



**THOMAS A. SCHWEICH**  
**Missouri State Auditor**

To the County Commission  
and  
Officeholders of Phelps County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Phelps County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2010, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink that reads 'Thomas A. Schweich'.

Thomas A. Schweich  
State Auditor

September 2011  
Report No. 2011-58

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2010 & 2009

**THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
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## **FINANCIAL SECTION**



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the County Commission  
The County of Phelps, Missouri

We have audited the accompanying financial statements of the County of Phelps ("County"), Missouri, as of and for the years ended December 31, 2010 and 2009, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Phelps, Missouri, as of December 31, 2010 and 2009, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Phelps, Missouri, as of December 31, 2010 and 2009, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note XI, the County of Phelps has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2010 and December 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

June 15, 2011

## **FINANCIAL STATEMENTS**

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2010

| FUND                             | CASH AND INVESTMENTS<br>JANUARY 1, 2010 | RECEIPTS<br>2010        | DISBURSEMENTS<br>2010   | CASH AND INVESTMENTS<br>DECEMBER 31, 2010 |
|----------------------------------|---|-------------------------|-------------------------|---|
| General Revenue                  | \$ 881,726.45                           | \$ 4,899,775.47         | \$ 4,823,226.00         | \$ 958,275.92                             |
| Special Road & Bridge            | 468,999.01                              | 2,849,328.01            | 3,021,465.00            | 296,862.02                                |
| Assessment                       | 38,256.09                               | 590,947.00              | 534,921.11              | 94,281.98                                 |
| Road & Bridge Debt Service       | 104,150.43                              | 52,654.70               | -                       | 156,805.13                                |
| Unemployment Fund                | 222,192.35                              | 69,930.40               | 34,676.00               | 257,446.75                                |
| Use Tax Fund                     | 189,659.33                              | 276,040.00              | 156,777.76              | 308,921.57                                |
| Health Department Fund           | 233,063.66                              | 1,153,648.00            | 1,187,952.01            | 198,759.65                                |
| Community Care Clinic            | 21,223.43                               | 110,688.00              | 124,821.06              | 7,090.37                                  |
| 25th Juvenile FPS Fund           | 1,071.02                                | 922.00                  | 901.00                  | 1,092.02                                  |
| Crisis Intervention Fund         | 811.83                                  | 2,306.00                | 2,651.11                | 466.72                                    |
| Election Services Fund           | 50,302.95                               | 20,887.00               | 20,877.08               | 50,312.87                                 |
| Sheriff's Training Fund          | 10,381.91                               | 17,660.12               | 19,071.00               | 8,971.03                                  |
| Sheriff's Drug Enforcement Fund  | 527,303.58                              | 244,781.16              | 306,745.00              | 465,339.74                                |
| Sheriff's Civil Fee Fund         | 2,787.81                                | 85,090.34               | 63,375.00               | 24,503.15                                 |
| Sheriff's Revolving Fund         | 48,678.41                               | 27,776.19               | 8,526.00                | 67,928.60                                 |
| Law Enforcement Sales Tax Fund   | 2,752.42                                | 4,207,116.36            | 4,143,933.00            | 65,935.78                                 |
| Sheriff's Inmate Security Fund   | 6,069.22                                | 10,850.03               | 4,335.00                | 12,584.25                                 |
| Law Enforcement Bldg Maint Fund  | 120,449.08                              | 2,570.94                | -                       | 123,020.02                                |
| Law Enforcement Restitution Fund | 116,794.42                              | 89,623.00               | 124,645.82              | 81,771.60                                 |
| PA Drug Enforcement Fund         | 130,097.80                              | 112,682.00              | 165,044.17              | 77,735.63                                 |
| PA Training Fund                 | 518.97                                  | 2,728.00                | 2,669.15                | 577.82                                    |
| PA Delinquent Tax Fund           | 10,273.16                               | 4,242.25                | -                       | 14,515.41                                 |
| PA Bad Check Fund                | 90,451.91                               | 46,806.47               | 27,527.00               | 109,731.38                                |
| Shelter Fund                     | 5,453.03                                | 16,036.31               | 16,732.00               | 4,757.34                                  |
| Recorder User Fee Fund           | 9,651.26                                | 22,716.00               | 32,112.49               | 254.77                                    |
| Collector Tax Maintenance Fund   | 50,209.71                               | 68,139.75               | 49,333.00               | 69,016.46                                 |
| Public Facilities Authority Fund | 1,038,458.69                            | 21,794.60               | 38,460.00               | 1,021,793.29                              |
| Jay White Estate Fund            | 222,289.34                              | 4,653.16                | 8,272.00                | 218,670.50                                |
| E911 Fund                        | 349,172.37                              | 541,377.00              | 871,320.68              | 19,228.69                                 |
| Developmentally Disabled Fund    | 338,479.05                              | 468,966.00              | 531,433.08              | 276,011.97                                |
| Senior Companions Fund           | -                                       | 354,009.00              | 354,009.00              | -   |
| RSVP Program Fund                | -                                       | 41,422.00               | 41,422.00               | -   |
| SB40                             | -                                       | 273,043.64              | 202,130.28              | 70,913.36                                 |
| <b>TOTAL</b>                     | <b>\$ 5,291,728.69</b>                  | <b>\$ 16,691,210.90</b> | <b>\$ 16,919,363.80</b> | <b>\$ 5,063,575.79</b>                    |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2009

| FUND                             | CASH AND INVESTMENTS<br>JANUARY 1, 2009 | RECEIPTS<br>2009        | DISBURSEMENTS<br>2009   | CASH AND INVESTMENTS<br>DECEMBER 31, 2009 |
|----------------------------------|---|-------------------------|-------------------------|---|
| General Revenue                  | \$ 716,490.67                           | \$ 4,623,412.78         | \$ 4,458,177.00         | \$ 881,726.45                             |
| Special Road & Bridge            | 48,554.74                               | 3,109,065.27            | 2,688,621.00            | 468,999.01                                |
| Assessment                       | 87,866.54                               | 516,235.00              | 565,845.45              | 38,256.09                                 |
| Road & Bridge Debt Service       | 51,770.84                               | 52,379.59               | -                       | 104,150.43                                |
| Unemployment Fund                | 190,623.43                              | 87,288.92               | 55,720.00               | 222,192.35                                |
| Use Tax Fund                     | 313,860.24                              | 270,481.09              | 394,682.00              | 189,659.33                                |
| Health Department Fund           | 380,894.11                              | 1,261,644.00            | 1,409,474.45            | 233,063.66                                |
| Community Care Clinic            | 26,995.76                               | 114,268.00              | 120,040.33              | 21,223.43                                 |
| 25th Juvenile FPS Fund           | 1,092.02                                | -                       | 21.00                   | 1,071.02                                  |
| Crisis Intervention Fund         | 1,078.72                                | 866.11                  | 1,133.00                | 811.83                                    |
| Election Services Fund           | 37,932.20                               | 36,208.00               | 23,837.25               | 50,302.95                                 |
| Sheriff's Training Fund          | 1,674.94                                | 16,221.00               | 7,514.03                | 10,381.91                                 |
| Sheriff's Drug Enforcement Fund  | 206,697.23                              | 621,723.00              | 301,116.65              | 527,303.58                                |
| Sheriff's Civil Fee Fund         | 4,633.29                                | 80,067.00               | 81,912.48               | 2,787.81                                  |
| Sheriff's Revolving Fund         | 38,150.32                               | 29,169.09               | 18,641.00               | 48,678.41                                 |
| Law Enforcement Sales Tax Fund   | 49,593.06                               | 3,981,589.36            | 4,028,430.00            | 2,752.42                                  |
| Sheriff's Inmate Security Fund   | 3,764.33                                | 11,175.00               | 8,870.11                | 6,069.22                                  |
| Law Enforcement Bldg Maint Fund  | 106,381.06                              | 14,068.02               | -                       | 120,449.08                                |
| Law Enforcement Restitution Fund | 99,405.01                               | 71,933.41               | 54,544.00               | 116,794.42                                |
| PA Drug Enforcement Fund         | 121,543.43                              | 168,663.00              | 160,108.63              | 130,097.80                                |
| PA Training Fund                 | 662.13                                  | 2,805.00                | 2,948.16                | 518.97                                    |
| PA Delinquent Tax Fund           | 5,974.04                                | 6,721.12                | 2,422.00                | 10,273.16                                 |
| PA Bad Check Fund                | 78,152.49                               | 43,041.00               | 30,741.58               | 90,451.91                                 |
| Shelter Fund                     | 6,709.27                                | 15,999.00               | 17,255.24               | 5,453.03                                  |
| Recorder User Fee Fund           | 18,376.90                               | 24,636.36               | 33,362.00               | 9,651.26                                  |
| Collector Tax Maintenance Fund   | 43,486.47                               | 63,812.00               | 57,088.76               | 50,209.71                                 |
| Public Facilities Authority Fund | 1,051,012.23                            | 38,459.46               | 51,013.00               | 1,038,458.69                              |
| Jay White Estate Fund            | 226,940.81                              | 8,272.53                | 12,924.00               | 222,289.34                                |
| E911 Fund                        | 479,980.76                              | 472,070.61              | 602,879.00              | 349,172.37                                |
| Developmentally Disabled Fund    | 294,153.66                              | 397,709.00              | 353,383.61              | 338,479.05                                |
| Senior Companions Fund           | -                                       | 348,777.00              | 348,777.00              | -   |
| RSVP Program Fund                | -                                       | 40,216.00               | 40,216.00               | -   |
| SB40                             | -                                       | -                       | -                       | -   |
| <b>TOTAL</b>                     | <b>\$ 4,694,450.70</b>                  | <b>\$ 16,528,976.72</b> | <b>\$ 15,931,698.73</b> | <b>\$ 5,291,728.69</b>                    |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
 CASH AND INVESTMENT BALANCES  
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | GENERAL REVENUE FUND |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 2010                 |                      | 2009                 |                      |
|  | BUDGET               | ACTUAL               | BUDGET               | ACTUAL               |
| <b>RECEIPTS</b>                                      |                      |                      |                      |                      |
| Property Taxes                                       | \$ 835,500.00        | \$ 830,006.00        | \$ 799,688.00        | \$ 790,468.00        |
| Sales Taxes  | 1,590,000.00         | 1,585,765.00         | 1,544,741.00         | 1,542,664.00         |
| Intergovernmental                                    | 1,716,720.00         | 1,386,716.00         | 1,089,423.00         | 1,121,693.00         |
| Charges for Services                                 | 706,298.00           | 707,115.00           | 716,300.00           | 738,223.00           |
| Interest   | 93,934.00            | 85,718.00            | 148,468.00           | 128,569.00           |
| Other  | 275,983.00           | 294,455.47           | 474,051.00           | 291,795.78           |
| Transfers In   | 57,936.00            | 10,000.00            | 10,000.00            | 10,000.00            |
| <b>TOTAL RECEIPTS</b>                                | <b>5,276,371.00</b>  | <b>4,899,775.47</b>  | <b>4,782,671.00</b>  | <b>4,623,412.78</b>  |
| <b>DISBURSEMENTS</b>                                 |                      |                      |                      |                      |
| County Commission                                    | 173,819.00           | 165,511.00           | 178,404.00           | 163,964.00           |
| County Clerk   | 250,124.00           | 197,976.00           | 250,124.00           | 200,863.00           |
| Elections  | 263,500.00           | 194,176.00           | 79,900.00            | 58,327.00            |
| Buildings and Grounds                                | 505,817.00           | 484,079.00           | 504,150.00           | 469,259.00           |
| Employee Fringe Benefits                             | 484,600.00           | 469,720.00           | 470,000.00           | 469,704.00           |
| County Treasurer                                     | 65,245.00            | 62,190.00            | 65,245.00            | 61,845.00            |
| Collector  | 192,284.00           | 183,803.00           | 190,581.00           | 184,673.00           |
| Recorder of Deeds                                    | 128,668.00           | 126,950.00           | 129,898.00           | 126,699.00           |
| Circuit Clerk  | 102,945.00           | 95,902.00            | 96,055.00            | 89,189.00            |
| Associate Circuit Court                              | 20,000.00            | 17,878.00            | 27,350.00            | 16,839.00            |
| Court Administration                                 | 33,000.00            | 25,484.00            | 33,000.00            | 18,160.00            |
| Public Administrator                                 | 112,139.00           | 107,365.00           | 97,089.00            | 93,876.00            |
| Prosecuting Attorney                                 | 549,631.00           | 473,638.00           | 520,981.00           | 465,379.00           |
| Juvenile Officer                                     | 464,472.00           | 418,475.00           | 536,272.00           | 477,007.00           |
| Coroner  | 36,378.00            | 35,571.00            | 34,153.00            | 34,150.00            |
| Other  | 1,283,500.00         | 945,908.00           | 787,946.00           | 703,602.00           |
| Health and Welfare                                   | 88,425.00            | 87,883.00            | 88,425.00            | 88,505.00            |
| Transfers Out  | 730,717.00           | 730,717.00           | 793,795.00           | 736,136.00           |
| Emergency Fund                                       | 140,900.00           | -                    | 138,488.00           | -                    |
| <b>TOTAL DISBURSEMENTS</b>                           | <b>5,626,164.00</b>  | <b>4,823,226.00</b>  | <b>5,021,856.00</b>  | <b>4,458,177.00</b>  |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>       | <b>(349,793.00)</b>  | <b>76,549.47</b>     | <b>(239,185.00)</b>  | <b>165,235.78</b>    |
| <b>CASH AND INVESTMENT<br/>BALANCES, JANUARY 1</b>   | <b>881,726.45</b>    | <b>881,726.45</b>    | <b>716,490.67</b>    | <b>716,490.67</b>    |
| <b>CASH AND INVESTMENT<br/>BALANCES, DECEMBER 31</b> | <b>\$ 531,933.45</b> | <b>\$ 958,275.92</b> | <b>\$ 477,305.67</b> | <b>\$ 881,726.45</b> |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
 CASH AND INVESTMENT BALANCES  
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009

