

ANNUAL FINANCIAL REPORT

VERNON COUNTY, MISSOURI

For the Years Ended
December 31, 2015 and 2014

VERNON COUNTY, MISSOURI

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INTRODUCTORY SECTION

VERNON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Joe Hardin
Northern Commissioner – Neal Gerster
Southern Commissioner – Everett Wolfe

Other Elected Officials

Assessor – Cherie Roberts
County Clerk – Sean M. Buehler
Circuit Clerk – Carrie Poe
Recorder – Doug Shupe
Coroner – David Ferry
Prosecuting Attorney – Brandi L. McInroy
Public Administrator – Tammy Bond
Sheriff – Jason Mosher
Collector - Treasurer – Phil Couch

FINANCIAL SECTION

MCBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Vernon County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Vernon County, Missouri as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Vernon County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Vernon County, Missouri, as of December 31, 2015 and 2014, or the changes in its financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Vernon County, Missouri, as of December 31, 2015 and 2014, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Vernon County, Missouri’s basic financial statements. 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 Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 24, 2016, on our consideration of Vernon County, Missouri'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

McBride, Lock & Associates, LLC

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 24, 2016

VERNON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2014 AND 2015

Fund	Cash and	Receipts	Disbursements	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments			Investments
	January 1,	2014	2014	December 31,	2015	2015	December 31,
	2014			2014			2015
General Revenue	\$ 506,993	\$ 3,929,395	\$ 3,651,547	\$ 784,841	\$ 4,121,792	\$ 4,207,429	\$ 699,204
Special Road & Bridge	405,537	1,871,751	2,062,332	214,956	1,737,783	1,628,634	324,105
Assessment	32,892	213,246	229,609	16,529	252,801	269,330	-
Law Enforcement Training	896	3,910	4,572	234	3,993	3,413	814
Sheriff's Discretionary	3,165	19,826	22,181	810	13,830	10,465	4,175
Prosecuting Attorney Training	118	662	559	221	676	545	352
Prosecuting Attorney Administrative Cost	-	12,920	12,022	898	7,218	7,765	351
Sewer	-	5,311	5,311	-	5,485	5,031	454
Local Emergency Planning Committee	10,988	3,650	2,663	11,975	3,672	549	15,098
Shelter	4,367	4,584	8,704	247	4,797	20	5,024
Election Service	31,449	7,304	13,685	25,068	12,430	10,340	27,158
Help America Vote Act	15,344	5,706	4,121	16,929	7,488	14,340	10,077
Election	-	98,131	98,131	-	52,154	52,154	-
Tax Maintenance	58,391	30,032	33,811	54,612	28,317	60,208	22,721
Quarter % Assessment	23,668	34,412	53,055	5,025	35,981	31,123	9,883
Recorder User Fee	75,732	10,816	17,000	69,548	10,474	14,400	65,622
Law Enforcement Restitution	24,669	29,698	15,498	38,869	30,612	22,138	47,343
Law Enforcement Sales Tax	82,106	1,034,910	937,724	179,292	1,070,253	1,107,809	141,736
Inmate Security	1,264	57,763	31,677	27,350	57,344	47,115	37,579
Prosecuting Attorney Tax Collection	171	1	-	172	1	-	173
Recycling	1,307	10,550	11,844	13	31,828	27,144	4,697
United Way DARE	983	2,204	2,078	1,109	2,279	2,685	703
Payment in Lieu of Tax	35,125	-	20	35,105	-	20	35,085
Bond Reserve	732,131	16,909	1,407	747,633	14,950	16,620	745,963
Vernon County DARE	916	669	472	1,113	220	1,075	258
Federal Seizure	581	4	20	565	3	20	548
Capital Improvement	-	-	-	-	300,000	-	300,000
Sheriff's Revolving (CCW)	6,147	14,245	6,799	13,593	21,759	10,195	25,157
Total	<u>\$ 2,054,940</u>	<u>\$ 7,418,609</u>	<u>\$ 7,226,842</u>	<u>\$ 2,246,707</u>	<u>\$ 7,828,140</u>	<u>\$ 7,550,567</u>	<u>\$ 2,524,280</u>

