



PHELPS COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

**From The Office Of State Auditor  
Claire McCaskill**

Report No. 99-51  
August 11, 1999

**AUDIT REPORT**



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

**IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Phelps, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.**

**Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.**

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This audit of Phelps County included additional areas of county operations, as well as the elected county officials.

There were no new findings or recommendations made during this audit. However, this audit noted the county had not fully implemented some of the recommendations made in the prior audit report. The county was encouraged to implement those prior audit recommendations.

**Copies of the audit are available upon request.**

YELLOW SHEET

PHELPS COUNTY, MISSOURI

TABLE OF CONTENTS

		<u>Page</u>
<u>FINANCIAL SECTION</u>		
	State Auditor's Reports: .....	2-6
	Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
	Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	5-6
	Financial Statements: .....	7-39
<u>Exhibit</u>	<u>Description</u>	
	<u>Statement of Receipts, Disbursements, and Changes in Cash - Various Funds</u>	
A-1	Year Ended December 31, 1998 .....	8
A-2	Year Ended December 31, 1997 .....	9
	<u>General Revenue Fund</u>	
B	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	10
	<u>Special Road and Bridge Fund</u>	
C	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	11
	<u>Assessment Fund</u>	
D	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	12
	<u>Law Enforcement Training Fund</u>	
E	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	13
	<u>Prosecuting Attorney Training Fund</u>	
F	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years	

	Ended December 31, 1998 and 1997 .....	14
<u>FINANCIAL SECTION</u>		

Financial Statements:

<u>Exhibit</u>	<u>Description</u>	
	<u>Senior Companions Fund</u>	
G	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	15
	<u>Meramec Home Health Fund</u>	
H	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	16
	<u>Shelter Fund</u>	
I	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	17
	<u>Developmentally Disabled Fund</u>	
J	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	18
	<u>Unemployment Tax Fund</u>	
K	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	19
	<u>Road and Bridge Debt Service Fund</u>	
L	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	20
	<u>Prosecuting Attorney Bad Check Fund</u>	
M	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	21

PHELPS COUNTY, MISSOURI

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Financial Statements:

<u>Exhibit</u>	<u>Description</u>	
N	<u>Prosecuting Attorney Delinquent Tax Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	22
O	<u>Recorder's User Fees Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	23
P	<u>Sheriff Drug Enforcement Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	24
Q	<u>25th Juvenile FPS Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	25
R	<u>Public Facilities Authority Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	26
S	<u>County Use Tax Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	27
T	<u>Public Facilities Use Tax Fund</u> Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	28

PHELPS COUNTY, MISSOURI

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Financial Statements:

<u>Exhibit</u>	<u>Description</u>	
	<u>E 911 Emergency Fund</u>	
U	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	29
	<u>Jay White Estate Fund</u>	
V	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	30
	<u>Health Department Fund</u>	
W	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	31
	<u>Sheriff Benefit Fund</u>	
X	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1997 .....	32
	<u>Family Services and Justice Fund</u>	
Y	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1997 .....	33
	<u>Crisis Intervention Fund</u>	
Z	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	34
	<u>Local Records Fund</u>	
AA	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1997 .....	35

PHELPS COUNTY, MISSOURI

TABLE OF CONTENTS

		<u>Page</u>
<u>FINANCIAL SECTION</u>		
Financial Statements:		
<u>Exhibit</u>	<u>Description</u>	
	<u>Sheriff Civil Fees Fund</u>	
BB	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	36
	<u>Community Care Clinic Fund</u>	
CC	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	37
	<u>March Mediation Fund</u>	
DD	Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Year Ended December 31, 1998 .....	38
	<u>Circuit Division Interest Fund</u>	
EE	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual, Years Ended December 31, 1998 and 1997 .....	39
	Notes to the Financial Statements .....	40-43
	Supplementary Schedule: .....	44-46
	Schedule of Expenditures of Federal Awards, Years Ended December 31, 1998 and 1997 .....	45-46
	Notes to the Supplementary Schedule .....	47-49
<u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u>		
	State Auditor's Report: .....	51-53
	Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	52-53

PHELPS COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u>	
Schedule:.....	54-56
<u>Description</u>	
Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action), Years Ended December 31, 1998 and 1997.....	55-56
Section I - Summary of Auditor's Results.....	55
Section II - Financial Statement Findings.....	56
Section III - Federal Award Findings and Questioned Costs.....	56
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	57-58
Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133.....	59-60
<u>MANAGEMENT ADVISORY REPORT SECTION</u>	
Management Advisory Report - State Auditor's Current Findings.....	62-64
Follow-Up on Prior Audit Findings.....	65-70
<u>STATISTICAL SECTION</u>	
History, Organization, and Statistical Information.....	72-76

FINANCIAL SECTION

State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS

To the County Commission  
and  
Officeholders of Phelps County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Phelps County, Missouri, as of and for the years ended December 31, 1998 and 1997, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

Except as discussed in the fourth paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose 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.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Phelps County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Phelps County.

Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, requires disclosure of certain matters regarding the year 2000 issue. Phelps County has included such disclosures in Note 5. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the county's disclosures with respect to the year 2000 issue made in Note 5. Further, we do not provide assurance that the county is or will become year

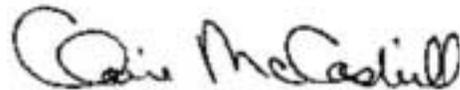
2000-compliant, that the county's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the county does business are or will become year 2000-compliant.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Phelps County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated March 4, 1999, 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 grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Phelps County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill  
State Auditor

March 4, 1999 (fieldwork completion date)



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission  
and  
Officeholders of Phelps County, Missouri

We have audited the special-purpose financial statements of various funds of Phelps County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated March 4, 1999. That report expressed a qualified opinion on the special-purpose financial statements. Except discussed in that report, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

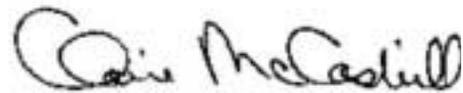
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Phelps County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Phelps County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of

the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Phelps County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill  
State Auditor

March 4, 1999 (fieldwork completion date)

## Financial Statements

Exhibit A-1

PHELPS COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 6,518	3,891,428	3,634,462	263,484
Special Road and Bridge	912	2,479,550	2,384,088	96,374
Assessment	128,987	315,516	286,017	158,486
Law Enforcement Training	10,558	12,319	12,226	10,651
Prosecuting Attorney Training	11	2,396	2,108	299
Senior Companions	2,026	309,480	308,972	2,534
Meramec Home Health	80,157	2,756,745	2,674,352	162,550
Shelter	2,036	6,424	6,460	2,000
Developmentally Disabled	50,305	234,815	206,315	78,805
Unemployment Tax	33,097	63,624	78,573	18,148
Road and Bridge Debt Service	104,501	108,531	0	213,032
Prosecuting Attorney Bad Check	71	44,418	43,308	1,181
Prosecuting Attorney Delinquent Tax	473	1,137	573	1,037
Recorder's User Fees	18,430	16,517	17,906	17,041
Sheriff Drug Enforcement	1,668	14,167	15,732	103
25th Juvenile FPS	797	3,129	3,038	888
Public Facilities Authority	494,079	771,613	147,409	1,118,283
County Use Tax	196,630	213,222	346,229	63,623
Public Facilities Use Tax	107,932	246,749	111,599	243,082
E911 Emergency	205,629	332,205	251,375	286,459
Jay White Estate	382,521	11,012	22,385	371,148
Health Department	940	914,801	910,342	5,399
Crisis Intervention	110	14,271	13,210	1,171
Sheriff Civil Fees	2,419	46,869	48,991	297
Community Care Clinic	4,036	66,999	70,652	383
March Mediation	0	87,500	79,483	8,017
Circuit Division Interest	10,730	7,441	8,357	9,814
Law Library	18,535	9,262	7,349	20,448
Total	\$ 1,864,108	12,982,140	11,691,511	3,154,737

