public Administrator:										
Open cases	101	110	104	95	98	99	93	101	126	118
Health and Welfare										
Birth and death certificates issued	14,194	10,563	8,601	7,952	7,241	7,688	6,724	6,802	6,662	5,918
Immunizations administered	5,500	5,800	3,132	3,554	4,800	6,000	6,500	NA	NA	NA
Food service inspections	608	700	894	825	810	805	790	775	NA	NA
Road and Bridge										
Bridges constructed	3	4	3	2	4	3	5	12	6	7
Miles of roads paved	38	45	36	35	28	32	51	24	15	7

FRANKLIN COUNTY, MISSOURI
CAPITAL ASSET INFORMATION
LAST FIVE FISCAL YEARS

	December 31			
	2006	2005	2004	2003
Land				
Value reported:				
Governmental activities	\$ 2,496,719	1,836,195	1,616,445	1,587,805
Business-type activities	42,834	33,034	19,820	-
Total Land	<u>2,539,553</u>	<u>1,869,229</u>	<u>1,636,265</u>	<u>1,587,805</u>
Buildings and Improvements				
Number of facilities owned	14	12	12	12
Value reported, net depreciation:				
Governmental activities	<u>12,130,864</u>	<u>4,873,788</u>	<u>5,091,054</u>	<u>5,271,553</u>
Total Buildings And Improvements	<u>12,130,864</u>	<u>4,873,788</u>	<u>5,091,054</u>	<u>5,271,553</u>
Equipment				
Number of assets inventoried	5,308	4,401	3,854	4,612
Value inventoried, historical				
Value reported, net depreciation:				
Governmental activities	<u>5,563,959</u>	<u>4,281,155</u>	<u>3,851,957</u>	<u>3,700,903</u>
Total Equipment	<u>5,563,959</u>	<u>4,281,155</u>	<u>3,851,957</u>	<u>3,700,903</u>
Infrastructure				
Number of road miles maintained	800	800	800	800
Value reported, net depreciation				
governmental activities	<u>32,810,389</u>	<u>28,747,937</u>	<u>29,398,968</u>	<u>28,047,295</u>
Total Infrastructure	<u>32,810,389</u>	<u>28,747,937</u>	<u>29,398,968</u>	<u>28,047,295</u>
Construction in Progress				
Value reported:				
Governmental activities	943,245	4,739,580	494,993	785,769
Business-type activities	<u>6,116,332</u>	<u>4,253,231</u>	<u>1,348,478</u>	<u>272,799</u>
Total Construction In Progress	<u>7,059,577</u>	<u>8,992,811</u>	<u>1,843,471</u>	<u>1,058,568</u>
Total Capital Assets				
Value reported, net depreciation:				
Governmental activities	53,945,176	44,478,655	40,453,417	39,393,325
Business-type activities	<u>6,159,166</u>	<u>4,286,265</u>	<u>1,368,298</u>	<u>272,799</u>
Total Capital Assets	<u>\$ 60,104,342</u>	<u>48,764,920</u>	<u>41,821,715</u>	<u>39,666,124</u>

FRANKLIN COUNTY, MISSOURI
MISCELLANEOUS STATISTICS
DECEMBER 31, 2006

Date of incorporation	1,818
Form of government	Commission Charter
Area	922 square miles
Persons per square mile	102
Fire protection (six districts):	
Number of stations	22
Number of firefighters, exclusive of volunteers	59
Ambulance services:	9
Number of stations	127
Number of EMTs, exclusive of volunteers (includes EMT's and Medic's full- and part-time)	
Public education:	
Elementary and Secondary Schools	
Number of elementary schools	28
Number of middle schools	7
Number of high schools	6
Number of teachers	1,434
Number of students	16,872
East Central Community College enrollment	2,096
Building permits issued countywide during year	958
Public recreation (non-county ownership):	
Number of parks	28
Number of swimming pools	5
Number of tennis courts	12
Number of golf courses	4
Library branches	3

Source: Various entities

Verification for fire protection, ambulance services, and public recreation was verified directly with cities throughout the County.