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

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND				
Year Ended December 31,				
	2014		2015	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 429,358	\$ 446,065	\$ 420,500	\$ 431,196
Sales taxes	1,035,000	1,037,177	1,000,000	1,067,994
Intergovernmental	386,911	430,509	500,859	477,771
Charges for services	1,339,513	1,441,681	1,224,850	1,418,084
Interest	6,000	4,558	4,500	4,896
Other	165,927	184,183	181,708	182,841
Transfers in	432,876	385,222	500,862	539,010
Total Receipts	<u>\$ 3,795,585</u>	<u>\$ 3,929,395</u>	<u>\$ 3,833,279</u>	<u>\$ 4,121,792</u>
DISBURSEMENTS				
County Commission	\$ 99,707	\$ 98,525	\$ 102,767	\$ 104,212
County Clerk	185,292	166,713	180,262	175,837
Elections	85,400	72,645	33,000	24,064
Buildings and grounds	146,683	120,236	194,776	161,362
Employee fringe benefits	489,296	446,466	561,927	494,521
Treasurer	138,190	132,055	141,351	137,939
Recorder of Deeds	93,134	91,311	93,914	90,977
Circuit Clerk	52,400	39,017	44,950	34,244
Court administration	26,949	22,110	23,772	21,681
Public Administrator	84,443	80,630	92,864	90,982
Sheriff	729,587	710,744	950,747	867,735
Jail	1,048,904	1,032,959	994,116	1,017,203
Prosecuting Attorney	225,883	206,509	222,383	218,173
Juvenile Officer	133,011	127,139	148,314	135,661
Coroner	39,624	38,948	37,384	23,987
Other County Government	244,110	224,405	277,038	271,845
Health and Welfare	1,000	-	5,000	2,000
Debt Services	-	-	-	-
Transfers out	37,000	36,949	343,574	329,665
Emergency fund	103,368	4,186	111,847	5,341
Total Disbursements	<u>\$ 3,963,981</u>	<u>\$ 3,651,547</u>	<u>\$ 4,559,986</u>	<u>\$ 4,207,429</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (168,396)	\$ 277,848	\$ (726,707)	\$ (85,637)
CASH AND INVESTMENTS, JANUARY 1	<u>506,993</u>	<u>506,993</u>	<u>784,841</u>	<u>784,841</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 338,597</u>	<u>\$ 784,841</u>	<u>\$ 58,134</u>	<u>\$ 699,204</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 115,000	\$ 121,783	\$ 125,064	\$ 125,064	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,001,548	1,659,925	1,876,902	1,601,308	200,218	190,679	232,006	237,203
Charges for services	-	2,777	-	-	-	-	-	-
Interest	5,000	-	2,000	2,145	906	405	400	385
Other	30,600	81,982	17,400	4,266	238	162	9,744	96
Transfers in	-	5,284	-	5,000	22,000	22,000	33,575	15,117
Total Receipts	<u>\$ 2,152,148</u>	<u>\$ 1,871,751</u>	<u>\$ 2,021,366</u>	<u>\$ 1,737,783</u>	<u>\$ 223,362</u>	<u>\$ 213,246</u>	<u>\$ 275,725</u>	<u>\$ 252,801</u>
DISBURSEMENTS								
Salaries	\$ 313,268	\$ 310,677	\$ 322,666	\$ 295,247	\$ 153,152	\$ 151,059	\$ 177,157	\$ 168,868
Employee fringe benefits	113,690	108,314	115,117	112,871	57,931	54,676	76,222	66,079
Materials and supplies	130,000	84,486	134,892	49,788	18,975	15,688	20,075	15,573
Services and Other	324,796	204,776	248,546	232,680	8,500	8,186	18,800	18,810
Capital Outlay	250,000	220,168	76,000	29,082	-	-	-	-
Construction	1,306,708	1,014,913	1,232,022	802,504	-	-	-	-
Transfers out	118,998	118,998	106,462	106,462	-	-	-	-
Total Disbursements	<u>\$ 2,557,460</u>	<u>\$ 2,062,332</u>	<u>\$ 2,235,705</u>	<u>\$ 1,628,634</u>	<u>\$ 238,558</u>	<u>\$ 229,609</u>	<u>\$ 292,254</u>	<u>\$ 269,330</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (405,312)	\$ (190,581)	\$ (214,339)	\$ 109,149	\$ (15,196)	\$ (16,363)	\$ (16,529)	\$ (16,529)
CASH AND INVESTMENTS, JANUARY 1	<u>405,537</u>	<u>405,537</u>	<u>214,956</u>	<u>214,956</u>	<u>32,892</u>	<u>32,892</u>	<u>16,529</u>	<u>16,529</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 225</u>	<u>\$ 214,956</u>	<u>\$ 617</u>	<u>\$ 324,105</u>	<u>\$ 17,696</u>	<u>\$ 16,529</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				SHERIFF'S DISCRETIONARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,800	3,865	3,800	3,918	24,000	19,815	19,000	13,821
Interest	-	5	-	3	-	11	-	9
Other	-	40	-	72	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,800</u>	<u>\$ 3,910</u>	<u>\$ 3,800</u>	<u>\$ 3,993</u>	<u>\$ 24,000</u>	<u>\$ 19,826</u>	<u>\$ 19,000</u>	<u>\$ 13,830</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	4,700	418	4,000	581
Services and other	4,696	4,572	4,000	3,413	7,200	3,288	15,000	9,884
Capital outlay	-	-	-	-	15,000	14,618	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	3,857	-	-
Total Disbursements	<u>\$ 4,696</u>	<u>\$ 4,572</u>	<u>\$ 4,000</u>	<u>\$ 3,413</u>	<u>\$ 26,900</u>	<u>\$ 22,181</u>	<u>\$ 19,000</u>	<u>\$ 10,465</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (896)</u>	<u>\$ (662)</u>	<u>\$ (200)</u>	<u>\$ 580</u>	<u>\$ (2,900)</u>	<u>\$ (2,355)</u>	<u>\$ -</u>	<u>\$ 3,365</u>
CASH AND INVESTMENTS, JANUARY 1	<u>896</u>	<u>896</u>	<u>234</u>	<u>234</u>	<u>3,165</u>	<u>3,165</u>	<u>810</u>	<u>810</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 234</u>	<u>\$ 34</u>	<u>\$ 814</u>	<u>\$ 265</u>	<u>\$ 810</u>	<u>\$ 810</u>	<u>\$ 4,175</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY ADMINISTRATIVE COST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	650	661	700	675	15,000	11,944	11,000	4,793
Interest	-	1	-	1	-	21	-	27
Other	-	-	-	-	-	955	4,000	2,398
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 650</u>	<u>\$ 662</u>	<u>\$ 700</u>	<u>\$ 676</u>	<u>\$ 15,000</u>	<u>\$ 12,920</u>	<u>\$ 15,000</u>	<u>\$ 7,218</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	2,000	1,191	2,000	724
Services and other	700	559	700	545	-	31	-	41
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	13,000	10,800	13,000	7,000
Total Disbursements	<u>\$ 700</u>	<u>\$ 559</u>	<u>\$ 700</u>	<u>\$ 545</u>	<u>\$ 15,000</u>	<u>\$ 12,022</u>	<u>\$ 15,000</u>	<u>\$ 7,765</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (50)</u>	<u>\$ 103</u>	<u>\$ -</u>	<u>\$ 131</u>	<u>\$ -</u>	<u>\$ 898</u>	<u>\$ -</u>	<u>\$ (547)</u>
CASH AND INVESTMENTS, JANUARY 1	<u>118</u>	<u>118</u>	<u>221</u>	<u>221</u>	<u>-</u>	<u>-</u>	<u>898</u>	<u>898</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 68</u></u>	<u><u>\$ 221</u></u>	<u><u>\$ 221</u></u>	<u><u>\$ 352</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 898</u></u>	<u><u>\$ 898</u></u>	<u><u>\$ 351</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SEWER FUND				LOCAL EMERGENCY PLANNING COMMITTEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 5,693	\$ 4,983	\$ 4,900	\$ 5,457	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,500	3,650	3,650	3,672