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

PHELPS COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 1997

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 12,963	3,556,859	3,563,304	6,518
Special Road and Bridge	3,995	2,325,242	2,328,325	912
Assessment	114,281	283,420	268,714	128,987
Law Enforcement Training	8,864	9,283	7,589	10,558
Prosecuting Attorney Training	154	2,541	2,684	11
Senior Companions	1,827	293,541	293,342	2,026
Meramec Home Health	266	3,994,213	3,914,322	80,157
Shelter	9,548	6,542	14,054	2,036
Developmentally Disabled	59,525	217,107	226,327	50,305
Unemployment Tax	42,649	74,058	83,610	33,097
Road and Bridge Debt Service	0	104,501	0	104,501
Prosecuting Attorney Bad Check	2,533	36,060	38,522	71
Prosecuting Attorney Delinquent Tax	1,980	2,951	4,458	473
Recorder's User Fees	10,796	14,197	6,563	18,430
Sheriff Drug Enforcement	715	28,577	27,624	1,668
25th Juvenile FPS	1,068	4,281	4,552	797
Public Facilities Authority	1,239,338	116,362	861,621	494,079
County Use Tax	120,007	883,899	807,276	196,630
Public Facilities Use Tax	269,286	219,505	380,859	107,932
E911 Emergency	140,373	314,994	249,738	205,629
Jay White Estate	375,691	29,550	22,720	382,521
Health Department	313	1,145,691	1,145,064	940
Sheriff Benefit	51	0	51	0
Family Services and Justice	2,111	74	2,185	0
Crisis Intervention	1,337	14,077	15,304	110
Local Records	468	0	468	0
Sheriff Civil Fees	0	22,049	19,630	2,419
Community Care Clinic	0	30,299	26,263	4,036
Circuit Division Interest	5,175	8,150	2,595	10,730
Law Library	28,504	9,039	19,008	18,535
Total	\$ 2,453,818	13,747,062	14,336,772	1,864,108

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 GENERAL REVENUE FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$ 361,165	378,689	17,524	283,212	322,496	39,284
Sales taxes	921,121	967,422	46,301	874,184	871,461	-2,723
Intergovernmental	932,872	1,155,107	222,235	787,733	707,857	-79,876
Charges for services	414,900	446,852	31,952	418,900	423,895	4,995
Interest	32,839	14,336	-18,503	26,250	9,209	-17,041
Other	634,330	357,436	-276,894	376,828	367,417	-9,411
Cash advance	215,824	215,824	0	650,000	556,000	-94,000
Transfers in	332,024	355,762	23,738	285,083	298,524	13,441
<b>Total Receipts</b>	<b>3,845,075</b>	<b>3,891,428</b>	<b>#VALUE!</b>	<b>3,702,190</b>	<b>3,556,859</b>	<b>#VALUE!</b>
<b>DISBURSEMENTS</b>						
County Commission	111,598	102,822	8,776	123,501	116,514	6,987
County Clerk	158,050	109,255	48,795	158,017	117,307	40,710
Elections	147,200	114,334	32,866	35,750	26,499	9,251
Buildings and grounds	255,280	247,928	7,352	234,600	230,337	4,263
Employee fringe benefits	382,000	380,203	1,797	349,000	368,709	-19,709
County Treasurer	30,280	29,258	1,022	30,169	29,275	894
County Collector	112,674	112,638	36	110,040	107,093	2,947
Circuit Clerk and Ex Officio Recorder of Deeds	141,982	140,965	1,017	125,502	124,206	1,296
Court Administration	169,832	157,222	12,610	103,688	84,803	18,885
Public Administrator	45,755	42,717	3,038	40,175	37,020	3,155
<b>Extension Council</b>	<b>61,605</b>	<b>56,600</b>	<b>5,005</b>	<b>60,915</b>	<b>56,100</b>	<b>4,815</b>
Senior Companions	55,500	55,043	457	48,750	48,812	-62
Other	21,691	16,640	5,051	30,308	28,720	1,588
Sheriff and Jail	870,271	868,129	2,142	787,267	801,832	-14,565
Prosecuting Attorney	235,616	235,564	52	227,117	227,117	0
Juvenile Officer	515,384	486,532	28,852	456,407	456,407	0
County Coroner	15,180	14,079	1,101	15,500	15,084	416
E911 Operators	8,950	22	8,928	8,950	1,843	7,107
Emergency Fund	0	0	0	2,349	0	2,349
Repayment of cash advance	290,000	290,000	0	544,000	522,000	22,000
Transfers out	178,250	174,511	3,739	167,059	163,626	3,433
<b>Total Disbursements</b>	<b>3,807,098</b>	<b>3,634,462</b>	<b>172,636</b>	<b>3,659,064</b>	<b>3,563,304</b>	<b>95,760</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>37,977</b>	<b>256,966</b>	<b>#VALUE!</b>	<b>43,126</b>	<b>-6,445</b>	<b>#VALUE!</b>
CASH, JANUARY 1	6,518	6,518	0	12,963	12,963	0
CASH, DECEMBER 31	\$ 44,495	263,484	#VALUE!	56,089	6,518	#VALUE!

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 SPECIAL ROAD AND BRIDGE FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Property taxes	\$ 222,499	238,531	16,032	195,841	216,869	21,028
Sales taxes	701,219	701,221	2	874,184	871,461	-2,723
Intergovernmental	721,500	752,027	30,527	663,782	705,564	41,782
Charges for services	176,900	86,981	-89,919	102,000	164,077	62,077
Interest	4,000	5,912	1,912	10,000	3,892	-6,108
Other	687,054	623,280	-63,774	64,300	45,979	-18,321
Cash advance	0	0	0	317,400	317,400	0
Transfers in	176,600	71,598	-105,002	0	0	0
<b>Total Receipts</b>	<b>2,689,772</b>	<b>2,479,550</b>	<b>-210,222</b>	<b>2,227,507</b>	<b>2,325,242</b>	<b>97,735</b>
<b>DISBURSEMENTS</b>						
Salaries	530,731	507,971	22,760	512,909	512,090	819
Employee fringe benefits	170,673	181,317	-10,644	180,500	173,490	7,010
Supplies	29,100	22,555	6,545	27,600	28,997	-1,397
Insurance	32,000	29,661	2,339	30,000	29,024	976
Road and bridge materials	617,000	501,494	115,506	481,000	658,330	-177,330
Equipment repairs	90,000	62,162	27,838	105,000	86,984	18,016
Equipment purchases	886,000	690,707	195,293	371,500	207,033	164,467
Construction, repair, and maintenance	111,000	58,356	52,644	162,000	133,419	28,581
Other	129,000	130,137	-1,137	133,000	161,359	-28,359
Debt service	0	5,837	-5,837	0	0	0
Repayment of cash advance	87,000	87,000	0	150,000	230,400	-80,400
Transfers out	108,500	106,891	1,609	108,500	107,199	1,301
<b>Total Disbursements</b>	<b>2,791,004</b>	<b>2,384,088</b>	<b>406,916</b>	<b>2,262,009</b>	<b>2,328,325</b>	<b>-66,316</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>-101,232</b>	<b>95,462</b>	<b>196,694</b>	<b>-34,502</b>	<b>-3,083</b>	<b>31,419</b>
CASH, JANUARY 1	912	912	0	3,995	3,995	0
CASH, DECEMBER 31	\$ -100,320	96,374	196,694	-30,507	912	31,419

