

ANNUAL FINANCIAL REPORT

**VERNON COUNTY, MISSOURI**

For the Years Ended  
December 31, 2017 and 2016

VERNON COUNTY, MISSOURI

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## **INTRODUCTORY SECTION**

VERNON COUNTY, MISSOURI  
List of Elected Officials

*County Commission*

Presiding Commissioner – Joe Hardin  
Northern Commissioner – Cindy Thompson  
Southern Commissioner – Everett Wolfe

*Other Elected Officials*

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

## **FINANCIAL SECTION**

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## **McBRIDE, LOCK & ASSOCIATES, LLC**

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Certified Public Accountants

### INDEPENDENT AUDITOR'S 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, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

#### **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 from 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 above 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, 2017 and 2016, or the changes in financial position thereof for the years then ended.

## **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Vernon County, Missouri, as of December 31, 2017 and 2016, 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 as described in Note 1.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated September 5, 2018, 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  
Kansas City, Missouri  
September 5, 2018

VERNON COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Cash Equivalents			Cash and Cash Equivalents			Cash and Cash Equivalents		
	January 1, 2016	Receipts 2016	Disbursements 2016	December 31, 2016	Receipts 2017	Disbursements 2017	December 31, 2017		
General Revenue	\$ 699,204	\$ 4,240,004	\$ 4,406,225	\$ 532,983	\$ 4,773,929	\$ 4,552,467	\$ 754,445		
Special Road & Bridge	324,105	1,345,847	1,331,849	338,103	1,768,542	1,450,244	656,401		
Assessment	-	347,249	331,926	15,323	286,930	283,643	18,610		
Quarter % Assessment	9,883	39,285	26,879	22,289	38,186	52,912	7,563		
Sheriff's Discretionary	4,175	14,955	12,217	6,913	14,226	13,426	7,713		
Law Enforcement Training	814	4,628	2,320	3,122	3,775	4,255	2,642		
Prosecuting Attorney Training	352	764	20	1,096	655	20	1,731		
Sewer	454	5,840	5,200	1,094	5,195	6,289	-		
Election	-	93,824	93,824	-	46,860	46,860	-		
Law Enforcement Sales Tax	141,736	1,065,932	1,067,788	139,880	1,086,175	1,114,637	111,418		
Local Emergency Planning Commission	15,098	3,863	3,292	15,669	3,484	881	18,272		
Law Enforcement Restitution	47,343	26,739	50,967	23,115	30,038	17,270	35,883		
Election Service	27,158	11,649	35,546	3,261	48,762	8,215	43,808		
Tax Maintenance	22,721	27,977	30,686	20,012	31,283	39,966	11,329		
Help America Vote Act	10,077	14,296	15,240	9,133	5,708	4,884	9,957		
Inmate Security	37,579	73,618	59,571	51,626	70,482	108,814	13,294		
Prosecuting Attorney Administrative Cost	351	7,301	6,764	888	7,855	5,921	2,822		
Shelter	5,024	5,244	9,500	768	4,695	5,463	-		
Recycling	4,697	25,117	25,799	4,015	32,309	28,087	8,237		
Federal Seizure	548	3	12	539	39,695	37,294	2,940		
United Way DARE	703	3,530	2,731	1,502	3,007	3,275	1,234		
Payment in Lieu of Tax	35,085	-	35,085	-	-	-	-		
Vernon County DARE	258	1,704	507	1,455	455	594	1,316		
Prosecuting Attorney Tax Collection	173	1	-	174	1	-	175		
Recorder User Fee	65,622	11,300	9,531	67,391	10,466	12,695	65,162		
Bond Reserve	745,963	32,552	31,799	746,716	4,930	751,060	586		
Capital Improvement	300,000	100,000	-	400,000	90,000	33,670	456,330		
Sheriff's Revolving (CCW)	25,157	30,385	27,257	28,285	2,650	15,710	15,225		
Katy Allen Lake	-	67,080	-	67,080	53,500	85,249	35,331		
Total	<u>\$ 2,524,280</u>	<u>\$ 7,600,687</u>	<u>\$ 7,622,535</u>	<u>\$ 2,502,432</u>	<u>\$ 8,463,793</u>	<u>\$ 8,683,801</u>	<u>\$ 2,282,424</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,				