Charges for services	-	-	-	-	-	-	-	-
Interest	20	28	25	28	-	-	-	-
Other	-	300	175	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,713</u>	<u>\$ 5,311</u>	<u>\$ 5,100</u>	<u>\$ 5,485</u>	<u>\$ 3,500</u>	<u>\$ 3,650</u>	<u>\$ 3,650</u>	<u>\$ 3,672</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,713	27	5,100	31	14,488	2,663	12,000	549
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	5,284	-	5,000	-	-	-	-
Total Disbursements	<u>\$ 5,713</u>	<u>\$ 5,311</u>	<u>\$ 5,100</u>	<u>\$ 5,031</u>	<u>\$ 14,488</u>	<u>\$ 2,663</u>	<u>\$ 12,000</u>	<u>\$ 549</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 454	\$ (10,988)	\$ 987	\$ (8,350)	\$ 3,123
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	10,988	10,988	11,975	11,975
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 454</u>	<u>\$ -</u>	<u>\$ 11,975</u>	<u>\$ 3,625</u>	<u>\$ 15,098</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHELTER FUND				ELECTION SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,600	4,544	-	4,783	5,000	2,677	-	3,373
Interest	15	40	-	14	250	156	-	143
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	4,471	6,397	8,914
Total Receipts	<u>\$ 4,615</u>	<u>\$ 4,584</u>	<u>\$ -</u>	<u>\$ 4,797</u>	<u>\$ 5,250</u>	<u>\$ 7,304</u>	<u>\$ 6,397</u>	<u>\$ 12,430</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	8,982	8,704	-	20	-	-	-	-
Capital outlay	-	-	-	-	36,699	13,685	14,000	10,340
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,982</u>	<u>\$ 8,704</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 36,699</u>	<u>\$ 13,685</u>	<u>\$ 14,000</u>	<u>\$ 10,340</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (4,367)	\$ (4,120)	\$ -	\$ 4,777	\$ (31,449)	\$ (6,381)	\$ (7,603)	\$ 2,090
CASH AND INVESTMENTS, JANUARY 1	<u>4,367</u>	<u>4,367</u>	<u>247</u>	<u>247</u>	<u>31,449</u>	<u>31,449</u>	<u>25,068</u>	<u>25,068</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ 247</u></u>	<u><u>\$ 247</u></u>	<u><u>\$ 5,024</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,068</u></u>	<u><u>\$ 17,465</u></u>	<u><u>\$ 27,158</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HELP AMERICA VOTE ACT FUND				ELECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	7,004	1,439	7,461	7,371	100,000	94,231	51,870	52,154
Charges for services	4,270	165	-	-	-	-	-	-
Interest	75	102	-	117	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	4,000	-	-	-	3,900	-	-
Total Receipts	<u>\$ 11,349</u>	<u>\$ 5,706</u>	<u>\$ 7,461</u>	<u>\$ 7,488</u>	<u>\$ 100,000</u>	<u>\$ 98,131</u>	<u>\$ 51,870</u>	<u>\$ 52,154</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	26,693	4,121	7,461	14,340	100,000	89,661	51,870	44,640
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	8,470	-	7,514
Total Disbursements	<u>\$ 26,693</u>	<u>\$ 4,121</u>	<u>\$ 7,461</u>	<u>\$ 14,340</u>	<u>\$ 100,000</u>	<u>\$ 98,131</u>	<u>\$ 51,870</u>	<u>\$ 52,154</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (15,344)	\$ 1,585	\$ -	\$ (6,852)	\$ -	\$ -	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>15,344</u>	<u>15,344</u>	<u>16,929</u>	<u>16,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 16,929</u>	<u>\$ 16,929</u>	<u>\$ 10,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				QUARTER % ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	30,000	33,854	34,530	34,409
Charges for services	28,000	29,341	28,450	27,960	-	200	-	1,500
Interest	500	446	-	357	250	125	125	72
Other	-	245	-	-	-	233	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 28,500</u>	<u>\$ 30,032</u>	<u>\$ 28,450</u>	<u>\$ 28,317</u>	<u>\$ 30,250</u>	<u>\$ 34,412</u>	<u>\$ 34,655</u>	<u>\$ 35,981</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	50,000	16,507	50,000	42,208	4,050	2,539	1,800	2,152
Services and other	-	-	-	-	29,868	30,516	37,880	28,971
Capital outlay	-	-	-	-	20,000	20,000	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	17,304	17,304	18,000	18,000	-	-	-	-
Total Disbursements	<u>\$ 67,304</u>	<u>\$ 33,811</u>	<u>\$ 68,000</u>	<u>\$ 60,208</u>	<u>\$ 53,918</u>	<u>\$ 53,055</u>	<u>\$ 39,680</u>	<u>\$ 31,123</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (38,804)</u>	<u>\$ (3,779)</u>	<u>\$ (39,550)</u>	<u>\$ (31,891)</u>	<u>\$ (23,668)</u>	<u>\$ (18,643)</u>	<u>\$ (5,025)</u>	<u>\$ 4,858</u>
CASH AND INVESTMENTS, JANUARY 1	<u>58,391</u>	<u>58,391</u>	<u>54,612</u>	<u>54,612</u>	<u>23,668</u>	<u>23,668</u>	<u>5,025</u>	<u>5,025</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 19,587</u>	<u>\$ 54,612</u>	<u>\$ 15,062</u>	<u>\$ 22,721</u>	<u>\$ -</u>	<u>\$ 5,025</u>	<u>\$ -</u>	<u>\$ 9,883</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER USER FEE FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	12,000	7,496	10,000	10,061	30,000	29,526	32,500	30,306
Interest	700	458	500	413	400	172	200	306
Other	-	-	-	-	-	-	-	-
Transfers in	-	2,862	-	-	-	-	-	-
Total Receipts	<u>\$ 12,700</u>	<u>\$ 10,816</u>	<u>\$ 10,500</u>	<u>\$ 10,474</u>	<u>\$ 30,400</u>	<u>\$ 29,698</u>	<u>\$ 32,700</u>	<u>\$ 30,612</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	34,400	700	35,600	-	-	24	-	-
Capital outlay	-	-	-	-	-	-	65,000	22,138
Construction	-	-	-	-	-	-	-	-
Transfers out	15,600	16,300	14,400	14,400	54,974	15,474	-	-
Total Disbursements	<u>\$ 50,000</u>	<u>\$ 17,000</u>	<u>\$ 50,000</u>	<u>\$ 14,400</u>	<u>\$ 54,974</u>	<u>\$ 15,498</u>	<u>\$ 65,000</u>	<u>\$ 22,138</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (37,300)	\$ (6,184)	\$ (39,500)	\$ (3,926)	\$ (24,574)	\$ 14,200	\$ (32,300)	\$ 8,474
CASH AND INVESTMENTS,								
JANUARY 1	<u>75,732</u>	<u>75,732</u>	<u>69,548</u>	<u>69,548</u>	<u>24,669</u>	<u>24,669</u>	<u>38,869</u>	<u>38,869</u>
CASH AND INVESTMENTS,								
DECEMBER 31	<u>\$ 38,432</u>	<u>\$ 69,548</u>	<u>\$ 30,048</u>	<u>\$ 65,622</u>	<u>\$ 95</u>	<u>\$ 38,869</u>	<u>\$ 6,569</u>	<u>\$ 47,343</u>