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 ASSESSMENT FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 261,370	239,369	-22,001	243,266	219,773	-23,493
Interest	11,000	11,962	962	9,000	10,379	1,379
Other	9,000	3,435	-5,565	10,043	2,593	-7,450
Transfers in	60,750	60,750	0	50,675	50,675	0
Total Receipts	342,120	315,516	-26,604	312,984	283,420	-29,564
DISBURSEMENTS						
Assessor	342,120	284,529	57,591	312,984	266,927	46,057
Transfers out	0	1,488	-1,488	0	1,787	-1,787
Total Disbursements	342,120	286,017	56,103	312,984	268,714	44,270
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	29,499	29,499	0	14,706	14,706
CASH, JANUARY 1	128,987	128,987	0	114,281	114,281	0
CASH, DECEMBER 31	\$ 128,987	158,486	29,499	114,281	128,987	14,706

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 LAW ENFORCEMENT TRAINING FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 9,577	9,577	0	5,000	5,796	796
Intergovernmental	2,592	2,592	0	2,171	2,171	0
Other	1,408	150	-1,258	1,480	1,316	-164
Total Receipts	13,577	12,319	-1,258	8,651	9,283	632
DISBURSEMENTS						
Sheriff	14,100	12,226	1,874	7,600	7,589	11
Total Disbursements	14,100	12,226	1,874	7,600	7,589	11
RECEIPTS OVER (UNDER) DISBURSEMENTS	-523	93	616	1,051	1,694	643
CASH, JANUARY 1	10,558	10,558	0	8,864	8,864	0
CASH, DECEMBER 31	\$ 10,035	10,651	616	9,915	10,558	643

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 PROSECUTING ATTORNEY TRAINING FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 2,700	2,396	-304	3,200	2,541	-659
Total Receipts	<u>2,700</u>	<u>2,396</u>	<u>-304</u>	<u>3,200</u>	<u>2,541</u>	<u>-659</u>
DISBURSEMENTS						
Prosecuting Attorney	2,700	2,108	592	3,200	2,684	516
Total Disbursements	<u>2,700</u>	<u>2,108</u>	<u>592</u>	<u>3,200</u>	<u>2,684</u>	<u>516</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	288	288	0	-143	-143
CASH, JANUARY 1	11	11	0	154	154	0
CASH, DECEMBER 31	\$ <u>11</u>	<u>299</u>	<u>288</u>	<u>154</u>	<u>11</u>	<u>-143</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 SENIOR COMPANIONS FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 306,947	306,946	-1	291,515	291,515	0
Interest	2,535	2,534	-1	2,035	2,026	-9
Total Receipts	309,482	309,480	-2	293,550	293,541	-9
DISBURSEMENTS						
Senior companion expenses and stipends	240,495	240,055	440	233,531	231,931	1,600
Staff salaries	55,500	54,862	638	48,450	48,813	-363
Fringe benefits	5,468	5,298	170	5,414	4,992	422
Interest	2,026	2,026	0	1,500	1,827	-327
Other	6,731	6,731	0	4,655	5,779	-1,124
Total Disbursements	310,220	308,972	1,248	293,550	293,342	208
RECEIPTS OVER (UNDER) DISBURSEMENTS	-738	508	1,246	0	199	199
CASH, JANUARY 1	2,026	2,026	0	1,827	1,827	0
CASH, DECEMBER 31	\$ 1,288	2,534	1,246	1,827	2,026	199

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 MERAMEC HOME HEALTH AGENCY FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Grants and reimbursements	\$ 2,410,000	1,772,420	-637,580	2,537,363	2,823,081	285,718
Charges for services	25,573	50,159	24,586	95,453	95,452	-1
Interest	6,500	10,097	3,597	5,000	6,967	1,967
Hospice	440,000	397,477	-42,523	572,500	445,578	-126,922
Homemaker	680,000	526,592	-153,408	571,000	593,360	22,360
Cash advance	0	0	0	29,775	29,775	0
Total Receipts	<u>3,562,073</u>	<u>2,756,745</u>	<u>-805,328</u>	<u>3,811,091</u>	<u>3,994,213</u>	<u>183,122</u>
<b>DISBURSEMENTS</b>						
Salaries	2,156,602	1,661,855	494,747	2,264,687	2,420,631	-155,944
Employee fringe benefit	408,744	310,475	98,269	438,909	468,226	-29,317
Contract work	135,500	123,658	11,842	160,500	124,412	36,088
Office expense	200,203	82,801	117,402	178,650	174,448	4,202
Mileage and training	205,350	135,367	69,983	218,500	197,662	20,838
General operating expense	244,050	254,636	-10,586	254,181	258,757	-4,576
Building and grounds	89,750	75,951	13,799	96,250	92,378	3,872
Repayment of cash advance	0	0	0	87,681	87,681	0
Transfers out	26,243	29,609	-3,366	92,794	90,127	2,667
Total Disbursements	<u>3,466,442</u>	<u>2,674,352</u>	<u>792,090</u>	<u>3,792,152</u>	<u>3,914,322</u>	<u>-122,170</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	95,631	82,393	-13,238	18,939	79,891	60,952
CASH, JANUARY 1	80,157	80,157	0	266	266	0
CASH, DECEMBER 31	<u>\$ 175,788</u>	<u>162,550</u>	<u>-13,238</u>	<u>19,205</u>	<u>80,157</u>	<u>60,952</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 SHELTER FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 6,300	6,270	-30	5,500	6,050	550
Interest	500	154	-346	1,000	492	-508
Total Receipts	6,800	6,424	-376	6,500	6,542	42
DISBURSEMENTS						
Shelter services	6,800	6,460	340	14,954	14,054	900
Total Disbursements	6,800	6,460	340	14,954	14,054	900
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	-36	-36	-8,454	-7,512	942
CASH, JANUARY 1	2,036	2,036	0	9,548	9,548	0
CASH, DECEMBER 31	\$ 2,036	2,000	-36	1,094	2,036	942

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 DEVELOPMENTALLY DISABLED FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 218,553	229,187	10,634	197,500	212,502	15,002
Interest	4,600	5,628	1,028	5,300	4,605	-695
Total Receipts	223,153	234,815	11,662	202,800	217,107	14,307
DISBURSEMENTS						
Choices for People	50,665	50,665	0	48,574	48,574	0
Sheltered Workshop	50,000	50,000	0	50,000	50,000	0
Recreation for Handicapped	58,500	58,500	0	90,000	90,000	0
Special Olympics	14,117	14,117	0	9,863	9,863	0
Kyle Center	8,600	8,600	0	8,337	8,337	0
Gingerbread House	24,348	24,348	0	19,500	19,500	0
Other	100	85	15	53	53	0
Total Disbursements	206,330	206,315	15	226,327	226,327	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	16,823	28,500	11,677	-23,527	-9,220	14,307
CASH, JANUARY 1	50,305	50,305	0	59,525	59,525	0
CASH, DECEMBER 31	\$ 67,128	78,805	11,677	35,998	50,305	14,307