	2016		2017	
	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>				
Property taxes	\$ 421,000	\$ 465,571	\$ 448,500	\$ 446,866
Sales taxes	1,025,000	1,067,930	1,050,000	1,080,134
Intergovernmental	790,294	662,492	840,178	917,196
Charges for services	1,403,150	1,545,968	1,454,995	1,668,196
Interest	4,000	5,977	5,000	6,654
Other	166,992	56,389	303,177	177,370
Transfers in	468,983	435,677	471,000	477,513
Total Receipts	<u>\$ 4,279,419</u>	<u>\$ 4,240,004</u>	<u>\$ 4,572,850</u>	<u>\$ 4,773,929</u>
<b>DISBURSEMENTS</b>				
County Commission	\$ 108,534	\$ 106,532	\$ 106,977	\$ 106,518
County Clerk	180,051	176,966	181,911	177,007
Elections	119,000	84,335	38,750	38,558
Buildings and grounds	243,738	147,877	318,259	216,382
Employee fringe benefits	630,551	592,678	683,330	576,925
Treasurer	145,304	136,002	140,429	137,705
Recorder of Deeds	95,584	93,054	95,583	93,806
Circuit Clerk	53,700	35,435	54,800	51,637
Court administration	22,800	24,872	27,170	17,779
Public Administrator	96,664	94,794	96,198	93,148
Sheriff	873,628	832,650	933,191	791,165
Jail	1,329,752	1,189,871	1,359,015	1,410,225
Prosecuting Attorney	224,401	222,610	225,081	225,452
Juvenile Officer	156,220	144,081	156,200	127,558
Coroner	34,719	34,942	37,974	38,535
Other County government	284,110	252,883	300,201	287,876
Health and welfare	1,000	1,000	2,000	2,000
Transfers out	210,585	195,517	158,151	142,117
Emergency fund	121,031	40,126	128,870	18,074
Total Disbursements	<u>\$ 4,931,372</u>	<u>\$ 4,406,225</u>	<u>\$ 5,044,090</u>	<u>\$ 4,552,467</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (651,953)	\$ (166,221)	\$ (471,240)	\$ 221,462
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>699,204</u>	<u>699,204</u>	<u>532,983</u>	<u>532,983</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 47,251</u>	<u>\$ 532,983</u>	<u>\$ 61,743</u>	<u>\$ 754,445</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,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ 123,000	\$ 129,648	\$ 128,000	\$ 130,618	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,111,106	1,199,793	1,941,071	1,596,153	213,862	232,610	228,328	225,305
Charges for services	-	-	-	-	-	-	-	-
Interest	2,000	2,209	2,000	3,482	380	208	200	251
Other	8,400	9,017	5,400	10,607	7,880	8,537	-	253
Transfers in	5,200	5,180	5,000	27,682	121,970	105,894	66,644	61,121
Total Receipts	<u>\$ 2,249,706</u>	<u>\$ 1,345,847</u>	<u>\$ 2,081,471</u>	<u>\$ 1,768,542</u>	<u>\$ 344,092</u>	<u>\$ 347,249</u>	<u>\$ 295,172</u>	<u>\$ 286,930</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ 272,783	\$ 264,467	\$ 279,513	\$ 266,713	\$ 178,221	\$ 175,952	\$ 180,846	\$ 167,083
Employee fringe benefits	123,465	119,162	98,235	96,823	76,764	70,147	70,706	58,145
Materials and supplies	65,000	36,404	59,000	34,207	17,275	17,165	17,375	17,782
Services and other	281,359	265,459	287,785	270,251	71,832	68,662	41,568	40,633
Capital outlay	219,000	98,599	157,000	51,385	-	-	-	-
Construction	1,437,343	456,557	1,334,211	654,365	-	-	-	-
Transfers out	145,732	91,201	98,000	76,500	-	-	-	-
Total Disbursements	<u>\$ 2,544,682</u>	<u>\$ 1,331,849</u>	<u>\$ 2,313,744</u>	<u>\$ 1,450,244</u>	<u>\$ 344,092</u>	<u>\$ 331,926</u>	<u>\$ 310,495</u>	<u>\$ 283,643</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (294,976)</u>	<u>\$ 13,998</u>	<u>\$ (232,273)</u>	<u>\$ 318,298</u>	<u>\$ -</u>	<u>\$ 15,323</u>	<u>\$ (15,323)</u>	<u>\$ 3,287</u>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>								
	<u>324,105</u>	<u>324,105</u>	<u>338,103</u>	<u>338,103</u>	<u>-</u>	<u>-</u>	<u>15,323</u>	<u>15,323</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>								
	<u>\$ 29,129</u>	<u>\$ 338,103</u>	<u>\$ 105,830</u>	<u>\$ 656,401</u>	<u>\$ -</u>	<u>\$ 15,323</u>	<u>\$ -</u>	<u>\$ 18,610</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