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VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	935,000	1,033,564	1,100,000	1,067,826	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	2,800	5,407	18,800	6,132
Interest	2,000	1,346	1,000	2,427	-	57	-	177
Other	-	-	-	-	41,500	52,299	30,000	51,035
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 937,000</u>	<u>\$ 1,034,910</u>	<u>\$ 1,101,000</u>	<u>\$ 1,070,253</u>	<u>\$ 44,300</u>	<u>\$ 57,763</u>	<u>\$ 48,800</u>	<u>\$ 57,344</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	746,186	744,724	745,036	732,809	36,564	6,257	100	51
Capital outlay	-	-	-	-	9,000	25,420	69,700	47,064
Construction	-	-	-	-	-	-	-	-
Transfers out	208,000	193,000	465,000	375,000	-	-	-	-
Total Disbursements	<u>\$ 954,186</u>	<u>\$ 937,724</u>	<u>\$ 1,210,036</u>	<u>\$ 1,107,809</u>	<u>\$ 45,564</u>	<u>\$ 31,677</u>	<u>\$ 69,800</u>	<u>\$ 47,115</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (17,186)</u>	<u>\$ 97,186</u>	<u>\$ (109,036)</u>	<u>\$ (37,556)</u>	<u>\$ (1,264)</u>	<u>\$ 26,086</u>	<u>\$ (21,000)</u>	<u>\$ 10,229</u>
CASH AND INVESTMENTS, JANUARY 1	<u>82,106</u>	<u>82,106</u>	<u>179,292</u>	<u>179,292</u>	<u>1,264</u>	<u>1,264</u>	<u>27,350</u>	<u>27,350</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 64,920</u>	<u>\$ 179,292</u>	<u>\$ 70,256</u>	<u>\$ 141,736</u>	<u>\$ -</u>	<u>\$ 27,350</u>	<u>\$ 6,350</u>	<u>\$ 37,579</u>