SPECIAL ROAD & BRIDGE FUND

|  | 2010                 |                      | 2009                 |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | BUDGET               | ACTUAL               | BUDGET               | ACTUAL               |
| <b>RECEIPTS</b>                              |                      |                      |                      |                      |
| Property Taxes                               | \$ 550,500.00        | \$ 541,298.00        | \$ 538,483.00        | \$ 513,977.00        |
| Sales Taxes                                  | 850,000.00           | 847,136.00           | 825,221.00           | 824,111.00           |
| Intergovernmental                            | 1,697,782.00         | 1,398,130.00         | 1,773,522.00         | 1,517,429.00         |
| Charges for Services                         | -                    | -                    | 80,000.00            | 11,238.00            |
| Interest                                     | 19,000.00            | 16,651.00            | 15,000.00            | 13,425.00            |
| Other  | 45,250.00            | 46,113.01            | 95,980.00            | 91,885.27            |
| Transfers In                                 | -                    | -                    | 137,000.00           | 137,000.00           |
| <b>TOTAL RECEIPTS</b>                        | <b>3,162,532.00</b>  | <b>2,849,328.01</b>  | <b>3,465,206.00</b>  | <b>3,109,065.27</b>  |
| <b>DISBURSEMENTS</b>                         |                      |                      |                      |                      |
| Salaries                                     | 661,506.00           | 580,088.00           | 661,506.00           | 576,693.00           |
| Employee Fringe Benefits                     | 200,710.00           | 196,725.00           | 232,179.00           | 207,511.00           |
| Supplies                                     | 28,700.00            | 22,645.00            | 30,200.00            | 21,516.00            |
| Insurance                                    | 40,000.00            | 36,051.00            | 46,000.00            | 37,942.00            |
| Road & Bridge Materials                      | 1,580,500.00         | 1,530,529.00         | 1,432,500.00         | 1,318,230.00         |
| Equipment Repairs                            | 78,000.00            | 77,805.00            | 80,000.00            | 76,639.00            |
| Equipment Purchases                          | 276,000.00           | 272,104.00           | 4,000.00             | 842.00               |
| R&B Construction                             | 250,500.00           | 2,011.00             | 11,500.00            | 3,421.00             |
| Other Expenditures                           | 203,412.00           | 179,703.00           | 208,212.00           | 183,515.00           |
| Debt Service                                 | 74,000.00            | 73,804.00            | 85,000.00            | 75,312.00            |
| Transfers Out                                | 50,000.00            | 50,000.00            | 190,000.00           | 187,000.00           |
| <b>TOTAL DISBURSEMENTS</b>                   | <b>3,443,328.00</b>  | <b>3,021,465.00</b>  | <b>2,981,097.00</b>  | <b>2,688,621.00</b>  |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | (280,796.00)         | (172,136.99)         | 484,109.00           | 420,444.27           |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | 468,999.01           | 468,999.01           | 48,554.74            | 48,554.74            |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | <u>\$ 188,203.01</u> | <u>\$ 296,862.02</u> | <u>\$ 532,663.74</u> | <u>\$ 468,999.01</u> |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | ASSESSMENT FUND     |                     |                     |                     | ROAD & BRIDGE DEBT SERVICE |                      |                      |                      |
|--|---------------------|---------------------|---------------------|---------------------|----------------------------|----------------------|----------------------|----------------------|
|  | 2010                |                     | 2009                |                     | 2010                       |                      | 2009                 |                      |
|  | BUDGET              | ACTUAL              | BUDGET              | ACTUAL              | BUDGET                     | ACTUAL               | BUDGET               | ACTUAL               |
| <b>RECEIPTS</b>                                      |                     |                     |                     |                     |                            |                      |                      |                      |
| Intergovernmental                                    | \$ 429,959.00       | \$ 422,620.00       | \$ 425,961.00       | \$ 376,636.00       | \$ -                       | \$ -                 | \$ -                 | \$ -                 |
| Charges for Services                                 | 50,000.00           | 49,347.00           | 15,800.00           | 16,037.00           | -                          | -                    | -                    | -                    |
| Interest   | 2,700.00            | 3,385.00            | 9,000.00            | 6,238.00            | 2,000.00                   | 2,654.70             | 1,500.00             | 2,379.59             |
| Other  | 40,634.00           | 40,595.00           | 35,657.00           | 42,324.00           | -                          | -                    | -                    | -                    |
| Transfers In   | 75,000.00           | 75,000.00           | 75,000.00           | 75,000.00           | 50,000.00                  | 50,000.00            | 50,000.00            | 50,000.00            |
| <b>TOTAL RECEIPTS</b>                                | <b>598,293.00</b>   | <b>590,947.00</b>   | <b>561,418.00</b>   | <b>516,235.00</b>   | <b>52,000.00</b>           | <b>52,654.70</b>     | <b>51,500.00</b>     | <b>52,379.59</b>     |
| <b>DISBURSEMENTS</b>                                 |                     |                     |                     |                     |                            |                      |                      |                      |
| Assesor  | 567,139.00          | 534,921.11          | 635,288.00          | 565,845.45          | -                          | -                    | -                    | -                    |
| <b>TOTAL DISBURSEMENTS</b>                           | <b>567,139.00</b>   | <b>534,921.11</b>   | <b>635,288.00</b>   | <b>565,845.45</b>   | <b>-</b>                   | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>       | <b>31,154.00</b>    | <b>56,025.89</b>    | <b>(73,870.00)</b>  | <b>(49,610.45)</b>  | <b>52,000.00</b>           | <b>52,654.70</b>     | <b>51,500.00</b>     | <b>52,379.59</b>     |
| <b>CASH AND INVESTMENT<br/>BALANCES, JANUARY 1</b>   | <b>38,256.09</b>    | <b>38,256.09</b>    | <b>87,866.54</b>    | <b>87,866.54</b>    | <b>104,150.43</b>          | <b>104,150.43</b>    | <b>51,770.84</b>     | <b>51,770.84</b>     |
| <b>CASH AND INVESTMENT<br/>BALANCES, DECEMBER 31</b> | <b>\$ 69,410.09</b> | <b>\$ 94,281.98</b> | <b>\$ 13,996.54</b> | <b>\$ 38,256.09</b> | <b>\$ 156,150.43</b>       | <b>\$ 156,805.13</b> | <b>\$ 103,270.84</b> | <b>\$ 104,150.43</b> |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
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|  | UNEMPLOYMENT FUND    |                      |                      |                      | USE TAX FUND         |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2010                 |                      | 2009                 |                      | 2010                 |                      | 2009                 |                      |
|  | BUDGET               | ACTUAL               | BUDGET               | ACTUAL               | BUDGET               | ACTUAL               | BUDGET               | ACTUAL               |
| <b>RECEIPTS</b>                                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Interest   | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 5,500.00          | \$ 7,682.00          | \$ 15,000.00         | \$ 6,078.00          |
| Other  | 78,500.00            | 69,930.40            | 90,000.00            | 87,288.92            | -                    | -                    | -                    | 0.09                 |
| Use tax receipts                                     | -                    | -                    | -                    | -                    | -                    | 268,358.00           | -                    | 264,403.00           |
| Transfers In   | -                    | -                    | -                    | -                    | 270,000.00           | -                    | 379,000.00           | -                    |
| <b>TOTAL RECEIPTS</b>                                | <b>78,500.00</b>     | <b>69,930.40</b>     | <b>90,000.00</b>     | <b>87,288.92</b>     | <b>275,500.00</b>    | <b>276,040.00</b>    | <b>394,000.00</b>    | <b>270,481.09</b>    |
| <b>DISBURSEMENTS</b>                                 |                      |                      |                      |                      |                      |                      |                      |                      |
| State Unemployment                                   | 55,000.00            | 24,676.00            | 48,400.00            | 45,720.00            | -                    | -                    | -                    | -                    |
| Loan Repayments                                      | -                    | -                    | -                    | -                    | 151,000.00           | 150,700.76           | 379,000.00           | 379,000.00           |
| Reimbursements                                       | -                    | -                    | -                    | -                    | 6,078.00             | 6,077.00             | 15,682.00            | 15,682.00            |
| Transfers Out  | 10,000.00            | 10,000.00            | 10,000.00            | 10,000.00            | -                    | -                    | -                    | -                    |
| <b>TOTAL DISBURSEMENTS</b>                           | <b>65,000.00</b>     | <b>34,676.00</b>     | <b>58,400.00</b>     | <b>55,720.00</b>     | <b>157,078.00</b>    | <b>156,777.76</b>    | <b>394,682.00</b>    | <b>394,682.00</b>    |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>       | <b>13,500.00</b>     | <b>35,254.40</b>     | <b>31,600.00</b>     | <b>31,568.92</b>     | <b>118,422.00</b>    | <b>119,262.24</b>    | <b>(682.00)</b>      | <b>(124,200.91)</b>  |
| <b>CASH AND INVESTMENT<br/>BALANCES, JANUARY 1</b>   | <b>222,192.35</b>    | <b>222,192.35</b>    | <b>190,623.43</b>    | <b>190,623.43</b>    | <b>189,659.33</b>    | <b>189,659.33</b>    | <b>313,860.24</b>    | <b>313,860.24</b>    |
| <b>CASH AND INVESTMENT<br/>BALANCES, DECEMBER 31</b> | <b>\$ 235,692.35</b> | <b>\$ 257,446.75</b> | <b>\$ 222,223.43</b> | <b>\$ 222,192.35</b> | <b>\$ 308,081.33</b> | <b>\$ 308,921.57</b> | <b>\$ 313,178.24</b> | <b>\$ 189,659.33</b> |

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THE COUNTY OF PHELPS  
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|  | HEALTH DEPARTMENT FUND |                      |                      |                      | COMMUNITY CARE CLINIC |                    |                     |                    |
|--|------------------------|----------------------|----------------------|----------------------|-----------------------|--------------------|---------------------|--------------------|
|  | 2010                   |                      | 2009                 |                      | 2010                  |                    | 2009                |                    |
|  | BUDGET                 | ACTUAL               | BUDGET               | ACTUAL               | BUDGET                | ACTUAL             | BUDGET              | ACTUAL             |
| <b>RECEIPTS</b>                                      |                        |                      |                      |                      |                       |                    |                     |                    |
| Intergovernmental                                    | \$ 832,560.00          | \$ 740,885.00        | \$ 581,155.00        | \$ 662,537.00        | \$ -                  | \$ -               | \$ -                | \$ -               |
| Charges for Services                                 | 179,400.00             | 151,132.00           | 192,650.00           | 181,095.00           | -                     | -                  | -                   | -                  |
| Interest   | 6,300.00               | 5,272.00             | 23,000.00            | 13,271.00            | 700.00                | 173.00             | 5,000.00            | 715.00             |
| Reimbursements                                       | 74,000.00              | 73,715.00            | 75,000.00            | 68,549.00            | -                     | -                  | -                   | -                  |
| Other  | 165,995.00             | 87,572.00            | 420,200.00           | 235,701.00           | 113,735.00            | 110,515.00         | 120,350.00          | 113,553.00         |
| Transfers In   | 95,072.00              | 95,072.00            | 158,150.00           | 100,491.00           | -                     | -                  | -                   | -                  |
| <b>TOTAL RECEIPTS</b>                                | <b>1,353,327.00</b>    | <b>1,153,648.00</b>  | <b>1,450,155.00</b>  | <b>1,261,644.00</b>  | <b>114,435.00</b>     | <b>110,688.00</b>  | <b>125,350.00</b>   | <b>114,268.00</b>  |
| <b>DISBURSEMENTS</b>                                 |                        |                      |                      |                      |                       |                    |                     |                    |
| Salaries   | 778,513.00             | 760,543.00           | 778,513.00           | 778,651.00           | -                     | -                  | -                   | -                  |
| Employee Fringe Benefits                             | 212,407.00             | 205,438.00           | 206,912.00           | 210,145.00           | -                     | -                  | -                   | -                  |
| Expenses   | 262,610.00             | 192,256.01           | 419,649.00           | 362,788.45           | -                     | -                  | -                   | -                  |
| Core Public Health                                   | 58,610.00              | 29,144.00            | 60,000.00            | 57,790.00            | -                     | -                  | -                   | -                  |
| Equipment  | 200.00                 | 571.00               | 101.00               | 100.00               | -                     | -                  | -                   | -                  |
| MO Fnd Health Grant Opr Exp                          | -                      | -                    | -                    | -                    | -                     | -                  | 68,000.00           | 64,044.33          |
| MO Fnd Health In-Kind                                | -                      | -                    | -                    | -                    | -                     | -                  | 15,600.00           | 14,664.00          |
| South Central Ozark Exp                              | -                      | -                    | -                    | -                    | 110,600.00            | 110,009.06         | 43,000.00           | 41,332.00          |
| South Central Ozark In-Kind                          | -                      | -                    | -                    | -                    | 15,520.00             | 14,812.00          | -                   | -                  |
| <b>TOTAL DISBURSEMENTS</b>                           | <b>1,312,340.00</b>    | <b>1,187,952.01</b>  | <b>1,465,175.00</b>  | <b>1,409,474.45</b>  | <b>126,120.00</b>     | <b>124,821.06</b>  | <b>126,600.00</b>   | <b>120,040.33</b>  |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>       | <b>40,987.00</b>       | <b>(34,304.01)</b>   | <b>(15,020.00)</b>   | <b>(147,830.45)</b>  | <b>(11,685.00)</b>    | <b>(14,133.06)</b> | <b>(1,250.00)</b>   | <b>(5,772.33)</b>  |
| <b>CASH AND INVESTMENT<br/>BALANCES, JANUARY 1</b>   | <b>233,063.66</b>      | <b>233,063.66</b>    | <b>380,894.11</b>    | <b>380,894.11</b>    | <b>21,223.43</b>      | <b>21,223.43</b>   | <b>26,995.76</b>    | <b>26,995.76</b>   |
| <b>CASH AND INVESTMENT<br/>BALANCES, DECEMBER 31</b> | <b>\$ 274,050.66</b>   | <b>\$ 198,759.65</b> | <b>\$ 365,874.11</b> | <b>\$ 233,063.66</b> | <b>\$ 9,538.43</b>    | <b>\$ 7,090.37</b> | <b>\$ 25,745.76</b> | <b>\$21,223.43</b> |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
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|  | 25TH JUVENILE FPS FUND |                    |                    |                    | CRISIS INTERVENTION FUND |                  |                 |                  |
|--|------------------------|--------------------|--------------------|--------------------|--------------------------|------------------|-----------------|------------------|
|  | 2010                   |                    | 2009               |                    | 2010                     |                  | 2009            |                  |
|  | BUDGET                 | ACTUAL             | BUDGET             | ACTUAL             | BUDGET                   | ACTUAL           | BUDGET          | ACTUAL           |
| RECEIPTS                                     |                        |                    |                    |                    |                          |                  |                 |                  |
| Intergovernmental                            | \$ 1,500.00            | \$ 922.00          | \$ 1,500.00        | \$ -               | \$ 5,000.00              | \$ 2,306.00      | \$ 4,500.00     | \$ 866.11        |
| TOTAL RECEIPTS                               | 1,500.00               | 922.00             | 1,500.00           | -                  | 5,000.00                 | 2,306.00         | 4,500.00        | 866.11           |
| DISBURSEMENTS                                |                        |                    |                    |                    |                          |                  |                 |                  |
| Expenses                                     | 1,500.00               | 901.00             | 1,500.00           | 21.00              | 5,000.00                 | 2,651.11         | 5,500.00        | 1,133.00         |
| TOTAL DISBURSEMENTS                          | 1,500.00               | 901.00             | 1,500.00           | 21.00              | 5,000.00                 | 2,651.11         | 5,500.00        | 1,133.00         |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | -                      | 21.00              | -                  | (21.00)            | -                        | (345.11)         | (1,000.00)      | (266.89)         |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | 1,071.02               | 1,071.02           | 1,092.02           | 1,092.02           | 811.83                   | 811.83           | 1,078.72        | 1,078.72         |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | <u>\$ 1,071.02</u>     | <u>\$ 1,092.02</u> | <u>\$ 1,092.02</u> | <u>\$ 1,071.02</u> | <u>\$ 811.83</u>         | <u>\$ 466.72</u> | <u>\$ 78.72</u> | <u>\$ 811.83</u> |