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 UNEMPLOYMENT TAX FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Other	\$ 0	151	151	0	0	0
Transfers in	70,000	63,473	-6,527	78,905	74,058	-4,847
Total Receipts	<u>70,000</u>	<u>63,624</u>	<u>-6,376</u>	<u>78,905</u>	<u>74,058</u>	<u>-4,847</u>
DISBURSEMENTS						
State unemployment	12,000	3,573	8,427	12,000	8,610	3,390
Transfers out	75,000	75,000	0	75,000	75,000	0
Total Disbursements	<u>87,000</u>	<u>78,573</u>	<u>8,427</u>	<u>87,000</u>	<u>83,610</u>	<u>3,390</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-17,000	-14,949	2,051	-8,095	-9,552	-1,457
CASH, JANUARY 1	33,097	33,097	0	42,649	42,649	0
CASH, DECEMBER 31	<u>\$ 16,097</u>	<u>18,148</u>	<u>2,051</u>	<u>34,554</u>	<u>33,097</u>	<u>-1,457</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 ROAD AND BRIDGE DEBT SERVICE FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 4,000	8,531	4,531	4,000	4,501	501
Transfers in	100,000	100,000	0	100,000	100,000	0
Total Receipts	104,000	108,531	4,531	104,000	104,501	501
DISBURSEMENTS						
Transfers out	105,000	0	105,000	0	0	0
Total Disbursements	105,000	0	105,000	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	-1,000	108,531	109,531	104,000	104,501	501
CASH, JANUARY 1	104,501	104,501	0	0	0	0
CASH, DECEMBER 31	\$ 103,501	213,032	109,531	104,000	104,501	501

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 PROSECUTING ATTORNEY BAD CHECK FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 43,800	43,800	0	34,870	34,904	34
Interest	529	528	-1	600	579	-21
Other	90	90	0	130	577	447
Total Receipts	44,419	44,418	-1	35,600	36,060	460
DISBURSEMENTS						
Trial expenses	2,000	0	2,000	2,723	3,223	-500
Equipment	3,500	1,926	1,574	1,294	1,183	111
Bad check program	1,200	2,325	-1,125	0	0	0
Other	8,805	5,499	3,306	13,842	13,842	0
Transfers out	33,559	33,558	1	20,274	20,274	0
Total Disbursements	49,064	43,308	5,756	38,133	38,522	-389
RECEIPTS OVER (UNDER) DISBURSEMENTS	-4,645	1,110	5,755	-2,533	-2,462	71
CASH, JANUARY 1	72	71	-1	2,533	2,533	0
CASH, DECEMBER 31	\$ -4,573	1,181	5,754	0	71	71

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 PROSECUTING ATTORNEY DELINQUENT TAX

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Intergovernmental	\$	4,000	1,119	-2,881	2,752	2,815	63
Interest		175	18	-157	125	136	11
Total Receipts		4,175	1,137	-3,038	2,877	2,951	74
DISBURSEMENTS							
Contract labor		2,000	573	1,427	1,245	1,245	0
Office expense		2,175	0	2,175	100	0	100
Transfers out		0	0	0	3,214	3,213	1
Total Disbursements		4,175	573	3,602	4,559	4,458	101
RECEIPTS OVER (UNDER) DISBURSEMENTS		0	564	564	-1,682	-1,507	175
CASH, JANUARY 1		473	473	0	1,980	1,980	0
CASH, DECEMBER 31	\$	473	1,037	564	298	473	175

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 RECORDER'S USER FEES FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 15,494	15,494	0	15,000	13,376	-1,624
Interest	1,024	1,023	-1	1,500	821	-679
Total Receipts	16,518	16,517	-1	16,500	14,197	-2,303
DISBURSEMENTS						
Equipment and supplies	6,500	2,013	4,487	12,350	4,695	7,655
Microfilming	15,893	15,893	0	0	0	0
Other	1,200	0	1,200	2,499	1,868	631
Total Disbursements	23,593	17,906	5,687	14,849	6,563	8,286
RECEIPTS OVER (UNDER) DISBURSEMENTS	-7,075	-1,389	5,686	1,651	7,634	5,983
CASH, JANUARY 1	18,430	18,430	0	10,796	10,796	0
CASH, DECEMBER 31	\$ 11,355	17,041	5,686	12,447	18,430	5,983

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 SHERIFF DRUG ENFORCEMENT

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Intergovernmental revenues	\$	25,000	13,916	-11,084	45,000	28,143	-16,857
Interest		0	231	231	0	434	434
Other		0	20	20	0	0	0
Total Receipts		25,000	14,167	-10,833	45,000	28,577	-16,423
DISBURSEMENTS							
Equipment		20,000	15,661	4,339	35,000	27,624	7,376
Other		5,000	71	4,929	2,500	0	2,500
Total Disbursements		25,000	15,732	9,268	37,500	27,624	9,876
RECEIPTS OVER (UNDER) DISBURSEMENTS		0	-1,565	-1,565	7,500	953	-6,547
CASH, JANUARY 1		1,668	1,668	0	715	715	0
CASH, DECEMBER 31	\$	1,668	103	-1,565	8,215	1,668	-6,547

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Q

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 25TH JUVENILE FPS FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental revenues	\$ 5,500	3,129	-2,371	4,000	4,281	281
Total Receipts	5,500	3,129	-2,371	4,000	4,281	281
DISBURSEMENTS						
Public safety	5,500	3,038	2,462	4,500	4,552	-52
Total Disbursements	5,500	3,038	2,462	4,500	4,552	-52
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	91	91	-500	-271	229
CASH, JANUARY 1	797	797	0	1,068	1,068	0
CASH, DECEMBER 31	\$ 797	888	91	568	797	229

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit R

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 PUBLIC FACILITIES AUTHORITY FUND

Year Ended December 31,						
1998			1997			
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Sales tax	\$ 0	3,695	3,695	50,000	18,634	-31,366
Interest	70,000	46,247	-23,753	75,000	48,952	-26,048
Other	707,500	721,671	14,171	84,197	1,143	-83,054
Transfers in	0	0	0	0	47,633	47,633
Total Receipts	777,500	771,613	-5,887	209,197	116,362	-92,835
<b>DISBURSEMENTS</b>						
Principal payment	0	0	0	550,000	550,000	0
Interest and interest rebate	0	0	0	48,943	48,943	0
Property acquisition	50,000	16,145	33,855	90,000	26,532	63,468
Maintenance costs	45,000	48,882	-3,882	74,744	64,535	10,209
Equipment	0	0	0	16,400	29,739	-13,339
Transfers out	82,382	82,382	0	141,873	141,872	1
Total Disbursements	177,382	147,409	29,973	921,960	861,621	60,339
RECEIPTS OVER (UNDER) DISBURSEMENTS	600,118	624,204	24,086	-712,763	-745,259	-32,496
CASH, JANUARY 1	494,079	494,079	0	1,239,338	1,239,338	0
CASH, DECEMBER 31	\$ 1,094,197	1,118,283	24,086	526,575	494,079	-32,496

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit S

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 COUNTY USE TAX FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 13,100	13,098	-2	5,000	7,289	2,289
Repayment of cash advance	200,125	200,124	-1	750,000	876,611	126,611
Total Receipts	213,225	213,222	-3	755,000	883,900	128,900
DISBURSEMENTS						
Cash advance	243,793	243,793	0	842,989	792,766	50,223
Transfers out	102,437	102,436	1	14,511	14,511	0
Total Disbursements	346,230	346,229	1	857,500	807,277	50,223
RECEIPTS OVER (UNDER) DISBURSEMENTS	-133,005	-133,007	-2	-102,500	76,623	179,123
CASH, JANUARY 1	196,630	196,630	0	120,007	120,007	0
CASH, DECEMBER 31	\$ 63,625	63,623	-2	17,507	196,630	179,123