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VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TAX COLLECTION				RECYCLING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	2	1	-	1	18	7	-	39
Other	-	-	-	-	16,000	10,543	16,500	31,789
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 16,018</u>	<u>\$ 10,550</u>	<u>\$ 16,500</u>	<u>\$ 31,828</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	12,325	10,541	16,500	22,144
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	5,000	1,303	-	5,000
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,325</u>	<u>\$ 11,844</u>	<u>\$ 16,500</u>	<u>\$ 27,144</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2	\$ 1	\$ -	\$ 1	\$ (1,307)	\$ (1,294)	\$ -	\$ 4,684
CASH AND INVESTMENTS, JANUARY 1	<u>171</u>	<u>171</u>	<u>172</u>	<u>172</u>	<u>1,307</u>	<u>1,307</u>	<u>13</u>	<u>13</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 173</u>	<u>\$ 172</u>	<u>\$ 172</u>	<u>\$ 173</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 4,697</u>

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VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	UNITED WAY DARE FUND				PAYMENT IN LIEU OF TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	10	4	-	4	-	-	-	-
Other	2,200	2,200	2,200	2,275	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,210</u>	<u>\$ 2,204</u>	<u>\$ 2,200</u>	<u>\$ 2,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	3,193	2,078	3,309	2,685	35,125	20	35,105	20
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,193</u>	<u>\$ 2,078</u>	<u>\$ 3,309</u>	<u>\$ 2,685</u>	<u>\$ 35,125</u>	<u>\$ 20</u>	<u>\$ 35,105</u>	<u>\$ 20</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (983)	\$ 126	\$ (1,109)	\$ (406)	\$ (35,125)	\$ (20)	\$ (35,105)	\$ (20)
CASH AND INVESTMENTS, JANUARY 1	<u>983</u>	<u>983</u>	<u>1,109</u>	<u>1,109</u>	<u>35,125</u>	<u>35,125</u>	<u>35,105</u>	<u>35,105</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 1,109</u>	<u>\$ -</u>	<u>\$ 703</u>	<u>\$ -</u>	<u>\$ 35,105</u>	<u>\$ -</u>	<u>\$ 35,085</u>

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VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	BOND RESERVE FUND				VERNON COUNTY DARE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	300	14,948	-	14,950	18	5	-	4
Other	-	1,961	-	-	2,000	664	600	216
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 300</u>	<u>\$ 16,909</u>	<u>\$ -</u>	<u>\$ 14,950</u>	<u>\$ 2,018</u>	<u>\$ 669</u>	<u>\$ 600</u>	<u>\$ 220</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	1,407	-	16,620	2,934	472	1,700	1,075
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 1,407</u>	<u>\$ -</u>	<u>\$ 16,620</u>	<u>\$ 2,934</u>	<u>\$ 472</u>	<u>\$ 1,700</u>	<u>\$ 1,075</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 300	\$ 15,502	\$ -	\$ (1,670)	\$ (916)	\$ 197	\$ (1,100)	\$ (855)
CASH AND INVESTMENTS, JANUARY 1	<u>732,131</u>	<u>732,131</u>	<u>747,633</u>	<u>747,633</u>	<u>916</u>	<u>916</u>	<u>1,113</u>	<u>1,113</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 732,431</u>	<u>\$ 747,633</u>	<u>\$ 747,633</u>	<u>\$ 745,963</u>	<u>\$ -</u>	<u>\$ 1,113</u>	<u>\$ 13</u>	<u>\$ 258</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FEDERAL SEIZURE				CAPITAL IMPROVEMENT			
	Year Ended December 31,				Year Ended December 31,			
	2014		2015		2014		2015	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	4	-	3	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	300,000	300,000
Total Receipts	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	581	-	-	-	-	-	-	-
Services and other	-	20	-	20	-	-	300,000	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 581</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (581)	\$ (16)	\$ -	\$ (17)	\$ -	\$ -	\$ -	\$ 300,000
CASH AND INVESTMENTS, JANUARY 1	<u>581</u>	<u>581</u>	<u>565</u>	<u>565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 565</u>	<u>\$ 565</u>	<u>\$ 548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING (CCW)			
	Year Ended December 31,			
	2014		2015	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	14,187	-	21,649
Interest	-	58	-	110
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 14,245</u>	<u>\$ -</u>	<u>\$ 21,759</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	6,336	-	7,432
Services and other	-	463	-	2,763
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 6,799</u>	<u>\$ -</u>	<u>\$ 10,195</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 7,446	\$ -	\$ 11,564
CASH AND INVESTMENTS, JANUARY 1	<u>6,147</u>	<u>6,147</u>	<u>13,593</u>	<u>13,593</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 6,147</u>	<u>\$ 13,593</u>	<u>\$ 13,593</u>	<u>\$ 25,157</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Vernon County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, and Collector - Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Vernon County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County’s legal entity.

Certain elected County officials, particularly the Collector – Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental 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 that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County’s funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

C. 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 accounting principles generally accepted in the United States of America. Those principles 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.