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THE COUNTY OF PHELPS  
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|  | ELECTION SERVICES FUND |                     |                     |                     | SHERIFF'S TRAINING FUND |                    |                    |                     |
|--|------------------------|---------------------|---------------------|---------------------|-------------------------|--------------------|--------------------|---------------------|
|  | 2010                   |                     | 2009                |                     | 2010                    |                    | 2009               |                     |
|  | BUDGET                 | ACTUAL              | BUDGET              | ACTUAL              | BUDGET                  | ACTUAL             | BUDGET             | ACTUAL              |
| <b>RECEIPTS</b>                              |                        |                     |                     |                     |                         |                    |                    |                     |
| Intergovernmental                            | \$ 45,610.00           | \$ 19,552.00        | \$ 34,708.00        | \$ 34,310.00        | \$ 7,000.00             | \$ 5,906.00        | \$ 4,363.00        | \$ 4,728.00         |
| Charges for Services                         | -                      | -                   | -                   | -                   | 11,000.00               | 10,767.00          | 9,229.00           | 11,104.00           |
| Interest                                     | 1,500.00               | 1,140.00            | 2,100.00            | 1,519.00            | -                       | -                  | -                  | -                   |
| Other  | -                      | 195.00              | 500.00              | 379.00              | 1,200.00                | 987.12             | -                  | 389.00              |
| <b>TOTAL RECEIPTS</b>                        | <b>47,110.00</b>       | <b>20,887.00</b>    | <b>37,308.00</b>    | <b>36,208.00</b>    | <b>19,200.00</b>        | <b>17,660.12</b>   | <b>13,592.00</b>   | <b>16,221.00</b>    |
| <b>DISBURSEMENTS</b>                         |                        |                     |                     |                     |                         |                    |                    |                     |
| Expenses                                     | 50,610.00              | 11,896.08           | 44,400.00           | 23,837.25           | 19,200.00               | 19,071.00          | 13,592.00          | 7,514.03            |
| Reimbursements                               | 9,000.00               | 8,981.00            | -                   | -                   | -                       | -                  | -                  | -                   |
| Transfers Out                                | -                      | -                   | -                   | -                   | -                       | -                  | -                  | -                   |
| <b>TOTAL DISBURSEMENTS</b>                   | <b>59,610.00</b>       | <b>20,877.08</b>    | <b>44,400.00</b>    | <b>23,837.25</b>    | <b>19,200.00</b>        | <b>19,071.00</b>   | <b>13,592.00</b>   | <b>7,514.03</b>     |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | (12,500.00)            | 9.92                | (7,092.00)          | 12,370.75           | -                       | (1,410.88)         | -                  | 8,706.97            |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | 50,302.95              | 50,302.95           | 37,932.20           | 37,932.20           | 10,381.91               | 10,381.91          | 1,674.94           | 1,674.94            |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | <u>\$ 37,802.95</u>    | <u>\$ 50,312.87</u> | <u>\$ 30,840.20</u> | <u>\$ 50,302.95</u> | <u>\$ 10,381.91</u>     | <u>\$ 8,971.03</u> | <u>\$ 1,674.94</u> | <u>\$ 10,381.91</u> |

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|  | SHERIFF'S DRUG ENFORCEMENT FUND |                   |                   |                   | SHERIFF'S CIVIL FEE FUND |                  |                  |                  |
|--|---------------------------------|-------------------|-------------------|-------------------|--------------------------|------------------|------------------|------------------|
|  | 2010                            |                   | 2009              |                   | 2010                     |                  | 2009             |                  |
|  | BUDGET                          | ACTUAL            | BUDGET            | ACTUAL            | BUDGET                   | ACTUAL           | BUDGET           | ACTUAL           |
| RECEIPTS                                     |                                 |                   |                   |                   |                          |                  |                  |                  |
| Intergovernmental                            | \$ 581,320.00                   | \$ 234,766.00     | \$ 624,000.00     | \$ 611,262.00     | \$ -                     | \$ -             | \$ -             | \$ -             |
| Charges for Services                         | -                               | -                 | -                 | -                 | 53,000.00                | 51,553.00        | 55,000.00        | 49,684.00        |
| Interest                                     | 10,000.00                       | 10,015.00         | 10,000.00         | 10,461.00         | 600.00                   | 373.00           | 2,096.00         | 591.00           |
| Other  | -                               | 0.16              | -                 | -                 | 42,000.00                | 33,164.34        | 36,000.00        | 29,792.00        |
| <b>TOTAL RECEIPTS</b>                        | <b>591,320.00</b>               | <b>244,781.16</b> | <b>634,000.00</b> | <b>621,723.00</b> | <b>95,600.00</b>         | <b>85,090.34</b> | <b>93,096.00</b> | <b>80,067.00</b> |
| DISBURSEMENTS                                |                                 |                   |                   |                   |                          |                  |                  |                  |
| Expenses                                     | 309,000.00                      | 306,745.00        | 327,000.00        | 301,116.65        | 86,284.00                | 63,375.00        | 92,000.00        | 81,912.48        |
| <b>TOTAL DISBURSEMENTS</b>                   | <b>309,000.00</b>               | <b>306,745.00</b> | <b>327,000.00</b> | <b>301,116.65</b> | <b>86,284.00</b>         | <b>63,375.00</b> | <b>92,000.00</b> | <b>81,912.48</b> |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | 282,320.00                      | (61,963.84)       | 307,000.00        | 320,606.35        | 9,316.00                 | 21,715.34        | 1,096.00         | (1,845.48)       |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | 527,303.58                      | 527,303.58        | 206,697.23        | 206,697.23        | 2,787.81                 | 2,787.81         | 4,633.29         | 4,633.29         |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | \$ 809,623.58                   | \$ 465,339.74     | \$ 513,697.23     | \$ 527,303.58     | \$ 12,103.81             | \$ 24,503.15     | \$ 5,729.29      | \$ 2,787.81      |

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THE COUNTY OF PHELPS  
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COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | SHERIFF'S REVOLVING FUND |                     |                     |                     | LAW ENFORCEMENT SALES TAX FUND |                     |                     |                     |
|--|--------------------------|---------------------|---------------------|---------------------|--------------------------------|---------------------|---------------------|---------------------|
|  | 2010                     |                     | 2009                |                     | 2010                           |                     | 2009                |                     |
|  | BUDGET                   | ACTUAL              | BUDGET              | ACTUAL              | BUDGET                         | ACTUAL              | BUDGET              | ACTUAL              |
| <b>RECEIPTS</b>                                      |                          |                     |                     |                     |                                |                     |                     |                     |
| Sales Taxes  | \$ -                     | \$ -                | \$ -                | \$ -                | \$ 1,825,000.00                | \$ 1,824,535.00     | \$ 1,777,487.00     | \$ 1,775,049.00     |
| Intergovernmental                                    | -                        | -                   | -                   | -                   | 1,438,938.00                   | 1,414,025.00        | 1,095,000.00        | 1,030,631.00        |
| Charges for Services                                 | 30,000.00                | 26,565.00           | 30,000.00           | 27,690.00           | 1,983.00                       | 2,340.00            | 800.00              | 783.00              |
| Interest   | 1,500.00                 | 1,211.00            | 2,500.00            | 1,479.00            | 4,000.00                       | 1,977.00            | 6,000.00            | 3,055.00            |
| Reimbursements                                       | -                        | -                   | -                   | -                   | 151,084.00                     | 209,562.00          | 116,000.00          | 353,030.00          |
| Other  | -                        | 0.19                | -                   | 0.09                | 249,000.00                     | 194,032.36          | 275,000.00          | 258,396.36          |
| Transfers In   | -                        | -                   | -                   | -                   | 711,345.00                     | 560,645.00          | 802,645.00          | 560,645.00          |
| <b>TOTAL RECEIPTS</b>                                | <b>31,500.00</b>         | <b>27,776.19</b>    | <b>32,500.00</b>    | <b>29,169.09</b>    | <b>4,381,350.00</b>            | <b>4,207,116.36</b> | <b>4,072,932.00</b> | <b>3,981,589.36</b> |
| <b>DISBURSEMENTS</b>                                 |                          |                     |                     |                     |                                |                     |                     |                     |
| Expenses   | 23,000.00                | 8,526.00            | 21,900.00           | 18,641.00           | 480,600.00                     | 412,862.00          | 505,600.00          | 501,794.00          |
| Salaries   | -                        | -                   | -                   | -                   | 1,971,660.00                   | 1,971,165.00        | 2,131,964.00        | 2,102,115.00        |
| Fringe Benefits                                      | -                        | -                   | -                   | -                   | 590,500.00                     | 587,379.00          | 602,600.00          | 599,293.00          |
| Equip/Auto Expense                                   | -                        | -                   | -                   | -                   | 136,100.00                     | 133,365.00          | 141,800.00          | 141,570.00          |
| Other - Sheriff                                      | -                        | -                   | -                   | -                   | 325,600.00                     | 322,180.00          | 38,368.00           | 38,234.00           |
| Other - Jail   | -                        | -                   | -                   | -                   | 458,810.00                     | 442,426.00          | 442,010.00          | 438,278.00          |
| Transfers Out  | -                        | -                   | -                   | -                   | -                              | -                   | 60,000.00           | 10,000.00           |
| Debt Service / Equip                                 | -                        | -                   | -                   | -                   | 296,300.00                     | 274,556.00          | 148,300.00          | 197,146.00          |
| <b>TOTAL DISBURSEMENTS</b>                           | <b>23,000.00</b>         | <b>8,526.00</b>     | <b>21,900.00</b>    | <b>18,641.00</b>    | <b>4,259,570.00</b>            | <b>4,143,933.00</b> | <b>4,070,642.00</b> | <b>4,028,430.00</b> |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>       | <b>8,500.00</b>          | <b>19,250.19</b>    | <b>10,600.00</b>    | <b>10,528.09</b>    | <b>121,780.00</b>              | <b>63,183.36</b>    | <b>2,290.00</b>     | <b>(46,840.64)</b>  |
| <b>CASH AND INVESTMENT<br/>BALANCES, JANUARY 1</b>   | <b>48,678.41</b>         | <b>48,678.41</b>    | <b>38,150.32</b>    | <b>38,150.32</b>    | <b>2,752.42</b>                | <b>2,752.42</b>     | <b>49,593.06</b>    | <b>49,593.06</b>    |
| <b>CASH AND INVESTMENT<br/>BALANCES, DECEMBER 31</b> | <b>\$ 57,178.41</b>      | <b>\$ 67,928.60</b> | <b>\$ 48,750.32</b> | <b>\$ 48,678.41</b> | <b>\$ 124,532.42</b>           | <b>\$ 65,935.78</b> | <b>\$ 51,883.06</b> | <b>\$ 2,752.42</b>  |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
 CASH AND INVESTMENT BALANCES  
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | SHERIFF'S INMATE SECURITY FUND |                     |                    |                    | LAW ENFORCEMENT BUILDING MAINT FUND |                      |                      |                      |
|--|--------------------------------|---------------------|--------------------|--------------------|-------------------------------------|----------------------|----------------------|----------------------|
|  | 2010                           |                     | 2009               |                    | 2010                                |                      | 2009                 |                      |
|  | BUDGET                         | ACTUAL              | BUDGET             | ACTUAL             | BUDGET                              | ACTUAL               | BUDGET               | ACTUAL               |
| RECEIPTS                                     |                                |                     |                    |                    |                                     |                      |                      |                      |
| Charges for Services                         | \$ 10,000.00                   | \$ 10,674.00        | \$ 14,000.00       | \$ 11,038.00       | \$ -                                | \$ -                 | \$ -                 | \$ -                 |
| Interest                                     | 100.00                         | 176.03              | 600.00             | 137.00             | 4,000.00                            | 2,570.94             | 2,500.00             | 4,068.02             |
| Transfers In                                 | -                              | -                   | -                  | -                  | -                                   | -                    | 60,000.00            | 10,000.00            |
| TOTAL RECEIPTS                               | 10,100.00                      | 10,850.03           | 14,600.00          | 11,175.00          | 4,000.00                            | 2,570.94             | 62,500.00            | 14,068.02            |
| DISBURSEMENTS                                |                                |                     |                    |                    |                                     |                      |                      |                      |
| Expense                                      | 9,000.00                       | 4,335.00            | 9,000.00           | 8,870.11           | -                                   | -                    | -                    | -                    |
| TOTAL DISBURSEMENTS                          | 9,000.00                       | 4,335.00            | 9,000.00           | 8,870.11           | -                                   | -                    | -                    | -                    |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | 1,100.00                       | 6,515.03            | 5,600.00           | 2,304.89           | 4,000.00                            | 2,570.94             | 62,500.00            | 14,068.02            |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | 6,069.22                       | 6,069.22            | 3,764.33           | 3,764.33           | 120,449.08                          | 120,449.08           | 106,381.06           | 106,381.06           |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | <u>\$ 7,169.22</u>             | <u>\$ 12,584.25</u> | <u>\$ 9,364.33</u> | <u>\$ 6,069.22</u> | <u>\$ 124,449.08</u>                | <u>\$ 123,020.02</u> | <u>\$ 168,881.06</u> | <u>\$ 120,449.08</u> |