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit T

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 PUBLIC FACILITIES USE TAX FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 16,000	14,749	-1,251	1,200	17,591	16,391
Repayment of cash advance	232,000	232,000	0	300,000	201,914	-98,086
Total Receipts	248,000	246,749	-1,251	301,200	219,505	-81,695
DISBURSEMENTS						
Cash advance	0	0	0	433,943	363,603	70,340
Transfers out	111,600	111,599	1	17,257	17,256	1
Total Disbursements	111,600	111,599	1	451,200	380,859	70,341
RECEIPTS OVER (UNDER) DISBURSEMENTS	136,400	135,150	-1,250	-150,000	-161,354	-11,354
CASH, JANUARY 1	107,932	107,932	0	269,286	269,286	0
CASH, DECEMBER 31	\$ 244,332	243,082	-1,250	119,286	107,932	-11,354

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit U

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 E911 EMERGENCY FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Phone charges	\$ 305,000	316,995	11,995	284,000	305,045	21,045
Interest	9,000	15,210	6,210	6,500	9,949	3,449
Total Receipts	314,000	332,205	18,205	290,500	314,994	24,494
DISBURSEMENTS						
Dispatch contract	59,858	59,870	-12	54,619	54,619	0
City of Rolla contract	162,848	162,848	0	157,237	157,408	-171
Salaries and benefits	23,450	12,352	11,098	19,105	13,851	5,254
Ground control contract	15,200	15,200	0	15,200	15,200	0
Other	4,600	1,105	3,495	14,950	8,660	6,290
Total Disbursements	265,956	251,375	14,581	261,111	249,738	11,373
RECEIPTS OVER (UNDER) DISBURSEMENTS	48,044	80,830	32,786	29,389	65,256	35,867
CASH, JANUARY 1	205,629	205,629	0	140,373	140,373	0
CASH, DECEMBER 31	\$ 253,673	286,459	32,786	169,762	205,629	35,867

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit V

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 JAY WHITE ESTATE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Estate receipts	\$ 0	4,309	4,309	5,500	7,165	1,665
Interest	22,000	6,703	-15,297	23,000	22,385	-615
Total Receipts	22,000	11,012	-10,988	28,500	29,550	1,050
DISBURSEMENTS						
Other	0	0	0	0	45	-45
Transfers out	22,385	22,385	0	41,000	22,675	18,325
Total Disbursements	22,385	22,385	0	41,000	22,720	18,280
RECEIPTS OVER (UNDER) DISBURSEMENTS	-385	-11,373	-10,988	-12,500	6,830	19,330
CASH, JANUARY 1	382,521	382,521	0	375,691	375,691	0
CASH, DECEMBER 31	\$ 382,136	371,148	-10,988	363,191	382,521	19,330

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit W

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 HEALTH DEPARTMENT FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>						
Intergovernmental	\$ 610,703	574,449	-36,254	624,409	623,665	-744
Charges for services	137,455	120,030	-17,425	124,831	126,282	1,451
Other	89,626	97,353	7,727	23,119	48,666	25,547
Cash advance	27,970	27,969	-1	262,389	253,194	-9,195
Transfers in	95,000	95,000	0	93,884	93,884	0
Total Receipts	960,754	914,801	-45,953	1,128,632	1,145,691	17,059
<b>DISBURSEMENTS</b>						
Salaries	584,982	593,540	-8,558	591,612	586,519	5,093
Employee fringe benefits	127,648	123,204	4,444	120,501	120,926	-425
Office expenditures	158,650	131,750	26,900	183,458	189,243	-5,785
Repayment of cash advance	55,671	55,124	547	225,000	241,142	-16,142
Transfers out	5,733	6,724	-991	6,758	7,234	-476
Total Disbursements	932,684	910,342	22,342	1,127,329	1,145,064	-17,735
RECEIPTS OVER (UNDER) DISBURSEMENTS	28,070	4,459	-23,611	1,303	627	-676
CASH, JANUARY 1	940	940	0	313	313	0
CASH, DECEMBER 31	\$ 29,010	5,399	-23,611	1,616	940	-676

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit X

PHELPS COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 SHERIFF BENEFIT FUND

		1997		
		Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>				
Other	\$	0	0	0
Total Receipts		0	0	0
<b>DISBURSEMENTS</b>				
Equipment		51	51	0
Total Disbursements		51	51	0
RECEIPTS OVER (UNDER) DISBURSEMENTS		-51	-51	0
CASH, JANUARY 1		51	51	0
CASH, DECEMBER 31	\$	0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Y

PHELPS COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 FAMILY SERVICES AND JUSTICE FUND

		1997		
		Budget	Actual	Variance Favorable (Unfavorable)
<b>RECEIPTS</b>				
Interest	\$	74	74	0
Total Receipts		74	74	0
<b>DISBURSEMENTS</b>				
Other		8	8	0
Refund to other counties		2,177	2,177	0
Total Disbursements		2,185	2,185	0
RECEIPTS OVER (UNDER) DISBURSEMENTS		-2,111	-2,111	0
CASH, JANUARY 1		2,111	2,111	0
CASH, DECEMBER 31	\$	0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit Z

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 CRISIS INTERVENTION FUND

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 16,000	14,271	-1,729	15,000	14,077	-923
Total Receipts	<u>16,000</u>	<u>14,271</u>	<u>-1,729</u>	<u>15,000</u>	<u>14,077</u>	<u>-923</u>
DISBURSEMENTS						
Crisis Intervention	16,000	13,182	2,818	15,000	15,304	-304
Other	0	28	-28	0	0	0
Total Disbursements	<u>16,000</u>	<u>13,210</u>	<u>2,790</u>	<u>15,000</u>	<u>15,304</u>	<u>-304</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	1,061	1,061	0	-1,227	-1,227
CASH, JANUARY 1	110	110	0	1,337	1,337	0
CASH, DECEMBER 31	<u>\$ 110</u>	<u>1,171</u>	<u>1,061</u>	<u>1,337</u>	<u>110</u>	<u>-1,227</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit AA

PHELPS COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 LOCAL RECORDS FUND

		1997		
		Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS				
Other	\$	0	0	0
Total Receipts		0	0	0
DISBURSEMENTS				
Expenses		468	468	0
Total Disbursements		468	468	0
RECEIPTS OVER (UNDER) DISBURSEMENTS		-468	-468	0
CASH, JANUARY 1		468	468	0
CASH, DECEMBER 31	\$	0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit BB

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 SHERIFF CIVIL FEES

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 50,000	45,854	-4,146	21,000	21,997	997
Interest	500	953	453	0	52	52
Other	0	62	62	0	0	0
Total Receipts	50,500	46,869	-3,631	21,000	22,049	1,049
DISBURSEMENTS						
Salaries	14,000	10,962	3,038	18,035	18,015	20
Equipment	11,000	14,677	-3,677	1,570	1,570	0
Equipment maintenance	0	0	0	45	45	0
Debt service	25,000	23,331	1,669	0	0	0
Other	0	21	-21	0	0	0
Total Disbursements	50,000	48,991	1,009	19,650	19,630	20
RECEIPTS OVER (UNDER) DISBURSEMENTS	500	-2,122	-2,622	1,350	2,419	1,069
CASH, JANUARY 1	2,419	2,419	0	0	0	0
CASH, DECEMBER 31	\$ 2,919	297	-2,622	1,350	2,419	1,069