D. Budgets 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's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and 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, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Sheriff's Revolving (CCW) fund in 2014 or 2015.
10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2015</u>	<u>2014</u>
Shelter	✓	N/A
Help America Vote Act	✓	N/A
Election	✓	N/A
Recycling	✓	N/A
Bond Reserve	✓	✓
Federal Seizure	✓	N/A

Also, the actual expenditures of the Sheriff's Revolving (CCW) fund in 2015 and 2014 exceeded budgetary authority to the extent that formal budgets were not adopted for this fund.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2015 and 2014, for purposes of taxation were:

	<u>2015</u>	<u>2014</u>
Real Estate	\$ 162,325,540	\$ 160,288,770
Personal Property	66,291,293	63,038,139
Railroad and Utilities	<u>28,449,962</u>	<u>25,155,661</u>
Total	<u>\$ 257,066,795</u>	<u>\$ 248,482,570</u>

For calendar years 2015 and 2014, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	<u>2015</u>	<u>2014</u>
General Revenue	\$ 0.1659	\$ 0.1661

The County assesses a .50 levy on parcels of land that are part of the sewer district and receives 5% of Road & Bridge taxes levied and collected by each township in the County.

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 the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other 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, purchased at a price at or below 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 and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and investments with maturities that are less than ninety days. The County also maintains a bond reserve investment account which consists of cash equivalents and fixed income securities with maturities greater than ninety days. The fixed income securities were purchased in October 2013. Prior to this, the bond reserve account consisted solely of cash equivalents.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2015 and 2014, the carrying amounts of the County's deposits were \$2,524,280 and \$2,246,707, respectively, and the bank balances were \$2,264,246 and \$2,060,534, respectively. Of the bank balances, \$250,000 for both December 31, 2015 and December 31, 2014, were covered by federal depository insurance. The remainder of the balances at December 31, 2015 and December 31, 2014 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2015 and 2014, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$8,695,323 and \$8,343,500 at December 31, 2015 and 2014, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2015 and 2014. The remainder of the balances at December 31, 2015 and December 31, 2014 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Vernon 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. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

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. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or at by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Vernon County do not contribute to the pension plan. The June 30th statutorily required contribution rates were 5.8% and 7.9% (General), and 10.9% and 13.2% (Police) of annual covered payroll for 2015 and 2014 respectively. Beginning with the first quarter of 2015, the County elected to upgrade to the L-7 benefit program, and the June 30th statutorily required contribution rates beginning in April of 2015 were 8.8% (General) and 13.8% (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. For the years ended December 31, 2015 and 2014, the County contributed \$170,989 and \$158,966 to LAGERS.

B. County Employees' Retirement Fund (CERF)

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

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain

personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

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, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-573-632-9203, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. All participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2015 and 2014, the County collected and remitted to CERF employee contributions of approximately \$90,704 and \$76,639, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by 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.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with up to 30 days of sick time, to accrue at one and one half day per complete calendar month of employment. Upon termination, the employee is not compensated accrued sick time. Vacation time is accrued for every full-time employee, and accrues at the rate of 5 to 20 days per year depending on length of employment. Employees must use vacation time in the year it is earned.

Effective June 11, 2015, a revised policy was adopted by the County for sick leave. The revised policy states that after an introductory period of six months, the County provides full-time employees with up to 30 days of sick time. All County employees who work a scheduled 40 hour work week will receive 5.5 hours per pay period and then one hour at the end of the calendar year. Employees who work a scheduled 35-40 hour work week will receive 4 hours of sick leave per pay period and one additional hour at the end of the calendar year. No sick leave is awarded on overtime hours worked.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, 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 and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. 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. 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 which are intended 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 is 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 \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County issued certificates of participation bonds to provide funds for the construction of a new law enforcement facility and to repay the related bond anticipation notes. The County created a Law Enforcement Sales Tax Fund and a Bond Reserve Fund in which the activity for this project and the bond reserve are recorded. Sales tax revenue bonds are payable from a one-half cent sales tax plus the interest from the Bond Reserve Fund. The County debt at December 31, 2015 consisted of \$6,860,000 in Certificates of Participation, Series 2007, with principal payments due on October 1 each year through 2027. Principal payments increase each year, with \$455,000 due on October 1, 2016 up to \$710,000 due on October 1, 2027. Interest is due on April 1 and October 1 each year with interest rates increasing each year from the initial rate of 3.5% up to 4.4%.

8. CAPITAL LEASES

On December 4, 2015, the County entered into a 48 month capital lease for two 2016 Police Interceptor Utility AWD vehicles for the Sheriff's Department. The lease is to be paid in annual payments of \$17,618, which include interest of 5.95%, with the final payment scheduled on December 4, 2018. At the end of the lease, the County will have the option to purchase the vehicles.

9. CHANGE IN REPORTING ENTITY

As of January 1, 2014, the County has changed its definition of the reporting entity to include the Federal Seizure and Sheriff Revolving (CCW) funds.

10. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2015 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 24, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

MCBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITOR'S 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 and
Officeholders of Vernon County, Missouri

We have audited in accordance with the 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, the financial statements of Vernon County, Missouri as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise Vernon County, Missouri's basic financial statements and have issued our report thereon dated June 24, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Vernon County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vernon County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Vernon County, Missouri's internal control.

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 County'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and recommendations that we consider to be significant deficiencies as items 1 and 2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vernon County, Missouri's financial statements are free from 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as item 3.

We also noted three other matters that we reported to management of Vernon County, Missouri in the accompanying schedule of findings and recommendations section as items 4 through 6.