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THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
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 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | LAW ENFORCEMENT RESTITUTION FUND |              |              |               | PA DRUG ENFORCEMENT FUND |              |               |               |
|--|----------------------------------|--------------|--------------|---------------|--------------------------|--------------|---------------|---------------|
|  | 2010                             |              | 2009         |               | 2010                     |              | 2009          |               |
|  | BUDGET                           | ACTUAL       | BUDGET       | ACTUAL        | BUDGET                   | ACTUAL       | BUDGET        | ACTUAL        |
| RECEIPTS                                     |                                  |              |              |               |                          |              |               |               |
| Intergovernmental                            | \$ -                             | \$ -         | \$ -         | \$ -          | \$ 80,000.00             | \$ 36,958.00 | \$ 95,000.00  | \$ 93,926.00  |
| Charges for Services                         | 85,000.00                        | 83,762.00    | 83,000.00    | 68,058.00     | -                        | -            | -             | -             |
| Interest                                     | 2,500.00                         | 1,995.00     | 3,000.00     | 3,875.41      | 3,902.00                 | 2,966.00     | 500.00        | 4,262.00      |
| Other  | 4,000.00                         | 3,866.00     | -            | -             | 70,000.00                | 72,758.00    | 75,000.00     | 70,475.00     |
| Transfers In                                 | -                                | -            | -            | -             | -                        | -            | -             | -             |
| TOTAL RECEIPTS                               | 91,500.00                        | 89,623.00    | 86,000.00    | 71,933.41     | 153,902.00               | 112,682.00   | 170,500.00    | 168,663.00    |
| DISBURSEMENTS                                |                                  |              |              |               |                          |              |               |               |
| Expenses                                     | 141,460.00                       | 124,645.82   | 99,405.00    | 54,544.00     | 185,500.00               | 165,044.17   | 171,300.00    | 160,108.63    |
| TOTAL DISBURSEMENTS                          | 141,460.00                       | 124,645.82   | 99,405.00    | 54,544.00     | 185,500.00               | 165,044.17   | 171,300.00    | 160,108.63    |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | (49,960.00)                      | (35,022.82)  | (13,405.00)  | 17,389.41     | (31,598.00)              | (52,362.17)  | (800.00)      | 8,554.37      |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | 116,794.42                       | 116,794.42   | 99,405.01    | 99,405.01     | 130,097.80               | 130,097.80   | 121,543.43    | 121,543.43    |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | \$ 66,834.42                     | \$ 81,771.60 | \$ 86,000.01 | \$ 116,794.42 | \$ 98,499.80             | \$ 77,735.63 | \$ 120,743.43 | \$ 130,097.80 |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | PA TRAINING FUND |                  |                  |                  | PA DELINQUENT TAX FUND |                     |                     |                     |
|--|------------------|------------------|------------------|------------------|------------------------|---------------------|---------------------|---------------------|
|  | 2010             |                  | 2009             |                  | 2010                   |                     | 2009                |                     |
|  | BUDGET           | ACTUAL           | BUDGET           | ACTUAL           | BUDGET                 | ACTUAL              | BUDGET              | ACTUAL              |
| RECEIPTS                                     |                  |                  |                  |                  |                        |                     |                     |                     |
| Intergovernmental                            | \$ -             | \$ -             | \$ -             | \$ -             | \$ 3,000.00            | \$ 4,019.00         | \$ 5,000.00         | \$ 4,770.00         |
| Charges for Services                         | 3,000.00         | 2,728.00         | 3,000.00         | 2,805.00         | -                      | -                   | -                   | -                   |
| Interest                                     | -                | -                | -                | -                | 309.00                 | 223.25              | 60.00               | 251.00              |
| Other  | -                | -                | -                | -                | -                      | -                   | 2,000.00            | 1,700.12            |
| Transfers In                                 | -                | -                | -                | -                | -                      | -                   | -                   | -                   |
| TOTAL RECEIPTS                               | 3,000.00         | 2,728.00         | 3,000.00         | 2,805.00         | 3,309.00               | 4,242.25            | 7,060.00            | 6,721.12            |
| DISBURSEMENTS                                |                  |                  |                  |                  |                        |                     |                     |                     |
| Expenses                                     | 3,500.00         | 2,669.15         | 3,300.00         | 2,948.16         | -                      | -                   | 3,000.00            | 2,422.00            |
| TOTAL DISBURSEMENTS                          | 3,500.00         | 2,669.15         | 3,300.00         | 2,948.16         | -                      | -                   | 3,000.00            | 2,422.00            |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | (500.00)         | 58.85            | (300.00)         | (143.16)         | 3,309.00               | 4,242.25            | 4,060.00            | 4,299.12            |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | 518.97           | 518.97           | 662.13           | 662.13           | 10,273.16              | 10,273.16           | 5,974.04            | 5,974.04            |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | <u>\$ 18.97</u>  | <u>\$ 577.82</u> | <u>\$ 362.13</u> | <u>\$ 518.97</u> | <u>\$ 13,582.16</u>    | <u>\$ 14,515.41</u> | <u>\$ 10,034.04</u> | <u>\$ 10,273.16</u> |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | PA BAD CHECK FUND    |                      |                      |                     | SHELTER FUND       |                    |                    |                    |
|--|----------------------|----------------------|----------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2010                 |                      | 2009                 |                     | 2010               |                    | 2009               |                    |
|  | BUDGET               | ACTUAL               | BUDGET               | ACTUAL              | BUDGET             | ACTUAL             | BUDGET             | ACTUAL             |
| RECEIPTS                                     |                      |                      |                      |                     |                    |                    |                    |                    |
| Intergovernmental                            | \$ -                 | \$ -                 | \$ -                 | \$ -                | \$ -               | \$ -               | \$ -               | \$ -               |
| Charges for Services                         | 42,000.00            | 40,149.00            | 40,000.00            | 17,156.00           | 17,000.00          | 15,925.31          | 16,000.00          | 15,837.00          |
| Interest                                     | 2,500.00             | 2,201.00             | 1,200.00             | 3,074.00            | 200.00             | 111.00             | 200.00             | 162.00             |
| Other  | 10,000.00            | 4,456.47             | 25,000.00            | 22,811.00           | -                  | -                  | -                  | -                  |
| Transfers In                                 | -                    | -                    | -                    | -                   | -                  | -                  | -                  | -                  |
| TOTAL RECEIPTS                               | 54,500.00            | 46,806.47            | 66,200.00            | 43,041.00           | 17,200.00          | 16,036.31          | 16,200.00          | 15,999.00          |
| DISBURSEMENTS                                |                      |                      |                      |                     |                    |                    |                    |                    |
| Expenses                                     | 39,400.00            | 27,527.00            | 40,525.00            | 30,741.58           | 17,000.00          | 16,732.00          | 17,500.00          | 17,255.24          |
| TOTAL DISBURSEMENTS                          | 39,400.00            | 27,527.00            | 40,525.00            | 30,741.58           | 17,000.00          | 16,732.00          | 17,500.00          | 17,255.24          |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | 15,100.00            | 19,279.47            | 25,675.00            | 12,299.42           | 200.00             | (695.69)           | (1,300.00)         | (1,256.24)         |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | 90,451.91            | 90,451.91            | 78,152.49            | 78,152.49           | 5,453.03           | 5,453.03           | 6,709.27           | 6,709.27           |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | <u>\$ 105,551.91</u> | <u>\$ 109,731.38</u> | <u>\$ 103,827.49</u> | <u>\$ 90,451.91</u> | <u>\$ 5,653.03</u> | <u>\$ 4,757.34</u> | <u>\$ 5,409.27</u> | <u>\$ 5,453.03</u> |

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THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | RECORDER USER FEE FUND |                  |                    |                    | COLLECTOR TAX MAINTENANCE FUND |                     |                     |                     |
|--|------------------------|------------------|--------------------|--------------------|--------------------------------|---------------------|---------------------|---------------------|
|  | 2010                   |                  | 2009               |                    | 2010                           |                     | 2009                |                     |
|  | BUDGET                 | ACTUAL           | BUDGET             | ACTUAL             | BUDGET                         | ACTUAL              | BUDGET              | ACTUAL              |
| RECEIPTS                                     |                        |                  |                    |                    |                                |                     |                     |                     |
| Intergovernmental                            | \$ -                   | \$ -             | \$ -               | \$ -               | \$ 67,500.00                   | \$ 66,649.00        | \$ 60,150.00        | \$ 59,587.00        |
| Charges for Services                         | 23,196.00              | 22,461.00        | 23,050.00          | 23,846.00          | -                              | -                   | -                   | -                   |
| Interest                                     | 545.00                 | 255.00           | 545.00             | 790.36             | 2,000.00                       | 1,490.75            | 1,300.00            | 2,269.00            |
| Other  | -                      | -                | -                  | -                  | -                              | -                   | 2,000.00            | 1,956.00            |
| Transfers In                                 | -                      | -                | -                  | -                  | -                              | -                   | -                   | -                   |
| TOTAL RECEIPTS                               | 23,741.00              | 22,716.00        | 23,595.00          | 24,636.36          | 69,500.00                      | 68,139.75           | 63,450.00           | 63,812.00           |
| DISBURSEMENTS                                |                        |                  |                    |                    |                                |                     |                     |                     |
| Expenses                                     | 32,112.00              | 32,112.49        | 38,362.00          | 33,362.00          | 38,300.00                      | 22,927.00           | 28,300.00           | 14,565.76           |
| Salary Expenses                              | -                      | -                | -                  | -                  | 41,000.00                      | 26,406.00           | 49,947.00           | 42,523.00           |
| Transfers Out                                | -                      | -                | -                  | -                  | -                              | -                   | -                   | -                   |
| TOTAL DISBURSEMENTS                          | 32,112.00              | 32,112.49        | 38,362.00          | 33,362.00          | 79,300.00                      | 49,333.00           | 78,247.00           | 57,088.76           |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | (8,371.00)             | (9,396.49)       | (14,767.00)        | (8,725.64)         | (9,800.00)                     | 18,806.75           | (14,797.00)         | 6,723.24            |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | 9,651.26               | 9,651.26         | 18,376.90          | 18,376.90          | 50,209.71                      | 50,209.71           | 43,486.47           | 43,486.47           |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | <u>\$ 1,280.26</u>     | <u>\$ 254.77</u> | <u>\$ 3,609.90</u> | <u>\$ 9,651.26</u> | <u>\$ 40,409.71</u>            | <u>\$ 69,016.46</u> | <u>\$ 28,689.47</u> | <u>\$ 50,209.71</u> |

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THE COUNTY OF PHELPS  
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | PUBLIC FACILITIES AUTHORITY FUND |                        |                        |                        | JAY WHITE ESTATE FUND |                      |                      |                      |
|--|----------------------------------|------------------------|------------------------|------------------------|-----------------------|----------------------|----------------------|----------------------|
|  | 2010                             |                        | 2009                   |                        | 2010                  |                      | 2009                 |                      |
|  | BUDGET                           | ACTUAL                 | BUDGET                 | ACTUAL                 | BUDGET                | ACTUAL               | BUDGET               | ACTUAL               |
| RECEIPTS                                     |                                  |                        |                        |                        |                       |                      |                      |                      |
| Interest                                     | \$ 32,000.00                     | \$ 21,794.60           | \$ 50,000.00           | \$ 38,459.46           | \$ 8,000.00           | \$ 4,653.16          | \$ 12,000.00         | \$ 8,272.53          |
| Transfers In                                 | -                                | -                      | -                      | -                      | -                     | -                    | -                    | -                    |
| TOTAL RECEIPTS                               | 32,000.00                        | 21,794.60              | 50,000.00              | 38,459.46              | 8,000.00              | 4,653.16             | 12,000.00            | 8,272.53             |
| DISBURSEMENTS                                |                                  |                        |                        |                        |                       |                      |                      |                      |
| Expenses                                     | 31,500.00                        | -                      | 50,000.00              | -                      | -                     | -                    | -                    | -                    |
| Reimbursements                               | 38,460.00                        | 38,460.00              | 51,012.00              | 51,013.00              | 8,272.00              | 8,272.00             | 12,924.00            | 12,924.00            |
| Transfers Out                                | -                                | -                      | -                      | -                      | -                     | -                    | -                    | -                    |
| TOTAL DISBURSEMENTS                          | 69,960.00                        | 38,460.00              | 101,012.00             | 51,013.00              | 8,272.00              | 8,272.00             | 12,924.00            | 12,924.00            |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | (37,960.00)                      | (16,665.40)            | (51,012.00)            | (12,553.54)            | (272.00)              | (3,618.84)           | (924.00)             | (4,651.47)           |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | 1,038,458.69                     | 1,038,458.69           | 1,051,012.23           | 1,051,012.23           | 222,289.34            | 222,289.34           | 226,940.81           | 226,940.81           |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | <u>\$ 1,000,498.69</u>           | <u>\$ 1,021,793.29</u> | <u>\$ 1,000,000.23</u> | <u>\$ 1,038,458.69</u> | <u>\$ 222,017.34</u>  | <u>\$ 218,670.50</u> | <u>\$ 226,016.81</u> | <u>\$ 222,289.34</u> |