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit CC

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 COMMUNITY CARE CLINIC

	Year Ended December 31,					
	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 15,000	7,500	-7,500	0	0	0
Charges for services	8,000	13,676	5,676	2,704	3,989	1,285
Interest	200	738	538	100	141	41
Other	46,000	45,085	-915	24,938	26,169	1,231
Total Receipts	69,200	66,999	-2,201	27,742	30,299	2,557
DISBURSEMENTS						
Salaries and benefits	56,465	63,515	-7,050	22,118	21,123	995
Other	14,300	7,137	7,163	5,142	5,140	2
Total Disbursements	70,765	70,652	113	27,260	26,263	997
RECEIPTS OVER (UNDER) DISBURSEMENTS	-1,565	-3,653	-2,088	482	4,036	3,554
CASH, JANUARY 1	4,036	4,036	0	0	0	0
CASH, DECEMBER 31	\$ 2,471	383	-2,088	482	4,036	3,554

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit DD

PHELPS COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
MARCH MEDIATION

	Year Ended December 31,		
	1998		
	Budget	Actual	Favorable (Unfavorable)
RECEIPTS			
Intergovernmental	\$ 87,500	87,500	0
Total Receipts	87,500	87,500	0
DISBURSEMENTS			
Payroll expense	23,650	23,642	8
Mileage and training	4,177	4,173	4
Refund of grant monies	28,676	28,675	1
Contract attorney fees	600	600	0
Mediator	7,850	7,850	0
Office expense	14,544	14,543	1
Total Disbursements	79,497	79,483	14
RECEIPTS OVER (UNDER) DISBURSEMENTS	8,003	8,017	14
CASH, JANUARY 1	0	0	0
CASH, DECEMBER 31	\$ 8,003	8,017	14

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit EE

PHELPS COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL  
 CIRCUIT DIVISION INTEREST FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 8,500	7,441	-1,059	7,000	8,150	1,150
Total Receipts	8,500	7,441	-1,059	7,000	8,150	1,150
DISBURSEMENTS						
Office expenditures	2,100	8,357	-6,257	2,100	2,595	-495
Total Disbursements	2,100	8,357	-6,257	2,100	2,595	-495
RECEIPTS OVER (UNDER) DISBURSEMENTS	6,400	-916	-7,316	4,900	5,555	655
CASH, JANUARY 1	0	10,730	10,730	0	5,175	5,175
CASH, DECEMBER 31	\$ 6,400	9,814	3,414	4,900	10,730	5,830

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

PHELPS COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Phelps County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Law Library Custodian, or the Board for the Developmentally Disabled. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1998, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt a formal budget for the Law Library Fund for the years ended December 31, 1998 and 1997.

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Special Road and Bridge Fund	1997
Meramec Home Health Agency Fund	1997
Prosecuting Attorney Bad Check Fund	1997
25th Juvenile FPS Fund	1997
Health Department Fund	1997
Crisis Intervention Fund	1997
Circuit Division Interest Fund	1998 and 1997

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

Deficit budget balances are presented for the Special Road and Bridge Fund for the years ended December 31, 1998 and 1997.

However, the budgets of that fund also included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before December 31. Such resources were sufficient to offset the deficit budget balances presented.

Although Section 50.740, RSMo 1994, requires a balanced budget, a deficit balance was budgeted in the Prosecuting Attorney Bad Check Fund for the year ended December 31, 1998.

#### D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements for the years ended December 31, 1998 and 1997, did not include the Circuit Division Interest Fund and the Law Library Fund.

## 2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1998, effective August 28, 1997, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 1998 and 1997, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

3. Cash Advances

The county advances monies from the county Use Tax Fund and the Public Facilities Use Tax Fund to various other county funds to cover temporary cash flow problems which occur in those other funds. The unreimbursed advances at December 31, 1998 and 1997, were as follows:

Due From	Year Ended December 31,		
	1998	1997	
	Due to County Use Tax Fund	Due to County Use Tax Fund	Due to Public Facilities Use Tax Fund
General Revenue Fund	\$ 177,824	97,000	155,000
Special Road and Bridge Fund	0	10,000	77,000
Health Center Fund	0	27,155	0
Total	\$ 177,824	134,155	232,000

4. Use Tax Liability

The local use tax under Section 144.748, RSMo 1994, was struck down in its entirety by the Missouri Supreme Court in *Associated Industries of Missouri v. Director of Revenue*, 918 S.W.2d 780 (Mo. banc 1996). In *St. Charles County v. Director of Revenue*, 961 S.W.2d 44 (Mo. banc 1998), the Missouri Supreme Court ruled that local use taxes paid prior to the repeal of Section 144.748, RSMo 1994, must be refunded to taxpayers and authorized the Department of Revenue (DOR) to withhold amounts otherwise due to political subdivisions to the extent such withholding is necessary to cover the refund expense. On March 24, 1998, the Cole County Circuit Court entered final judgment in accordance with the Supreme Court's opinion and ordered the DOR to process refund claims filed.

The county has received \$646,977 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$342,539. As of December 31, 1998, \$128,456 remains to be paid.

5. Year 2000 (Y2K) Compliance

Phelps County staff have been in contact with suppliers or manufacturers of electronic equipment now in use in the Phelps County Courthouse (i.e., elevators, fire alarms, mechanical equipment, computer equipment, etc.). Steps either have been taken or are being taken to correct any known issues which have been identified. Most courthouse departments either have completed computer changes or are in the process of doing so. Funding has been designated for any necessary corrections. Funds have been expended for the past two years in preparation for Y2K, and have caused no serious financial hardship to the county. Phelps County does not anticipate any serious disruption of services due to Y2K.

Supplementary Schedule

## Schedule

PHELPS COUNTY, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1998	1997
U. S. DEPARTMENT OF AGRICULTURE				
Direct Program:				
10.unknown	Cooperative Law Enforcement and Cannabis Agr	N/A	\$ 4,000	3,262
Passed through state:				
Department of Health - Special				
Supplemental Nutrition Program for				
10.6	Women, Infants, and Children	ER0045-8181	137,300	110,639
Office of Administration -				
Schools and Roads - Grants to				
10.7	States	N/A	86,762	109,813
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
Public Safety Partnership and				
16.7	Community Policing ("Cops") Grants	N/A	1,876	6,515
16.unknown	Equitable Sharing of Seized and Forfeited Property	N/A	15,085	26,974
Passed through:				
State Department of Public Safety -				
Juvenile Justice and Delinquency Prevention - Allocation				
16.5	to States	97-JFJ240	22,302	0
16.6	National Criminal History Improvement Program	97-NCD15B-01	282	0
16.6	Crime Victim Assistance	97V0CA-57	8,836	0
16.6	Byrne Formula Grant Program	95RU-RX-K011	11,726	0
Missouri Sheriffs' Association - Domestic				
16.unknown	Cannabis Eradication/Suppression Program	N/A	1,100	0
GENERAL SERVICES ADMINISTRATION				
Passed through state Office of Administration -				
39.0	Donation of Federal Surplus Personal Property	3215 09-58	57,339	0
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Social Services -				
Special Programs for Aging - Title III, Part F-Disease				
93.0	Prevention and Health Promotion Services	N/A	2,892	672
93.3	Department of Health - Immunization Grants	PG0064-8181	16,812	8,128
Department of Social Services - Child Support				
93.6	Enforcement	N/A	30,685	20,623

Department of Health -				
93.6	Child Care and Development Block Grant	PG0067-8181	6,620	0
93.6	Child Care and Development Block Grant	ERO146-8181	<u>1,082</u>	<u>318</u>
	<b>Program Total</b>		<u>7,702</u>	<u>318</u>

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Passed through state:

Department of Health -				
93.6	Grants to States for Access and Visitation Progr. AOC9000194		42,875	0
93.6	Grants to States for Access and Visitation Progr. AOC8000169		<u>51,035</u>	<u>24,662</u>
	<b>Program Total</b>		<u>93,910</u>	<u>24,662</u>
Cooperative Agreements for State-Based				
Comprehensive Breast and Cervical Cancer				
93.9	Early Detection Programs	ERO161-0036	10,243	22,187
Maternal and Child Health Services				
94.0	<b>Block Grant to the States</b>	ER0146-8009	1,100	2,964
Maternal and Child Health Services				
94.0	Block Grant to the States	ERO146-8181	55,569	45,505
Maternal and Child Health Services				
94.0	<b>Block Grant to the States</b>	ERO175-8181	<u>7,590</u>	<u>5,362</u>
	<b>Program Total</b>		<u>64,259</u>	<u>53,831</u>

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Direct Program:

94.0	Senior Companion Program	N/A	<u>306,946</u>	<u>291,515</u>
	Total Expenditures of Federal Awards		<u>\$ 880,057</u>	<u>679,139</u>

N/A - Not applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

PHELPS COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

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 federal 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, except for the programs accounted for in the Phelps County Public Housing Authority Fund. Federal awards for that fund have been audited and separately reported on by other independent auditors for its years ended September 30, 1998 and 1997.

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

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the National Criminal History Improvement Program (CFDA number 16.544), and the Byrne Formula Grant Program (CFDA number 16.579), represent the cost of equipment received. Amounts for the Donation of Federal Surplus Personal Property Program (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1998 and 1997.

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

State Auditor's Report



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission  
and  
Officeholders of Phelps County, Missouri

Compliance

We have audited the compliance of Phelps County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997. 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 generally accepted auditing standards; 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.

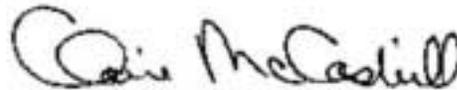
In our opinion, Phelps County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997.

## Internal Control Over Compliance

The management of Phelps County, Missouri, 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Phelps County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

March 4, 1999 (fieldwork completion date)

Schedule

PHELPS COUNTY, MISSOURI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
 YEARS ENDED DECEMBER 31, 1998 AND 1997

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_ yes   x   no

Reportable conditions identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   x   none reported

Noncompliance material to the financial statements noted? \_\_\_\_\_ yes   x   no

Federal Awards

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ yes   x   no

Reportable conditions identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   x   none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? \_\_\_\_\_ yes   x   no

Identification of major programs:

<u>Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Woman, Infants, and Children
10.665	Schools and Roads - Grants to States
94.016	Senior Companion Program

Dollar threshold used to distinguish between Type A  
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee?  yes  no

### **Section II - Financial Statement Findings**

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

### **Section III - Federal Award Findings and Questioned Costs**

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an  
Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards*

PHELPS COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior report issued for the two years ended December 31, 1996, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings  
in Accordance With OMB Circular A-133

PHELPS COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Current Findings

PHELPS COUNTY, MISSOURI  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S CURRENT FINDINGS

We have audited the special-purpose financial statements of various funds of Phelps County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated March 4, 1999. That report expressed a qualified opinion on the special-purpose financial statements. We also have audited the compliance of Phelps County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997, and have issued our report thereon dated March 4, 1999.

We also have reviewed the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this review were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable constitutional, statutory, or contractual provisions.

Our review was made in accordance with applicable generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our review, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Because the Phelps County Public Housing Authority and the Phelps County Regional Medical Center are audited and separately reported on by other independent auditors, the related funds are not presented in the special-purpose financial statements. However, we reviewed those audit reports for the years ended September 30, 1998 and 1997 and December 31, 1998 and 1997, respectively.

Our review was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. This Management Advisory Report includes no findings arising from our review of the elected county officials referred to above.

This report is intended for the information of the management of Phelps County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

## Follow-Up on Prior Audit Findings

PHELPS COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Phelps County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended December 31, 1996. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the county should consider implementing these recommendations.

1. Budgetary Procedures

- A. Interfund cash advances and repayments were reported in a manner that did not accurately reflect receipt and disbursement amounts.
- B. Actual disbursements exceeded budgeted amounts in several funds.

Recommendation:

The County Commission:

- A&B. Refrain from authorizing disbursements in excess of budgeted amounts. In addition, the County Commission should consider alternative ways of recording interfund cash advances in the county budgets to accurately reflect financial activity and conditions.

Status:

Partially implemented. Disbursements exceeded budgeted amounts for some funds in 1997 and only one fund in 1998. Budgets were adjusted each year to reflect interfund loans and interfund loan activity decreased significantly in 1998. Although not repeated in the current report, our recommendation remains as stated above.

2. Meramec Home Health Agency

- A. The Meramec Home Health Agency (MHHA) had not reimbursed the General Revenue Fund or the Public Facilities Authority Fund for services paid from those funds and reimbursed to MHHA from Medicare.
- B. Medicare Cost Reports indicated the MHHA was incurring overall operating losses, including costs paid by other county funds but not reimbursed by the MHHA Fund. In addition, cash advances from other funds had not been repaid and the financial reports were not reviewed by the County Commission prior to making cash advances to the fund.

Recommendation:

The County Commission:

- A. Transfer \$3,723 and \$44,061 from the MHHA Fund to the General Revenue Fund and the Public Facilities Authority Fund, respectively, to reimburse those funds for services provided during the two years ended December 31, 1996. In the future, MHHA should annually reimburse all funds providing services to the MHHA for their proportionate share of Medicare cost reimbursements.
- B. Evaluate the operations of those MHHA cost centers which are sustaining consistent losses and determine if measures can be taken to minimize these losses or if the county wishes to subsidize the cost of operating these cost centers. In addition, the number of cash advances made to the MHHA should be limited, and the MHHA should be required to submit financial reports to the County Commission.

Status:

- A. The General Revenue Fund and the Public Facilities Authority Fund were reimbursed \$3,723 and \$44,061, respectively. Reimbursements were not made to the funds that provided services to the MHHA during the two years ended December 31, 1998; however, the county sold the MHHA to Phelps County Regional Medical Center for \$225,000 on August 1, 1998.
- B. Implemented. The county evaluated various alternatives and sold the MHHA to the Phelps County Regional Medical Center on August 1, 1998.

3. County Coroner's Salary

The County Coroner did not provide training certification or exemptions from training.

Recommendation:

The County Commission require the County Coroner to provide certification that he completed applicable classroom training in 1996 and 1995 or an exemption from training. If training certification or an exemption cannot be provided, the County Commission should pursue reimbursement of \$1,000 from the County Coroner. In addition, the County Commission and County Clerk should require the County Coroner to provide certification of applicable classroom training before the \$500 training allowance is paid.

Status:

Implemented.

4. Donation of Courthouse Space

The county provided courthouse office space rent-free to various not-for-profit organizations without obtaining written agreements.

Recommendation:

The County Commission review the donating of courthouse space to private organizations. If the county believes there is benefit to be derived and these are county provided services, the county should obtain written agreements with these organizations which clearly state the responsibilities of each party and benefits to be derived.

Status:

Partially implemented. The County Commission determined that all of these agencies provide necessary services to the citizens of the county. However, written agreements have not been entered into. Although not repeated in the current report, our recommendation remains as stated above.