Vernon County, Missouri's Response to Findings

Vernon County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Vernon County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



McBride, Lock & Associates, LLC
Kansas City, Missouri
June 24, 2016

MCBRIDE, LOCK & ASSOCIATES, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

To the County Commission and
Officeholders of Vernon County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Vernon County, Missouri's 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 Vernon County, Missouri's major federal programs for the years ended December 31, 2015 and 2014. Vernon County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Vernon County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. 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 major federal programs occurred. An audit includes examining, on a test basis, evidence about the Vernon County, Missouri'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Vernon County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Vernon County, Missouri complied, in all material respects, with the types of 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, 2015 and 2014.

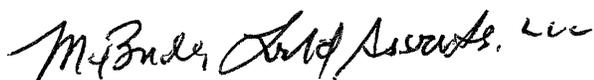
Report on Internal Control over Compliance

Management of Vernon County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Vernon County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Vernon County, Missouri'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purposes.



McBride, Lock & Associates, LLC
Kansas City, Missouri
June 24, 2016

VERNON 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, 2014	2015
U.S. DEPARTMENT OF JUSTICE				
Direct program -				
16.710	Public Safety Partnership and Community Policing Grants	2012UMWX0110	26,135	32,360
Passed through -				
State Department of Public Safety -				
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	ERS172392 OSCA 16-003-18	26,163 -	18,100 14,667
16.738	Edward Byrne Memorial Justice Assistance Grant Program	LLEBG 2013JAG026	7,528 13,789	1,768 77,594
16.201584	Domestic Cannabis Eradication/Suppression Program		-	1,050
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through State Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO-B108(39) BRO-B108(40) BRO-B108(41) BRO-B108(42) BRO-B108(43) BRO-B108(44)	389,760 244,411 28,326 36,621 - -	- - 545,818 13,598 11,448 10,654
20.607	Passed through State Department of Public Safety - Alcohol Open Container Requirements	13-154-AL-074	3,594	2,265
ELECTION ASSISTANCE COMMISSION				
90.401	Passed through the Office of Secretary of State - Help America Vote Act Requirements Payments	n/a	-	2,418
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
93.563	Passed through state Department of Social Services - Child Support Enforcement	n/a	1,857	966
93.569	Community Services Block Grant	n/a	49,370	25,950
U. S. DEPARTMENT OF HOMELAND SECURITY				
97.042	Passed through State Department of Public Safety - Emergency Management Performance Grants	EMW-2013 EMW-2015	16,614 -	- 15,246
Total Expenditures of Federal Awards			<u>\$ 844,168</u>	<u>\$ 773,902</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

VERNON COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2015 and 2014.

VERNON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

Type of Auditors’ Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported
- Noncompliance material to financial statements noted? X Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of Auditor’s Report Issued on Compliance For Major Programs: Unmodified

Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133? Yes X No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Internal Controls Over Employee Timesheets and Pay
2. Accounting for Transfers
3. Budgetary Controls
4. Collector – Treasurer Collateral Monitoring
5. Procurement Procedures
6. Inaccurate Published Financial Statements

Summary Schedule of Prior Audit Findings:

1. Budgetary Controls
2. Accounting for Transfers

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2013-1. Incorrect Schedule of Expenditures of Federal Awards (SEFA)

The County Clerk did not prepare an accurate SEFA for the years ending December 31, 2012 and 2013. The reported expenditures for two projects under CFDA Number 20.205, and a grant under CFDA Number 20.601 were not accurate when compared to county prepared reimbursement requests to the state. As a result, expenditures were understated on the draft SEFA.

Status – This finding is resolved.

FINDINGS AND RECOMMENDATIONS

VERNON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Internal Controls Over Employee Timesheets and Pay

Condition: A County Road & Bridge Employee approved the time reported on his own timesheet. The timesheet presents the hours worked and vacation and sick leave taken for the period, and includes lines for "Employee Signature" and "Supervisor's Signature"; however, both lines were signed by the Road & Bridge Employee. Review of the 2014 timesheets in the Employee's personnel file revealed that in some instances, a Commissioner approved the Employee's timesheet; however, there were several instances in which the Employee's timesheet was not signed by a Commissioner. In addition, a County Geographic Information System (GIS) Employee did not have a Supervisor signature on his timesheet. The 2014 timesheets in the Employee's personnel file revealed several instances in which there was no Supervisor signature.

The County did not maintain a record for a separate Road & Bridge Employee's approved rates of pay, either in a centralized record or in the Employee's individual personnel file. The County maintains a Budget Spreadsheet to document certain employees' rates of pay. However, at the end of calendar year 2014, an employee was paid \$.50 more per hour than the amount listed for the employee on the respective Budget Spreadsheet. Additionally, for the pay period tested, an employee was paid \$.52 more per hour than the amount listed for the Employee on the respective Budget Spreadsheet. The County could not provide support for the aforementioned pay increases and believe they were related to a \$.50 per hour increase that Road & Bridge employees receive after six months of employment.

Recommendation: We recommend that the County ensure all timesheets are signed by an employee's supervisor prior to distributing payroll.

In addition, we recommend that the County implement a process to ensure that all employee pay rates are adequately documented, and that all changes in pay rates are accompanied by a supporting document approved by an elected official or Commissioner.

County's Response: Commission has instructed employees in question to sign only as the employee rather than as the employee and supervisor. Commission will continue to monitor timesheets each pay period.

The County Clerk will put supporting documentation in all Road & Bridge employee personnel files that supports the \$.50 pay increase after 6 months of employment.