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YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | E911 FUND           |                     |                      |                      | DEVELOPMENTALLY DISABLED FUND |                      |                      |                      |
|--|---------------------|---------------------|----------------------|----------------------|-------------------------------|----------------------|----------------------|----------------------|
|  | 2010                |                     | 2009                 |                      | 2010                          |                      | 2009                 |                      |
|  | BUDGET              | ACTUAL              | BUDGET               | ACTUAL               | BUDGET                        | ACTUAL               | BUDGET               | ACTUAL               |
| <b>RECEIPTS</b>                                      |                     |                     |                      |                      |                               |                      |                      |                      |
| Property Taxes                                       | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ 396,200.00                 | \$ 394,221.00        | \$ 390,500.00        | \$ 382,891.00        |
| Sales Taxes  | 86,000.00           | 85,736.00           | -                    | -                    | -                             | -                    | -                    | -                    |
| Intergovernmental                                    | -                   | -                   | -                    | -                    | 33,450.00                     | 32,733.00            | 1,480.00             | 479.00               |
| Charges for Services                                 | 435,000.00          | 436,981.00          | 460,000.00           | 449,155.00           | -                             | -                    | -                    | -                    |
| Interest   | 12,000.00           | 6,162.00            | 28,000.00            | 18,665.00            | 13,000.00                     | 7,714.00             | 16,000.00            | 14,339.00            |
| Other  | 13,000.00           | 12,498.00           | 4,500.00             | 4,250.61             | 35,000.00                     | 34,298.00            | -                    | -                    |
| Transfers In   | -                   | -                   | -                    | -                    | -                             | -                    | -                    | -                    |
| <b>TOTAL RECEIPTS</b>                                | <b>546,000.00</b>   | <b>541,377.00</b>   | <b>492,500.00</b>    | <b>472,070.61</b>    | <b>477,650.00</b>             | <b>468,966.00</b>    | <b>407,980.00</b>    | <b>397,709.00</b>    |
| <b>DISBURSEMENTS</b>                                 |                     |                     |                      |                      |                               |                      |                      |                      |
| Contracts  | 459,500.00          | 457,762.00          | 449,737.00           | 410,408.00           | -                             | -                    | -                    | -                    |
| Other Expenses                                       | 100,234.00          | 94,212.68           | 108,134.00           | 97,783.00            | 12,210.00                     | 11,788.08            | 2,250.00             | 1,775.61             |
| Equipment  | 56,519.00           | 49,346.00           | 113,240.00           | 94,688.00            | -                             | -                    | -                    | -                    |
| Programs   | -                   | -                   | -                    | -                    | 384,564.00                    | 369,645.00           | 366,571.00           | 351,608.00           |
| Reimbursements to Agency Funds                       | 270,000.00          | 270,000.00          | -                    | -                    | 150,000.00                    | 150,000.00           | -                    | -                    |
| <b>TOTAL DISBURSEMENTS</b>                           | <b>886,253.00</b>   | <b>871,320.68</b>   | <b>671,111.00</b>    | <b>602,879.00</b>    | <b>546,774.00</b>             | <b>531,433.08</b>    | <b>368,821.00</b>    | <b>353,383.61</b>    |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>       | <b>(340,253.00)</b> | <b>(329,943.68)</b> | <b>(178,611.00)</b>  | <b>(130,808.39)</b>  | <b>(69,124.00)</b>            | <b>(62,467.08)</b>   | <b>39,159.00</b>     | <b>44,325.39</b>     |
| <b>CASH AND INVESTMENT<br/>BALANCES, JANUARY 1</b>   | <b>349,172.37</b>   | <b>349,172.37</b>   | <b>479,980.76</b>    | <b>479,980.76</b>    | <b>338,479.05</b>             | <b>338,479.05</b>    | <b>294,153.66</b>    | <b>294,153.66</b>    |
| <b>CASH AND INVESTMENT<br/>BALANCES, DECEMBER 31</b> | <b>\$ 8,919.37</b>  | <b>\$ 19,228.69</b> | <b>\$ 301,369.76</b> | <b>\$ 349,172.37</b> | <b>\$ 269,355.05</b>          | <b>\$ 276,011.97</b> | <b>\$ 333,312.66</b> | <b>\$ 338,479.05</b> |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH AND INVESTMENT BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | SENIOR COMPANIONS FUND |                   |                   |                   | RSVP PROGRAM FUND |                  |                  |                  |
|--|------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|
|  | 2010                   |                   | 2009              |                   | 2010              |                  | 2009             |                  |
|  | BUDGET                 | ACTUAL            | BUDGET            | ACTUAL            | BUDGET            | ACTUAL           | BUDGET           | ACTUAL           |
| RECEIPTS                                     |                        |                   |                   |                   |                   |                  |                  |                  |
| Property Taxes                               | \$ -                   | \$ -              | \$ -              | \$ -              | \$ -              | \$ -             | \$ -             | \$ -             |
| Federal Grants                               | 348,777.00             | 354,009.00        | 348,777.00        | 348,777.00        | 40,216.00         | 41,422.00        | 40,216.00        | 40,216.00        |
| Intergovernmental                            | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| Charges for Services                         | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| Interest                                     | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| Other  | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| Transfers In                                 | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| TOTAL RECEIPTS                               | <u>348,777.00</u>      | <u>354,009.00</u> | <u>348,777.00</u> | <u>348,777.00</u> | <u>40,216.00</u>  | <u>41,422.00</u> | <u>40,216.00</u> | <u>40,216.00</u> |
| DISBURSEMENTS                                |                        |                   |                   |                   |                   |                  |                  |                  |
| Salaries and Benefits                        | 348,777.00             | 354,009.00        | 348,777.00        | 348,777.00        | 40,216.00         | 41,422.00        | 40,216.00        | 40,216.00        |
| Other Expenses                               | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| Equipment                                    | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| Programs                                     | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| Reimbursements to Agency Funds               | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| TOTAL DISBURSEMENTS                          | <u>348,777.00</u>      | <u>354,009.00</u> | <u>348,777.00</u> | <u>348,777.00</u> | <u>40,216.00</u>  | <u>41,422.00</u> | <u>40,216.00</u> | <u>40,216.00</u> |
| RECEIPTS OVER (UNDER)<br>DISBURSEMENTS       | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| CASH AND INVESTMENT<br>BALANCES, JANUARY 1   | -                      | -                 | -                 | -                 | -                 | -                | -                | -                |
| CASH AND INVESTMENT<br>BALANCES, DECEMBER 31 | <u>\$ -</u>            | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
 CASH AND INVESTMENT BALANCES  
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009

|  | SB40                 |                     |             |             |
|--|----------------------|---------------------|-------------|-------------|
|  | 2010                 |                     | 2009        |             |
|  | BUDGET               | ACTUAL              | BUDGET      | ACTUAL      |
| <b>RECEIPTS</b>                                      |                      |                     |             |             |
| Board Funding  | \$ -                 | \$ 150,000.00       | \$ -        | \$ -        |
| MO Medicaid  | 766,065.00           | 122,869.54          | -           | -           |
| Interest   | -                    | 174.10              | -           | -           |
| Transfers In   | -                    | -                   | -           | -           |
| <b>TOTAL RECEIPTS</b>                                | <b>766,065.00</b>    | <b>273,043.64</b>   | <b>-</b>    | <b>-</b>    |
| <b>DISBURSEMENTS</b>                                 |                      |                     |             |             |
| Operating expenses                                   | 595,276.00           | 202,130.28          | -           | -           |
| Transfers Out  | -                    | -                   | -           | -           |
| <b>TOTAL DISBURSEMENTS</b>                           | <b>595,276.00</b>    | <b>202,130.28</b>   | <b>-</b>    | <b>-</b>    |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b>       | <b>170,789.00</b>    | <b>70,913.36</b>    | <b>-</b>    | <b>-</b>    |
| <b>CASH AND INVESTMENT<br/>BALANCES, JANUARY 1</b>   | <b>-</b>             | <b>-</b>            | <b>-</b>    | <b>-</b>    |
| <b>CASH AND INVESTMENT<br/>BALANCES, DECEMBER 31</b> | <b>\$ 170,789.00</b> | <b>\$ 70,913.36</b> | <b>\$ -</b> | <b>\$ -</b> |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
 AGENCY FUNDS - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2010

2010

|  | <u>Surplus<br/>Tax</u> | <u>School<br/>Principal</u> | <u>Collector</u>        | <u>Collector<br/>Protest</u> | <u>Recorder</u>     | <u>SR Comp<br/>Board</u> |
|--|------------------------|-----------------------------|-------------------------|------------------------------|---------------------|--------------------------|
| <b>ASSETS</b>                          |                        |                             |                         |                              |                     |                          |
| Cash and Cash Equivalents              | \$ 7,249.14            | \$ 210,961.12               | \$ 11,284,332.12        | \$ 4,219.99                  | \$ 23,897.06        | \$ 41,030.15             |
| Total Assets                           | 7,249.14               | 210,961.12                  | 11,284,332.12           | 4,219.99                     | 23,897.06           | 41,030.15                |
| <b>LIABILITIES AND FUND BALANCES</b>   |                        |                             |                         |                              |                     |                          |
| TOTAL LIABILITIES                      | -                      | -                           | -                       | -                            | -                   | -                        |
| UNRESERVED FUND BALANCES               | 7,249.14               | 210,961.12                  | 11,284,332.12           | 4,219.99                     | 23,897.06           | 41,030.15                |
| TOTAL LIABILITIES AND<br>FUND BALANCES | <u>\$ 7,249.14</u>     | <u>\$ 210,961.12</u>        | <u>\$ 11,284,332.12</u> | <u>\$ 4,219.99</u>           | <u>\$ 23,897.06</u> | <u>\$ 41,030.15</u>      |

|  | <u>RSVP</u>         | <u>Sheriff<br/>Account</u> | <u>Commissary<br/>Account</u> | <u>Prosecuting<br/>Attorney</u> | <u>Homeless Shelter<br/>Program</u> | <u>Total<br/>Fiduciary<br/>Funds</u> |
|--|---------------------|----------------------------|-------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| <b>ASSETS</b>                          |                     |                            |                               |                                 |                                     |                                      |
| Cash and Cash Equivalents              | \$ 14,524.47        | \$ 12,368.61               | \$ 16,493.15                  | \$ 748.27                       | \$ 31,394.82                        | \$ 11,647,218.90                     |
| Total Assets                           | 14,524.47           | 12,368.61                  | 16,493.15                     | 748.27                          | 31,394.82                           | 11,647,218.90                        |
| <b>LIABILITIES AND FUND BALANCES</b>   |                     |                            |                               |                                 |                                     |                                      |
| TOTAL LIABILITIES                      | -                   | -                          | -                             | -                               | -                                   | -                                    |
| UNRESERVED FUND BALANCES               | 14,524.47           | 12,368.61                  | 16,493.15                     | 748.27                          | 31,394.82                           | 11,647,218.90                        |
| TOTAL LIABILITIES AND<br>FUND BALANCES | <u>\$ 14,524.47</u> | <u>\$ 12,368.61</u>        | <u>\$ 16,493.15</u>           | <u>\$ 748.27</u>                | <u>\$ 31,394.82</u>                 | <u>\$ 11,647,218.90</u>              |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
 AGENCY FUNDS - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2009

2009

|  | <u>Surplus<br/>Tax</u> | <u>School<br/>Principal</u> | <u>Collector</u>              | <u>Collector<br/>Protest</u>    | <u>Recorder</u>                     | <u>SR Comp<br/>Board</u>             |
|--|------------------------|-----------------------------|-------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| <b>ASSETS</b>                          |                        |                             |                               |                                 |                                     |                                      |
| Cash and Cash Equivalents              | \$ 8,488.96            | \$ 259,350.84               | \$ 10,884,734.45              | \$ 81,369.24                    | \$ 27,263.42                        | \$ 30,102.76                         |
| Total Assets                           | 8,488.96               | 259,350.84                  | 10,884,734.45                 | 81,369.24                       | 27,263.42                           | 30,102.76                            |
| <b>LIABILITIES AND FUND BALANCES</b>   |                        |                             |                               |                                 |                                     |                                      |
| TOTAL LIABILITIES                      | -                      | -                           | -                             | -                               | -                                   | -                                    |
| UNRESERVED FUND BALANCES               | 8,488.96               | 259,350.84                  | 10,884,734.45                 | 81,369.24                       | 27,263.42                           | 30,102.76                            |
| TOTAL LIABILITIES AND<br>FUND BALANCES | <u>\$ 8,488.96</u>     | <u>\$ 259,350.84</u>        | <u>\$ 10,884,734.45</u>       | <u>\$ 81,369.24</u>             | <u>\$ 27,263.42</u>                 | <u>\$ 30,102.76</u>                  |
|  |                        |                             |                               |                                 |                                     |                                      |
|  | <u>RSVP</u>            | <u>Sheriff<br/>Account</u>  | <u>Commissary<br/>Account</u> | <u>Prosecuting<br/>Attorney</u> | <u>Homeless Shelter<br/>Program</u> | <u>Total<br/>Fiduciary<br/>Funds</u> |
| <b>ASSETS</b>                          |                        |                             |                               |                                 |                                     |                                      |
| Cash and Cash Equivalents              | \$ 15,823.34           | \$ 9,140.82                 | \$ 8,709.82                   | \$ -                            | \$ 70,746.46                        | \$ 11,395,730.11                     |
| Total Assets                           | 15,823.34              | 9,140.82                    | 8,709.82                      | -                               | 70,746.46                           | 11,395,730.11                        |
| <b>LIABILITIES AND FUND BALANCES</b>   |                        |                             |                               |                                 |                                     |                                      |
| TOTAL LIABILITIES - OVERDRAFT          | -                      | -                           | -                             | (509.27)                        | -                                   | (509.27)                             |
| UNRESERVED FUND BALANCES               | 15,823.34              | 9,140.82                    | 8,709.82                      | (509.27)                        | 70,746.46                           | 11,395,220.84                        |
| TOTAL LIABILITIES AND<br>FUND BALANCES | <u>\$ 15,823.34</u>    | <u>\$ 9,140.82</u>          | <u>\$ 8,709.82</u>            | <u>\$ (509.27)</u>              | <u>\$ 70,746.46</u>                 | <u>\$ 11,395,220.84</u>              |

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Phelps, Missouri (“the Primary Government”), which is governed by a three-member board of commissioners, was established in 1857 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eleven elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator, Prosecuting Attorney and County Surveyor.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, and social and human services.

The financial statements referred to above include only the primary government of Phelps County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity. The financial statements do not include financial data for the County’s legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting require to be reported with the financial data of the County. In accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Phelps County Regional Medical Center has issued separate reporting entity financial statements. For information on this component unit, please contact the Phelps County Regional Medical Center at (573) 458-8899 (or write to 1000 West Tenth Street Rolla, MO 65401).