5. Sheriff's Controls and Procedures

- A. Accounting duties were not adequately segregated.
- B.1. Receipt slips did not indicate mode of payment.
  - 2. Checks were not restrictively endorsed upon receipt.
  - 3. Receipts were not kept in a secure location.
  - 4. Receipts were not deposited intact.
  - 5. Receipts were not deposited on a timely basis.
- C. Adequate accounting records were not maintained for the petty cash fund.
- D.1. Some deposits into the drug seizure bank account were not made on a timely basis.
  - 2. \$15,980 relating to a dismissed case was being held in the drug seizure bank account.
- E. Logs of Uniform Traffic Tickets (UTTs) assigned and issued were not maintained.
- F. Vehicles logs were not maintained.

Recommendation:

The Sheriff:

- A. Adequately segregate the recordkeeping duties and document periodic reviews of the accounting records.
- B. Record the mode of payment on receipt slips and reconcile the composition of receipts to bank deposits. All checks should be restrictively endorsed upon receipt and all receipts kept in a secure location. Deposits should be made intact daily or when accumulated receipts exceed \$100.
- C. Maintain adequate supporting documentation and accounting records for the petty cash fund.
- D. Ensure all receipts are deposited into the drug seizure bank account on a timely basis. The Sheriff should also remit the monies related to the dismissed drug forfeiture case to the defendants or dispose of the unclaimed monies as provided by state law.
- E. Maintain traffic ticket logs accounting for the issuance and ultimate disposition of all traffic tickets and copies of all UTTs issued.
- F. Maintain vehicle logs for all vehicles of the Sheriff's department. In addition, the County Commission should review these logs to monitor the usage of county-owned vehicles.

Status:

- A. Partially implemented. Duties were further segregated. The monthly bank reconciliation is reviewed; however, there is no independent reconciliation of receipts to deposits. Although not repeated in the current report, our recommendation remains as stated above.
- B. Partially implemented. The method of payment is recorded on receipt slips and bond forms. However, the composition of receipts is not reconciled to the composition of deposits. Beginning in 1999, checks are restrictively endorsed immediately upon receipt and receipts are kept in a secure location by the bookkeeper. Deposits are made three to four times per week. Although not repeated in the current report, our recommendation remains as stated above.
- C. Implemented.
- D. Partially implemented. The only drug seizure money received during the two years ended December 31, 1998 was interest earned on the bank account. The \$15,980 was disbursed, but monies for cases closed during the two years ended December 31,

1998 were not disbursed. Although not repeated in the current report, our recommendation remains as stated above.

- E. Not implemented. Officers maintain a copy of all tickets in the ticket book. However, a log is not maintained, which would help to account for all tickets. Although not repeated in the current report, our recommendation remains as stated above.
- F. Partially implemented. The logs are maintained, but are not submitted to the County Commission for review. Although not repeated in the current report, our recommendation remains as stated above.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

PHELPS COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1857, the county of Phelps was named after John S. Phelps, a former Governor and member of Congress. Phelps county is a county-organized, third-class county and is part of the Twenty-Fifth Judicial Circuit. The county seat is Rolla.

Phelps County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Phelps County received its money in 1998 and 1997 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	1998		1997	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 617,220	10	539,365	11
Sales taxes	1,668,643	27	1,742,922	35
Federal and state aid	1,907,134	31	1,413,421	28
Fees, interest, and other	1,962,157	32	1,312,993	26
Total	\$ 6,155,154	100	5,008,701	100

The following chart shows how Phelps County spent monies in 1998 and 1997 from the General Revenue and Special Road and Bridge Funds:

USE	1998		1997	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 1,740,136	31	1,539,021	30
Public safety	1,604,326	28	1,502,283	29
Highways and roads	2,297,088	41	2,097,925	41
Total	\$ 5,641,550	100	5,139,229	100

The county maintains approximately 40 county bridges and 614 miles of county roads.

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The county's population was 29,567 in 1970 and 35,248 in 1990. The following chart shows the county's change in assessed valuation since 1970:

	Year Ended December 31,				
	1998	1997	1985*	1980**	1970**
	(in millions)				
Real estate	\$ 179.0	173.9	110.5	62.1	30.7
Personal property	65.8	58.3	16.2	11.9	9.0
Railroad and utilities	14.6	13.6	8.9	7.6	3.9
Total	\$ 259.4	245.8	135.6	81.6	43.6

\* First year of statewide reassessment.

\*\* Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Phelps County's property tax rates per \$100 of assessed valuations were as follows:

	Year Ended December 31,	
	1998	1997
General Revenue Fund	\$ .15	.15
Special Road and Bridge Fund	.09	.09
Developmentally Disabled Fund	.09	.09

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28,	
	1999	1998
State of Missouri	\$ 77,846	74,067
General Revenue Fund	388,074	370,596
Special Road and Bridge Fund	247,394	234,815
Assessment Fund	103,641	99,305
Developmentally Disabled Fund	231,859	221,867
School districts	7,864,215	7,451,917
Ambulance district	70,144	69,257
Sewer fees	1,387	229
Cities	35,787	29,162
County Clerk	246	265
County Employees' Retirement	57,767	57,710
Commissions and fees:		
General Revenue Fund	169,519	164,967
Total	\$ 9,247,879	8,774,157

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Percentages of current taxes collected were as follows:

	Year Ended February 28,	
	1999	1998
Real estate	93.5 %	94.0 %
Personal property	92.3	91.4
Railroad and utilities	96.5	98.1

Phelps County also has the following sales taxes; rates are per \$1 of retail sales:

		Rate	Expiration Date	Required Property Tax Reduction
General	\$	.0050	None	50

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	1999	1998	1997
County-Paid Officials:			
Randy Verkamp, Presiding Commissioner	\$	22,000	22,000
Glendon Klossner, Associate Commissioner		22,000	22,000
Ken Lenox, Associate Commissioner		22,000	22,000
Carol Bennett, County Clerk		33,500	23,965
Lucie Smith, County Clerk			9,535
Patrick King, Prosecuting Attorney		39,000	39,000
Donald H. Blankenship, Sheriff		40,000	40,000
Carol Green, County Treasurer		22,670	22,670
Larry Swinfard, County Coroner		8,000	8,000
Lou McFarland, Public Administrator *		37,167	32,194
Davis Haas, County Collector, year ended February 28,	42,400	42,400	
Jack Harris, County Assessor **, year ended August 31,		42,400	34,800
Robert Elgin, County Surveyor ***		0	0

\* Includes fees received from probate cases.

\*\* Includes \$900 annual compensation received from the state.

\*\*\* Compensation on a fee basis.

State-Paid Officials:

Carol Gaddy, Circuit Clerk and Ex Officio Recorder of Deeds	42,183	40,176
Mary Sheffield, Associate Circuit Judge	85,158	81,792
Ralph Haslag, Associate Circuit Judge	85,158	81,792

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A breakdown of employees (excluding the elected officials) by office at December 31, 1998, is as follows:

Office	Number of Employees Paid by	
	County	State
County Commission	7 *	0
Circuit Clerk and Ex Officio Recorder of Deeds	4	12
County Clerk	4	0
Prosecuting Attorney	9	0
Sheriff	20	0
County Treasurer	2 **	0
County Coroner	1	0
County Collector	2 ***	0
County Assessor	6	0

Probate Division	0	2
Road and Bridge	25	0
Health Center	23	0
Meramec Home Health Association	13 ****	0
Senior Companions	4 **	0
Total	<u>120</u>	<u>14</u>

\* Includes 4 part-time employees.

\*\* Includes 2 part-time employees.

\*\*\* Includes 1 part-time employee.

\*\*\*\* Includes 10 part-time employees.

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Phelps County's share of the Twenty-Fifth Judicial Circuit's expenses is 33 percent.