Auditor's Response: The response is appropriate to correct the concern.

2. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget documents present transfers between funds. The recorded transfers out did not equal the recorded transfers in for either 2015 or 2014. This was the result of transfers out misclassified as expenditures and transfers in misclassified as revenues. The transfers recorded as revenues were misclassified as intergovernmental revenue in each year. This has the affect of overstating expenditures and revenues as recorded in the annual budget documents. All transfers out must be accompanied by a corresponding transfer in. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2015 and 2014.

Recommendation: In order to ensure that transfers are properly reported and in balance, we recommend transfers out always be accompanied by an equal transfer in and that the transfers be clearly identified on the budget. Additionally, we recommend that the County clearly distinguish transfers in from intergovernmental revenues on the budget.

County's Response: Commission will take as advised and be consistent in future years in identifying transfers as transfers rather than revenue.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

3. Budgetary Controls

Condition: Actual expenditures exceeded budgeted expenditures for one fund in 2014 and six funds in 2015. The detailed list of funds can be found in Note 1.D.10 to the financial statements. RSMo 50.740 prohibits expenditures in excess of the approved budgets. The expenditures reported for the Bond Reserve Fund represented a decline in the market value of the bond reserve investment account and not actual cash disbursements; therefore, the County did not attempt to budget for this amount.

In addition, the County did not adopt a formal budget for the Sheriff's Revolving (CCW) Fund in 2014 or 2015. The Sheriff's Revolving (CCW) represents the fees collected by the Sheriff's Department for conceal and carry permits issued to individuals. The money receipted in this fund may be used at the Sheriff's discretion. Therefore, the fund should be included as part of the County's budget process as it represents County money. The financial statements presented in this report have been adjusted to include this fund.

Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County strictly adhere to the authorized spending limits as documented in the adopted County budget or follow the appropriate procedures to amend the budget. We also recommend that the County adopt complete formal budgets for all funds as required by law.

County's Response: The County will take as advised and attempt to properly amend the budget as necessary. The Sheriff's CCW Fund has been added as a part of the county budget process.

Auditor's Response: The response is appropriate to correct the concern.

OTHER MATTERS

4. Collector - Treasurer Collateral Monitoring

Condition: The Collector - Treasurer has not been monitoring the amount of collateral pledged by the bank to ensure that the collateral is adequate to secure the County's deposits in excess of FDIC coverage. The County is required to protect all deposits in excess of the \$250,000 FDIC insurance coverage threshold to ensure that the deposits of public funds can be recovered in the event of a bank failure. While the County's deposits in excess of FDIC coverage were adequately collateralized as of December 31, 2014 and 2015, the Collector - Treasurer is not receiving periodic reports from the bank stating the amount of pledged collateral held in the County's name.

Recommendation: We recommend that the Collector - Treasurer monitor the amount of pledged collateral held by the bank in the County's name in order to ensure the sufficient collateral is held to secure the County's deposits in excess of FDIC coverage.

County's Response: The Vernon County Treasurer and the bank monitor the amount of pledged securities as tax money starts coming in from November thru January. They have not been receiving a report stating pledged amounts but will ask the bank for these reports in the future.

Auditor's Evaluation: The response is appropriate to correct the concern.

5. Procurement Procedures

Condition: The County did not consistently solicit bids and/or retain bid documentation for various purchases of goods and services. RSMo 50.660 states that, "All contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition...except that the advertising is not required in case of contracts or purchases involving an expenditure of less than six thousand dollars. It is not necessary to obtain bids on any purchase in the amount of four thousand five hundred dollars or less made from any one person, firm or corporation during any period of ninety days..." RSMO 50.783.1 states that, "The county commission may waive the requirement of competitive bids or proposals for supplies when the commission has determined in writing and entered into the commission minutes that there is only a single feasible source for the supplies." Out of twenty five transactions tested for each year within the audit period, there was one instance in both 2015 and 2014 in which a bid was not solicited or sole source documentation was not included within the Commission minutes as required.

Recommendation: We recommend the County solicit bids in accordance with Missouri state law, maintain bid documentation in conjunction with associated disbursement records, and include pertinent bid information in the Commission minutes.

County's Response: The County will take as advised and solicit bids when appropriate.

Auditor's Evaluation: The response is appropriate to correct the concern.

6. Inaccurate Published Financial Statements

Condition: Financial data of the County, including a Financial Statement for the years ended December 31, 2015 and 2014, was published by the Nevada Daily Mail. The 2015 published Financial Statement agreed to budget amounts; however, the 2014 published Financial Statement did not include the Bond Reserve funds receipts and disbursements. Additionally, the Sheriff's Revolving (CCW) Fund was not included in the published Financial Statements for the years ended December 31, 2015 and 2014.

Recommendation: We recommend that the County implement a process to ensure that the published Financial Statements agree to the budget balances for each County fund and that all County funds are included.

County's Response: The County Clerk's office will strive to ensure that all published financial statements agree to the budget balance and ensure that all funds are included.

Auditor's Evaluation: The response is appropriate to correct the concern.

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

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Vernon County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2013 and 2012.

1. The County did not exercise adequate budgetary control over funds which incurred expenditures in excess of the authorized budgeted levels.

Status: Not resolved. See Finding No. 3.

2. The transfers reported in both 2013 and 2012 did not balance, in that transfers to other funds were not in agreement with transfers from other funds.

Status: Not resolved. See Finding No. 2.