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

*Governmental Fund Types*

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

*Fiduciary Fund Types*

*Agency* – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

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

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010 AND 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2010 and 2009, for purposes of taxation was:

|                        | 2010           | 2009           |
|------------------------|----------------|----------------|
| Real Estate            | \$ 415,231,730 | \$ 408,183,050 |
| Personal Property      | 104,035,549    | 101,103,990    |
| Railroad and Utilities | 20,669,138     | 20,521,644     |
|                        | \$ 539,936,417 | \$ 529,808,684 |

During 2010 and 2009, the County Commission approved a \$.3068 and \$.3157, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2010 and 2009, for purposes of County taxation, as follows:

|                              | 2010     | 2009     |
|------------------------------|----------|----------|
| General Revenue Fund         | \$ .1466 | \$ .1521 |
| Special Road and Bridge Fund | .0899    | .0933    |
| Developmentally Disabled     | .0703    | .0703    |
|                              | \$ .3068 | \$ .3157 |

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balance. Cash equivalents include any instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010 AND 2009

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2010 and 2009, the carrying amount of the County's deposits was \$5,063,575.79 and \$5,291,728.69, the bank balance was \$5,333,688.42 and \$5,647,019.91 respectively. As of December 31, 2010 and 2009, 100% of the County's investments were guaranteed by the U. S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2010, as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash and Investments – Governmental Funds:

|                          |                 |
|--------------------------|-----------------|
| Deposits                 | \$ 5,063,575.79 |
| Investments              | -               |
| Total Governmental Funds | 5,063,575.79    |

Statement of Assets and Liabilities Arising From Cash

Transactions – Agency Funds:

|             |               |
|-------------|---------------|
| Deposits    | 11,647,218.90 |
| Investments | -             |

|  |                  |
|--|------------------|
| Total Deposits & Investments as of December 31, 2010 | \$ 16,710,794.99 |
|--|------------------|

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010 AND 2009

II. DEPOSITS AND INVESTMENTS (continued)

The carrying values of deposits and investments at December 31, 2009, are as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash  
 and Investments – Governmental Funds:

|                          |                 |
|--------------------------|-----------------|
| Deposits                 | \$ 5,066,728.69 |
| Investments              | 225,000.00      |
| Total Governmental Funds | 5,291,728.69    |

Statement of Assets and Liabilities Arising From Cash

Transactions – Agency Funds:

|             |               |
|-------------|---------------|
| Deposits    | 11,395,220.84 |
| Investments | -             |

|  |                  |
|--|------------------|
| Total Deposits & Investments as of December 31, 2009 | \$ 16,686,949.53 |
|--|------------------|

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year end December 31, 2010 & 2009.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010 AND 2009

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II. DEPOSITS AND INVESTMENTS (concluded)

The County's deposits were not exposed to concentration of investment credit risk for the year end December 31, 2010 & 2009.

III. LONG-TERM DEBT

2003 Medical Center Bonds – The Component Unit of Phelps County – Phelps County Medical Center has a \$40,000,000 bond that was entered into on 10/27/03. The County is only responsible for the bonds if the Medical Center would happen to default on them. The balance at 12/31/09 was \$30,895,000.00 and the Balance at 12/31/10 was \$29,160,000.00. Amortizations are not shown since these are the responsibility of the Medical Center.

The following are the descriptions and balances for the 2010 Capital Leases:

**2010 CAPITAL LEASES**

|   |                  |
|---|------------------|
| ON 4/13/06 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH CITIZENS BANK OF NEWBURG FOR COMPUTER EQUIPMENT AND RECORDING SYSTEM FOR THE RECORDER, THE INTEREST RATE IS 4.5%, THE PAYMENT IS \$2,051.00 MONTHLY. | 8,126.71         |
| ON 6/7/06 THE COUNTY COMMISSIONERS ENTERED INTO A 48 MONTH LEASE WITH XEROX FOR COPIERS AT THE TEXAS COUNTY JUVENILE CENTER, THE INTEREST RATE IS 4.277% AND THE PAYMENT IS \$59.55 MONTHLY.                                | 0.00             |
| ON 12/7/06 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE ASSESSOR, THE INTEREST RATE IS 11.368% AND THE PAYMENT IS \$74.55 MONTHLY.  | 841.88           |
| ON 2/13/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE PUBLIC ADMINISTRATOR, THE INTEREST RATE PAYMENT IS 23.522% AND THE PAYMENT IS 62.68 MONTHLY.                              | 760.95           |
| ON 4/23/09 THE COUNTY COMMISSIONERS ENTERED INTO A 36 MONTH LEASE WITH TOWN AND COUNTRY BANK FOR HEAVY EQUIPMENT FOR THE ROAD AND BRIDGE DEPARTMENT, THE INTEREST RATE IS 3.75%, THE PAYMENT IS \$68,816.29 ANNUALLY.       | 66,283.33        |
| ON 8/13/09 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH IKON FOR A COPIER AT THE CIRCUIT CLERKS OFFICE, THE INTEREST RATE IS 10.751% AND THE PAYMENT IS \$118.36 MONTHLY.                                    | 4,288.30         |
| <b>TOTAL CAPITAL LEASES FOR 2010</b>  | <b>80,301.17</b> |

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
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III. LONG-TERM DEBT (Continued)

The following are the descriptions and balances for the 2010 Operating Leases:

**2010 OPERATING LEASES**

|  |                         |
|--|-------------------------|
| ON 9/18/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE CIRCUIT CLERK, THE PAYMENT IS \$132.29 MONTHLY.  | 2,778.09                |
| ON 11/8/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH GIBBS TECHNOLOGY LEASING, LLC FOR A COPIER FOR THE SHERIFFS OFFICE, THE PAYMENT IS \$280.00 MONTHLY   | 7,152.00                |
| ON 11/8/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH GIBBS TECHNOLOGY LEASING, LLC FOR A COPIER FOR THE SHERIFFS OFFICE, THE PAYMENT IS \$295.51 MONTHLY.  | 6,796.73                |
| ON 8/28/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH PITNEY BOWES FOR A POSTAGE MACHINE FOR THE COUNTY THE PAYMENT IS \$4,377 QUARTERLY, INTEREST IS INCLUDED IN THE PAYMENT FOR A TOTAL OF \$3,436.05 FOR THE YEAR. | 39,393.00               |
| ON 10/7/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH CBS LEASING FOR A DIGITAL SYSTEM FOR THE COLLECTOR, THE PAYMENT IS \$209.00 MONTHLY.  | 7,106.00                |
| ON 12/3/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH IKON FOR A COPIER FOR THE PROSECUTING ATTORNEYS OFFICE, THE PAYMENT IS \$145.00 MONTHLY.  | 5,220.00                |
| <b>TOTAL OPERATING LEASES FOR 2010</b>   | <u><u>68,445.82</u></u> |

The following are the descriptions and balances for the 2009 Capital Leases:

**2009 CAPITAL LEASES**

|   |           |
|---|-----------|
| ON 4/13/06 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH CITIZENS BANK OF NEWBURG FOR COMPUTER EQUIPMENT AND RECORDING SYSTEM FOR THE RECORDER, THE INTEREST RATE IS 4.5%, THE PAYMENT IS \$2,051.00 MONTHLY. | 31,789.04 |
| ON 6/7/06 THE COUNTY COMMISSIONERS ENTERED INTO A 48 MONTH LEASE WITH XEROX FOR COPIERS AT THE TEXAS COUNTY JUVENILE CENTER, THE INTEREST RATE IS 4.277% AND THE PAYMENT IS \$59.55 MONTHLY.                                | 352.87    |
| ON 12/7/06 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE ASSESSOR, THE INTEREST RATE IS 11.368% AND THE PAYMENT IS \$74.55 MONTHLY.  | 1,593.68  |

THE COUNTY OF PHELPS  
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III. LONG-TERM DEBT (Continued)

**2009 CAPITAL LEASES (CONCLUDED)**

|   |                          |
|---|--------------------------|
| ON 2/13/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE PUBLIC ADMINISTRATOR, THE INTEREST RATE PAYMENT IS 23.522% AND THE PAYMENT IS 62.68 MONTHLY.                        | 1,267.33                 |
| ON 4/23/09 THE COUNTY COMMISSIONERS ENTERED INTO A 36 MONTH LEASE WITH TOWN AND COUNTRY BANK FOR HEAVY EQUIPMENT FOR THE ROAD AND BRIDGE DEPARTMENT, THE INTEREST RATE IS 3.75%, THE PAYMENT IS \$68,816.29 ANNUALLY. | 130,140.27               |
| ON 8/13/09 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH IKON FOR A COPIER AT THE CIRCUIT CLERKS OFFICE, THE INTEREST RATE IS 10.751% AND THE PAYMENT IS \$118.36 MONTHLY.                              | 5,194.01                 |
| <b>TOTAL CAPITAL LEASES FOR 2009</b>  | <u><u>170,337.20</u></u> |

The following are the descriptions and balances for the 2009 Operating Leases:

**2009 OPERATING LEASES**

|  |                         |
|--|-------------------------|
| ON 9/18/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH XEROX FOR A COPIER FOR THE CIRCUIT CLERK, THE PAYMENT IS \$132.29 MONTHLY.  | 4,365.57                |
| ON 11/8/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH GIBBS TECHNOLOGY LEASING, LLC FOR A COPIER FOR THE SHERIFFS OFFICE, THE PAYMENT IS \$280.00 MONTHLY   | 10,728.00               |
| ON 11/8/07 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH GIBBS TECHNOLOGY LEASING, LLC FOR A COPIER FOR THE SHERIFFS OFFICE, THE PAYMENT IS \$295.51 MONTHLY.  | 10,342.85               |
| ON 8/28/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH PITNEY BOWES FOR A POSTAGE MACHINE FOR THE COUNTY THE PAYMENT IS \$4,377 QUARTERLY, INTEREST IS INCLUDED IN THE PAYMENT FOR A TOTAL OF \$4,283.81 FOR THE YEAR. | 56,901.00               |
| ON 10/7/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH CBS LEASING FOR A DIGITAL SYSTEM FOR THE COLLECTOR, THE PAYMENT IS \$209.00 MONTHLY.  | 9,614.00                |
| ON 12/3/08 THE COUNTY COMMISSIONERS ENTERED INTO A 60 MONTH LEASE WITH IKON FOR A COPIER FOR THE PROSECUTING ATTORNEYS OFFICE, THE PAYMENT IS \$145.00 MONTHLY.  | 6,960.00                |
| <b>TOTAL OPERATING LEASES FOR 2009</b>   | <u><u>98,911.42</u></u> |

THE COUNTY OF PHELPS  
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III. LONG-TERM DEBT (Continued)

2010 Amortizations of Capital Leases:

|      | CITIZENS BANK<br>EQ-LEASE RECORDER |              | IKON<br>CIRCUIT CLERK |               | TOWN & COUNTRY<br>HEAVY EQUIP |                 |
|------|------------------------------------|--------------|-----------------------|---------------|-------------------------------|-----------------|
|      | Principle                          | Interest     | Principle             | Interest      | Principle                     | Interest        |
| 2011 | 8,126.71                           | 76.29        | 1,008.01              | 412.31        | 66,283.33                     | 2,532.96        |
| 2012 | -                                  | -            | 1,121.86              | 298.46        | -                             | -               |
| 2013 | -                                  | -            | 1,248.62              | 171.70        | -                             | -               |
| 2014 | -                                  | -            | 909.81                | 37.07         | -                             | -               |
|      | <u>8,126.71</u>                    | <u>76.29</u> | <u>4,288.30</u>       | <u>919.54</u> | <u>66,283.33</u>              | <u>2,532.96</u> |

2010 Amortizations of Capital Leases (Concluded):

|      | XEROX<br>TX CO JUVENILE |          | XEROX<br>ASSESSOR |              | XEROX<br>PUBLIC ADMIN |               |
|------|-------------------------|----------|-------------------|--------------|-----------------------|---------------|
|      | Principle               | Interest | Principle         | Interest     | Principle             | Interest      |
| 2011 | -                       | -        | 841.88            | 52.72        | 639.18                | 112.98        |
| 2012 | -                       | -        | -                 | -            | 121.77                | 3.59          |
| 2013 | -                       | -        | -                 | -            | -                     | -             |
| 2014 | -                       | -        | -                 | -            | -                     | -             |
|      | <u>-</u>                | <u>-</u> | <u>841.88</u>     | <u>52.72</u> | <u>760.95</u>         | <u>116.57</u> |

2010 Amortization of Operating Leases:

|      | XEROX<br>CIRC CT | GIBBS<br>SHERIFF | GIBBS #2<br>SHERIFF | PITNEY<br>BOWES  | CBS<br>LEASING  | IKON<br>PROS AT | TOTAL            |
|------|------------------|------------------|---------------------|------------------|-----------------|-----------------|------------------|
| 2011 | 1,587.48         | 3,576.00         | 3,546.12            | 17,508.00        | 2,508.00        | 1,740.00        | 30,465.60        |
| 2012 | 1,190.61         | 3,576.00         | 3,250.61            | 17,508.00        | 2,508.00        | 1,740.00        | 29,773.22        |
| 2013 |                  |                  |                     | 4,377.00         | 2,090.00        | 1,740.00        | 8,207.00         |
|      | <u>2,778.09</u>  | <u>7,152.00</u>  | <u>6,796.73</u>     | <u>39,393.00</u> | <u>7,106.00</u> | <u>5,220.00</u> | <u>68,445.82</u> |

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
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III. LONG-TERM DEBT (concluded)

2009 Amortizations of Capital Leases:

|      | CITIZENS BANK<br>EQ-LEASE RECORDER |                 | IKON<br>CIRCUIT CLERK |                 | TOWN & COUNTRY<br>HEAVY EQUIP |                 |
|------|------------------------------------|-----------------|-----------------------|-----------------|-------------------------------|-----------------|
|      | Principle                          | Interest        | Principle             | Interest        | Principle                     | Interest        |
| 2010 | 23,662.33                          | 945.95          | 905.71                | 514.61          | 63,856.94                     | 4,959.35        |
| 2011 | 8,126.71                           | 76.29           | 1,008.01              | 412.31          | 66,283.33                     | 2,532.96        |
| 2012 | -                                  | -               | 1,121.86              | 298.46          | -                             | -               |
| 2013 | -                                  | -               | 1,248.62              | 171.70          | -                             | -               |
| 2014 | -                                  | -               | 909.81                | 37.07           | -                             | -               |
|      | <u>31,789.04</u>                   | <u>1,022.24</u> | <u>5,194.01</u>       | <u>1,434.15</u> | <u>130,140.27</u>             | <u>7,492.31</u> |

2009 Amortizations of Capital Leases (Concluded):

|      | XEROX<br>TX CO JUVENILE |             | XEROX<br>ASSESSOR |               | XEROX<br>PUBLIC ADMIN |               |
|------|-------------------------|-------------|-------------------|---------------|-----------------------|---------------|
|      | Principle               | Interest    | Principle         | Interest      | Principle             | Interest      |
| 2010 | 352.87                  | 4.43        | 751.80            | 142.80        | 506.38                | 245.78        |
| 2011 | -                       | -           | 841.88            | 52.72         | 639.18                | 112.98        |
| 2012 | -                       | -           | -                 | -             | 121.77                | 3.59          |
| 2013 | -                       | -           | -                 | -             | -                     | -             |
| 2014 | -                       | -           | -                 | -             | -                     | -             |
|      | <u>352.87</u>           | <u>4.43</u> | <u>1,593.68</u>   | <u>195.52</u> | <u>1,267.33</u>       | <u>362.35</u> |

2009 Amortization of Operating Leases:

|      | XEROX<br>CIRC CT | GIBBS<br>SHERIFF | GIBBS #2<br>SHERIFF | PITNEY<br>BOWES  | CBS<br>LEASING  | IKON<br>PROS AT | TOTAL            |
|------|------------------|------------------|---------------------|------------------|-----------------|-----------------|------------------|
| 2010 | 1,587.48         | 3,576.00         | 3,546.12            | 17,508.00        | 2,508.00        | 1,740.00        | 30,465.60        |
| 2011 | 1,587.48         | 3,576.00         | 3,546.12            | 17,508.00        | 2,508.00        | 1,740.00        | 30,465.60        |
| 2012 | 1,190.61         | 3,576.00         | 3,250.61            | 17,508.00        | 2,508.00        | 1,740.00        | 29,773.22        |
| 2013 |                  |                  |                     | 4,377.00         | 2,090.00        | 1,740.00        | 8,207.00         |
|      | <u>4,365.57</u>  | <u>10,728.00</u> | <u>10,342.85</u>    | <u>56,901.00</u> | <u>9,614.00</u> | <u>6,960.00</u> | <u>98,911.42</u> |

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
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IV. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2010 and 2009 are as follows:

|                                   | 2010                 |                      | 2009                 |                      |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                   | Transfers In         | Transfers Out        | Transfers In         | Transfers Out        |
| <b>MAJOR FUNDS</b>                |                      |                      |                      |                      |
| General Fund                      | \$ 10,000.00         | \$ 730,717.00        | \$ 10,000.00         | \$ 736,136.00        |
| Special Road and Bridge Fund      | -                    | 50,000.00            | 137,000.00           | 187,000.00           |
| Assessment Fund                   | 75,000.00            | -                    | 75,000.00            | -                    |
| Road & Bridge Debt Service        | 50,000.00            | -                    | 50,000.00            | -                    |
| Unemployment Fund                 | -                    | 10,000.00            | -                    | 10,000.00            |
| Health Dept Fund                  | 95,072.00            | -                    | 100,491.00           | -                    |
| Law Enforcement Sales Tax Fund    | 560,645.00           | -                    | 560,645.00           | 10,000.00            |
| Law Enforcement Bldg. Maint. Fund | -                    | -                    | 10,000.00            | -                    |
| <b>TOTAL</b>                      | <b>\$ 790,717.00</b> | <b>\$ 790,717.00</b> | <b>\$ 943,136.00</b> | <b>\$ 943,136.00</b> |

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county ( which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires actual performance of duties not less than 1,000 hours per calendar year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
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V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (continued)

B. Pension Benefits

All benefits vest after 8 years of creditable service. Employees who retire on or after 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional Joint and survivor annuity and 10-year certain life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost of living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, 2121 Schotthill Road, Jefferson City, MO 65101, or by calling 1-573-632-9203.

C. Funding Policy

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of Missouri Legislature. During 2010 and 2009, the Primary Government collected and remitted to CERF, employee contributions of approximately \$222,636.12 and \$230,248.73, respectively, for the years then ended.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Phelps 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 statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. This plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
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VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

A. Plan Description

The Missouri Local Government Employees Retirement System 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.

B. Funding Status

Phelps County's full time employees contribute 4% of their gross pay to the pension plan. The political subdivision is required by state statute to contribute at an actuarially determined rate; the current rate is 8.3% (general) and 6.8% (police) of annual covered payroll for 2010. The 2009 rate was 7.3 % (general) and 5.8% (police). The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2010, the subdivision's annual pension cost and net pension obligation for the current year were as follows:

|  |    |         |
|--|----|---------|
| Annual required contribution               | \$ | 431,995 |
| Interest on net pension obligation         |    | -       |
| Adjustment to annual required contribution |    | -       |
| Annual pension cost                        |    | 431,995 |
| Actual contributions                       |    | 369,788 |
| Increase (decrease) in NPO                 |    | 62,207  |
| NPO beginning of year                      |    | -       |
| NPO end of year                            | \$ | 62,207  |

The annual required contribution (ARC) was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. For 2009, the political subdivision's annual pension cost of \$520,582 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 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 percent per year, compounded annually, (b) projected salary increases of 4.0 percent per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0 percent to 6.0 percent per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table for males projected to 2000 set back 1 year for men and 7 years for women.

THE COUNTY OF PHELPS  
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VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (continued)

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 as of February 29, 2008, was 15 years for the General division and 15 years for the Police division. The amortization period as of February 28, 2009, was 30 years for the General division and 30 years for the Police division. The amortization period at February 28, 2009, was 15 years.

2010 Three Year Trend Information

| Fiscal Year<br>Ending June 30 | Annual<br>Pension Cost<br>(APC) | Percentage<br>Of APC<br>Contributed | Net Pension<br>Obligation |
|-------------------------------|---------------------------------|-------------------------------------|---------------------------|
| 2008                          | \$ 302,820                      | 100%                                | \$ 0                      |
| 2009                          | 331,907                         | 100%                                | 0                         |
| 2010                          | 431,995                         | 85.6%                               | 62,207                    |

2010 REQUIRED SUPPLEMENTARY INFORMATION  
 Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date | (a)<br>Actuarial<br>Value<br>of Assets | (b)<br>Entry Age<br>Actuarial<br>Liability | (b-a)<br>Unfunded<br>Accrued<br>Liability<br>(UAL) | (a/b)<br>Funded<br>Ratio | (c)<br>Annual<br>Covered<br>Payroll | [(b-a)/c]<br>UAL as a<br>Percentage of<br>Covered<br>Payroll |
|--------------------------------|--|--|--|--------------------------|-------------------------------------|--|
| 2/29/2008                      | \$9,394,848                            | \$ 8,394,296                               | \$ (1,000,552)                                     | 112%                     | \$ 4,509,800                        | 0%   |
| 2/28/2009                      | 7,833,343                              | 8,848,275                                  | (1,014,932)  | 89%                      | 4,668,404                           | 22%  |
| 2/28/2010                      | 8,478,227                              | 9,456,529                                  | 978,302  | 90%                      | 5,028,382                           | 19%  |

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 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.

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VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (concluded)

2009 Three Year Trend Information

| Fiscal Year<br>Ending | Annual<br>Pension Cost<br>(APC) | Percentage<br>Of APC<br>Contributed | Net Pension<br>Obligation |
|-----------------------|---------------------------------|-------------------------------------|---------------------------|
| 6/30/2007             | \$ 417,639                      | 100%                                | \$0                       |
| 6/30/2008             | 481,992                         | 100%                                | \$0                       |
| 6/30/2009             | 520,582                         | 100%                                | \$0                       |

2009 REQUIRED SUPPLEMENTARY INFORMATION  
 Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date | (a)<br>Actuarial<br>Value<br>of Assets | (b)<br>Entry Age<br>Actuarial<br>Accrued<br>Liability | (b-a)<br>Unfunded<br>Accrued<br>Liability<br>(UAL) | (a/b)<br>Funded<br>Ratio | (c)<br>Annual<br>Covered<br>Payroll | [(b-a)/c]<br>UAL as a<br>Percentage of<br>Covered<br>Payroll |
|--------------------------------|--|---|--|--------------------------|-------------------------------------|--|
| 2/28/2007                      | \$8,957,770                            | \$ 8,194,676  | \$ (763,094)                                       | 109%                     | \$ 4,119,818                        | 0%   |
| 2/29/2008                      | 9,394,848                              | 8,394,296   | (1,000,552)  | 112%                     | 4,509,800                           | 0%   |
| 2/28/2009                      | 7,833,343                              | 8,848,275   | 1,014,932  | 89%                      | 4,668,404                           | 22%  |

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 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.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has settled litigation regarding these mandated contributions on April 13, 2010. A settlement amount of \$25,840 was paid for January 1, 2007 through April 30, 2010 contributions (\$646 for 40 months). The County has contributed \$31,008 and \$0, respectively, for the years ended December 31, 2010 and 2009.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
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VIII. POST EMPLOYMENT BENEFITS

The County does provide post-employment benefits including, as mandated, the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. Retirees may remain on the health insurance plan until they are Medicare eligible. If an employee has over 25 years of service with the County, the County will continue to pay the same portion of health insurance that they paid before the person retired, until the person becomes Medicare eligible.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation at December 31, 2010, but believes that any claims against the county would be covered by their insurance carrier.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable but not sick time. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009

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X. RISK MANAGEMENT (concluded)

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$450,000 per occurrence for 2010 and \$400,000 per occurrence for 2009, it is then reinsured up to the statutory limit through excess insurance.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2010 and December 31, 2009, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements.

XII. SUBSEQUENT EVENTS

The County is currently involved in two pending litigation suits. Amounts are not determinable at this time.

XIII. CHANGE IN FUND PRESENTATION

In April, 2010, the voters of Phelps County approved a sales tax issue for Phelps County 911. With passage of the ¼ cent sales tax, the statute places financial control of the 911 with the Phelps County Emergency Services Board. The initial Board was appointed by the Phelps County Commission. In April, 2011, the Board was elected by the voters of Phelps County. The telephone tariff was ended on December 31, 2010. All funds have been transferred to the Phelps County Emergency Services Board.

**SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT**

**STATE COMPLIANCE SECTION**

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
SCHEDULE OF STATE FINDINGS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

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SCHEDULE OF STATE FINDING

There were no budget state findings to report at December 31, 2010 and 2009.

**FEDERAL COMPLIANCE SECTION**



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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

To the County Commission  
The County of Phelps, Missouri

We have audited the financial statements of the County of Phelps ("County"), Missouri, as of and for the years ended December 31, 2010 and December 31, 2009, and have issued our report thereon dated June 15, 2011. The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (FS 10/09-01, FS 10/09-02, FS 10/09-03 and FS 10/09-04) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

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

We noted certain matters that we reported to management of the County in a separate letter dated June 15, 2011.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than those specified parties.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

June 15, 2011



**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

Independent Auditor's Report

To The County Commission  
The County of Phelps  
Rolla, Missouri

**Compliance**

We have audited the County of Phelps's ("County") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2010 and December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2010 and December 31, 2009.

## Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

June 15, 2011

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

| FEDERAL GRANTOR / PASS-THROUGH GRANTOR<br>PROGRAM TITLE                   | FEDERAL<br>CFDA<br>NUMBER | PASS-THROUGH<br>ENTITY<br>NUMBER | FEDERAL SHARE<br>OF EXPENDITURES<br>DECEMBER 31, 2010 | FEDERAL SHARE<br>OF EXPENDITURES<br>DECEMBER 31, 2009 |
|---|---------------------------|----------------------------------|---|---|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                                     |                           |                                  |   |   |
| Passed Through State:   |                           |                                  |   |   |
| Department of Health and Senior Services:                                 |                           |                                  |   |   |
| Special Supplemental Nutrition Program<br>for Women, Infants and Children | 10.557                    | 3MO700704                        | \$ 219,947.00   | \$ 179,100.00   |
| Summer Food Service Program for Children                                  | 10.559                    | 09AFSP                           | 240.00  | 480.00  |
| Office of Administration:   |                           |                                  |   |   |
| Schools and Roads - Grants to States                                      | 10.665                    |                                  | 242,528.00  | 310,975.00  |
| <b>U.S. DEPARTMENT OF HOUSING AND<br/>URBAN DEVELOPMENT</b>               |                           |                                  |   |   |
| Passed Through State:   |                           |                                  |   |   |
| Department of Social Services:  |                           |                                  |   |   |
| ARRA-Homelessness Prevention and Rapid<br>Re-Housing                      | 14.257                    | ER16410034A                      | 418,770.00  | 79,059.00   |
| <b>U.S. DEPARTMENT OF INTERIOR</b>  |                           |                                  |   |   |
| Direct Program:   |                           |                                  |   |   |
| PILT - Payment in Lieu of Taxes   | 15.226                    |                                  | 71,552.00   | 55,582.00   |
| <b>U.S. DEPARTMENT OF JUSTICE</b>   |                           |                                  |   |   |
| Direct Programs:  |                           |                                  |   |   |
| Federal Marshall Prisoner Holding   | 16.XXX                    |                                  | 567,311.00  | 549,403.00  |
| Public Safety Partnership and Community<br>Policing Grants                | 16.710                    |                                  | 39,682.00   | 39,682.00   |
| Equitable Sharing of Seized and Forfeited<br>Property                     | 16.XXX                    |                                  | 471,789.00  | 461,224.00  |
| Passed Through State:   |                           |                                  |   |   |
| Missouri Sheriff's Association:   |                           |                                  |   |   |
| Drug Court Enhancement  | 16.585                    | 2009APBX0173                     | 58,841.00   | 1,001.00  |
| Bulletproof Vest Grant  | 16.607                    |                                  | 717.00  | 3,210.00  |
| Secure Our Schools  | 16.710                    |                                  | 143,856.00  | -   |
| ARRA-Recovery Act Justice Assistance Grant                                | 16.804                    |                                  | -   | 51,763.00   |
| Domestic Cannabis Eradication/Suppression<br>Program SCAAP                | 16.606                    |                                  | 1,136.00  | -   |
| Passed Through State Department of Public Safety:                         |                           |                                  |   |   |
| State Criminal Alien Assistance Program                                   | 16.606                    | 2009APBX0173                     | 4,825.00  | 3,702.00  |
| Edward Byrne Memorial Justice Grant                                       | 16.738                    |                                  | 12,219.00   | 1,207.00  |
| <b>U.S. DEPARTMENT OF TRANSPORTATION</b>                                  |                           |                                  |   |   |
| Passed Through State:   |                           |                                  |   |   |
| Highway and Transportation Commission:                                    |                           |                                  |   |   |
| Speed Enforcement Grant   | 20.600                    | 10-PT-02-159                     | 4,146.00  | 852.00  |
| Speed Enforcement Grant   | 20.600                    | LKK-058                          | -   | 990.00  |
| Hazardous Moving Violation  | 20.600                    | 09-PT-02-109                     | -   | 5,714.00  |
| DWI Enforcement   | 20.601                    | 09-154-AL-30                     | -   | 10,990.00   |
| DWI Enforcement   | 20.601                    | LKK076                           | 2,265.00  | -   |
| DWI Enforcement   | 20.601                    | 10-K8-03-83                      | 10,553.00   | -   |
| CLOT/CPS Enforcement  | 20.601                    | LKK075                           | 996.00  | -   |
| CLOT/CPS Enforcement  | 20.601                    | LKK-063                          | -   | 488.00  |
| DWI (YD & DYL) Enforcement  | 20.607                    | LKK-040                          | -   | 2,940.00  |

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (concluded)  
 FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

| FEDERAL GRANTOR / PASS-THROUGH GRANTOR<br>PROGRAM TITLE  | FEDERAL<br>CFDA<br>NUMBER | PASS-THROUGH<br>ENTITY<br>NUMBER | FEDERAL SHARE<br>OF EXPENDITURES<br>DECEMBER 31, 2010 | FEDERAL SHARE<br>OF EXPENDITURES<br>DECEMBER 31, 2009 |
|--|---------------------------|----------------------------------|---|---|
| <b>GENERAL SERVICES ADMINISTRATION</b>   |                           |                                  |   |   |
| Passed Through State Office of Administration:   |                           |                                  |   |   |
| Donation of Federal Surplus Personal Property  | 39.003                    |                                  | 320.00  | 1,155.00  |
| Passed Through the Office of Secretary of State:   |                           |                                  |   |   |
| Election Reform Payments   | 39.011                    |                                  | 14,200.00   | -   |
| <b>U.S. DEPARTMENT OF EDUCATION</b>  |                           |                                  |   |   |
| Direct Program:  |                           |                                  |   |   |
| ARRA - Stimulus Funds for Developmentally Disabled<br>Board  | 84.394                    |                                  | 32,019.00   | -   |
| <b>ELECTION ASSISTANCE COMMISSION</b>  |                           |                                  |   |   |
| Passed Through the Office of Secretary of State:   |                           |                                  |   |   |
| Help America Vote Act Requirements Payments  | 90.401                    |                                  | 5,274.00  | 19,714.00   |
| <b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>  |                           |                                  |   |   |
| Passed Through State:  |                           |                                  |   |   |
| Department of Health and Human Services:   |                           |                                  |   |   |
| Immunization Grants  | 93.268                    | IP722543-08                      | 161,112.00  | 117,932.00  |
| Centers for Disease Control and Prevention:  |                           |                                  |   |   |
| Investigations and Technical Assistance  | 93.283                    | DP000750-03                      | 23,070.00   | 29,599.00   |
| Investigations and Technical Assistance  | 93.283                    | DP000820-04                      | 128,058.00  | -   |
| Regional Public Health Emer. Plan & Preparedness   | 93.069                    | TP716971-10                      | 53,965.00   | -   |
| Public Health Emergency Preparedness   | 93.283                    | TP716971-09                      | -   | 64,786.00   |
| Capacity Building Award  | 93.008                    |                                  | -   | 5,000.00  |
| Department of Social Services:   |                           |                                  |   |   |
| Child Support Services   | 93.563                    |                                  | 18,825.00   | 43,856.00   |
| Immunization Reaching More Children & Adults   | 93.712                    |                                  | 5,276.00  | -   |
| Child Care Asthma Quality Improvement  | 93.713                    |                                  | 189.00  | -   |
| Department of Health and Senior Services:  |                           |                                  |   |   |
| Child Care and Development Block Grant   | 93.575                    | 2009G996005                      | -   | 7,300.00  |
| Child Care and Development Block Grant   | 93.575                    | 2010G996005                      | 6,544.00  | -   |
| Cooperative Agreements for State-Based<br>Comprehensive Breast and Cervical Cancer<br>Early Detection Programs | 93.919                    |                                  | -   | 10,559.00   |
| Maternal and Child Health Services   | 93.994                    | 10-MCH08-MCH                     | 92,177.00   | -   |
| Maternal and Child Health Services   | 93.994                    | 09-MCH                           | -   | 97,484.00   |
| Office of Secretary of State:  |                           |                                  |   |   |
| Capacity Building Award-Medical Reserve Corps  | 93.008                    |                                  | 5,000.00  | -   |
| Tuberculosis Elimination & Lab Capacity  | 93.116                    |                                  | 75.00   | -   |
| <b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</b>   |                           |                                  |   |   |
| Passed Through Department of Health and Human Services:  |                           |                                  |   |   |
| Retired and Senior Volunteer Program - RSVP  | 94.002                    | 08SRWMO001                       | 41,422.00   | 40,216.00   |
| Senior Companions  | 94.016                    | 10SCWMO001                       | 354,009.00  | 348,777.00  |
| <b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>  |                           |                                  |   |   |
| Passed Through State Department of Public Safety:  |                           |                                  |   |   |
| State Domestic Preparedness Equipment Support<br>Program   | 97.004                    |                                  | 5,563.00  | -   |
| Disaster Grant - Public Assistance Grant   | 97.036                    |                                  | 67,084.00   | 1,554,519.00  |
| Residential Flood Buy Out Project  | 97.039                    |                                  | 1,089.00  | -   |
| Emergency Management Performance Grant   | 97.042                    |                                  | 4,039.00  | -   |
| <b>Total Expenditures of Federal Awards</b>  |                           |                                  | <b>\$ 3,290,683.00</b>                                | <b>\$ 4,099,259.00</b>                                |

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 NOTES TO EXPENDITURES OF FEDERAL AWARDS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009

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NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Phelps County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided federal awards to subrecipients as follows:

| <u>Program Title</u>  | <u>Subrecipient</u>             | <u>Federal<br/>CFDA<br/>Number</u> | <u>Amount<br/>Provided to<br/>Subrecipient</u> |
|---|---------------------------------|------------------------------------|--|
| ARRA-Homeless Prevention and Rapid Re-Housing, passed through the State and Department of Social Services | Meramec Community               | 2010                               | \$ 418,770.00                                  |
|   | Enhancement Corporation         | 14.257 2009                        | 79,059.00                                      |
| Secure our Schools Grant, passed through the State and Missouri Sheriff's Association                     | St. James R-1 School District   | 16.710 2010                        | 143,856.00                                     |
|   | Total Provided to Subrecipients |                                    | <u>\$ 641,685.00</u>                           |

THE COUNTY OF PHELPS  
 ROLLA, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009

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I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified - Regulatory Basis
2. Internal control over financial reporting:
  - a. Material weakness(es) identified?
 

|  |      |         |                 |
|--|------|---------|-----------------|
|  | 2010 | ___ Yes | ___ <u>X</u> No |
|  | 2009 | ___ Yes | ___ <u>X</u> No |
  - b. Significant deficiencies identified?
 

|  |      |                  |                   |
|--|------|------------------|-------------------|
|  | 2010 | ___ <u>X</u> Yes | ___ None Reported |
|  | 2009 | ___ <u>X</u> Yes | ___ None Reported |
3. Noncompliance material to financial statements noted?
 

|  |      |         |                 |
|--|------|---------|-----------------|
|  | 2010 | ___ Yes | ___ <u>X</u> No |
|  | 2009 | ___ Yes | ___ <u>X</u> No |

B. Federal Awards

1. Internal control over major programs:
  - a. Material weakness(es) identified?
 

|  |      |         |                 |
|--|------|---------|-----------------|
|  | 2010 | ___ Yes | ___ <u>X</u> No |
|  | 2009 | ___ Yes | ___ <u>X</u> No |
  - b. Significant deficiencies identified?
 

|  |      |         |                            |
|--|------|---------|----------------------------|
|  | 2010 | ___ Yes | ___ <u>X</u> None Reported |
|  | 2009 | ___ Yes | ___ <u>X</u> None Reported |
2. Type of auditor's report issued on compliance for major programs:
 

|  |      |               |
|--|------|---------------|
|  | 2010 | - Unqualified |
|  | 2009 | - Unqualified |
3. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?
 

|  |      |         |                 |
|--|------|---------|-----------------|
|  | 2010 | ___ Yes | ___ <u>X</u> No |
|  | 2009 | ___ Yes | ___ <u>X</u> No |



THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

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II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-01      Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size and whether this is an unfunded mandate. However, the Commission disagrees with the term "significant deficiency" and notes that in the "Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" which is a part of this audit, it was noted "we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness" and "the results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards".

10/09-02      Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size and whether this is an unfunded mandate. However, the Commission disagrees with the term "significant deficiency" and notes that in the "Report on Internal Control Over Financial Reporting and Other

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

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II. FINANCIAL STATEMENT FINDINGS (continued)

10/09-02      Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards” which is a part of this audit, it was noted “we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness” and “the results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards”.

10/09-03      Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County’s management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04      Criteria: Sheriff’s commissary account reconciliation does not provide supporting documentation.

Condition: During our audit, we noted that the reconciliation of the commissary account does not provide supporting documentation that ties to the reconciliation.

Context: Supporting documentation for the commissary reconciliations for December 31, 2010 and 2009 do not match the bank reconciliation.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

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II. FINANCIAL STATEMENT FINDINGS (concluded)

10/09-04      Cause: The Sheriff's commissary account reconciliation does not have supporting documentation for its reconciliations.

Recommendation: We recommend that the Sheriff's office reconcile the commissary account on a monthly basis and monitor the reconciliations to be sure supporting documentation is provided to support the reconciliations. These reconciliations will ensure meaningful and accurate financial statements. Unreconciled differences that appear immaterial can obscure significant but offsetting items that would be a cause for investigation if the items were apparent.

Views of responsible officials and planned corrective actions: The Sheriff has implemented new controls for the commissary account effective March, 2011. The account will be reconciled on a monthly basis and the Jail Administrator will monitor the reconciliations to be sure that supporting documentation is provided.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to federal awards for the years ended December 31, 2010 and 2009.

THE COUNTY OF PHELPS  
ROLLA, MISSOURI  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEARS ENDED DECEMBER 31, 2010 AND 2009

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I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 07/08-01     Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2007, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-01.

FS 07/08-02     Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2007, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-02.

FS 07/08-03     Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Status: It appears no corrective action plan has been implemented, therefore, this finding has been re-issued in the current year as FS 10/09-03.

FS 09-01         Criteria: During our fieldwork we were informed that the Prosecuting Attorney's office did not prepare bank reconciliations on a regular basis between February 2009 and June 2009.

Status: It appears this finding has been resolved in the current year.

II. PRIOR YEAR FEDERAL AWARD FINDINGS

SA 07/08-01     The schedule of expenditures of federal awards contained errors.

Status: It appears this finding has been resolved in the current year.



# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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To the County Commissioners  
Phelps County, Missouri

In planning and performing our audit of the financial statements of the County of Phelps ("County") as of and for the years ended December 31, 2010 and 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control listed below to be significant deficiencies.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Entities
- III. Information Required by Professional Standards

Phelps County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Daniel Jones & Associates*

Daniel Jones & Associates  
Certified Public Accountants  
June 15, 2011

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

10/09-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency. SAS No. 115 supersedes SAS No. 112.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During discussions with management, we noted that we will be assisting the County with the preparation of their audited financial statements and footnotes.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 115 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size and whether this is an unfunded mandate. However, the Commission disagrees with the term "significant deficiency" and notes that in the "Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" which is a part of this audit, it was noted "we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness" and "the results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards".

10/09-02 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 115 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual Financial Statement. The County will pursue remedy for SAS 115 compliance if it is determined that it is required for a county of this size and whether this is an unfunded mandate. However, the Commission disagrees with the term "significant deficiency" and notes that in the "Report on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" which is a part of this audit, it was noted "we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness" and "the results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards".

10/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

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Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The Commission will encourage all elected officials to review and document antifraud risk assessments.

10/09-04 Criteria: Sheriff's commissary account reconciliation does not provide supporting documentation.

Condition: During our audit, we noted that the reconciliation of the commissary account does not provide supporting documentation that ties to the reconciliation.

Context: Supporting documentation for the commissary reconciliations for December 31, 2010 and 2009 do not match the bank reconciliation.

Effect: Lack of proper reconciliation and monitoring of accounts may lead to errors that may not be found in a timely manner.

## I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Cause: The Sheriff's commissary account reconciliation does not have supporting documentation for its reconciliations.

Recommendation: We recommend that the Sheriff's office reconcile the commissary account on a monthly basis and monitor the reconciliations to be sure supporting documentation is provided to support the reconciliations. These reconciliations will ensure meaningful and accurate financial statements. Unreconciled differences that appear immaterial can obscure significant but offsetting items that would be a cause for investigation if the items were apparent.

Views of responsible officials and planned corrective actions: The Sheriff has implemented new controls for the commissary account effective March, 2011. The account will be reconciled on a monthly basis and the Jail Administrator will monitor the reconciliations to be sure that supporting documentation is provided.

## II. CHANGES IMPACTING GOVERNMENTAL ENTITIES

- a. SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for periods ending on or after December 15, 2009 and supersedes SAS No. 112. This standard defines the terms *deficiency in internal control*, *significant deficiency*, and *material weakness*. It provides guidance on evaluating the severity of deficiencies in internal control identified in an audit of financial statements.
- b. SAS 117, *Compliance Audits*, which supersedes SAS No. 74, is effective for compliance audits for periods ending on or after June 15, 2010. This SAS identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. It reflects changes in the compliance audit environment and incorporates the risk assessment standards.
- c. SAS 118, *Other Information in Documents Containing Audited Financial Statements*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility in relation to other information in documents containing audited financial statements and the auditor's report thereon.
- d. SAS 119, *Supplementary Information in Relation to the Financial Statements as a Whole*, is effective for audits of financial statements for periods beginning on or after December 15, 2010. This section addresses the auditor's responsibility when engaged to report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 28, 2011. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. The County adopted the regulatory basis of accounting to report its financial statements for the years ended December 31, 2010 and 2009. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### **III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)**

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 15, 2011.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.