	QUARTER % ASSESSMENT FUND				SHERIFF'S DISCRETIONARY FUND			
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2016	2017	2016	2017	2016	2017	2016	2017
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	34,000	38,976	38,039	37,803	-	-	-	-
Charges for services	1,500	175	-	229	11,000	14,920	14,900	14,180
Interest	125	134	135	154	-	35	-	46
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 35,625</u>	<u>\$ 39,285</u>	<u>\$ 38,174</u>	<u>\$ 38,186</u>	<u>\$ 11,000</u>	<u>\$ 14,955</u>	<u>\$ 14,900</u>	<u>\$ 14,226</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	9,883	3,435	11,230	10,312	14,884	12,217	21,813	13,426
Capital outlay	25,240	23,444	34,740	28,107	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	10,385	-	14,493	14,493	-	-	-	-
Total Disbursements	<u>\$ 45,508</u>	<u>\$ 26,879</u>	<u>\$ 60,463</u>	<u>\$ 52,912</u>	<u>\$ 14,884</u>	<u>\$ 12,217</u>	<u>\$ 21,813</u>	<u>\$ 13,426</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ (9,883)	\$ 12,406	\$ (22,289)	\$ (14,726)	\$ (3,884)	\$ 2,738	\$ (6,913)	\$ 800
<b>CASH AND CASH EQUIVALENTS,</b>								
<b>JANUARY 1</b>	<u>9,883</u>	<u>9,883</u>	<u>22,289</u>	<u>22,289</u>	<u>4,175</u>	<u>4,175</u>	<u>6,913</u>	<u>6,913</u>
<b>CASH AND CASH EQUIVALENTS,</b>								
<b>DECEMBER 31</b>	<u>\$ -</u>	<u>\$ 22,289</u>	<u>\$ -</u>	<u>\$ 7,563</u>	<u>\$ 291</u>	<u>\$ 6,913</u>	<u>\$ -</u>	<u>\$ 7,713</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				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,500	4,616	4,500	3,748	-	-	-	-
Interest	-	12	-	27	1	5	-	9
Other	-	-	-	-	600	759	650	646
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,500</u>	<u>\$ 4,628</u>	<u>\$ 4,500</u>	<u>\$ 3,775</u>	<u>\$ 601</u>	<u>\$ 764</u>	<u>\$ 650</u>	<u>\$ 655</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,300	2,320	7,622	4,255	700	20	1,746	20
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,300</u>	<u>\$ 2,320</u>	<u>\$ 7,622</u>	<u>\$ 4,255</u>	<u>\$ 700</u>	<u>\$ 20</u>	<u>\$ 1,746</u>	<u>\$ 20</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ (800)	\$ 2,308	\$ (3,122)	\$ (480)	\$ (99)	\$ 744	\$ (1,096)	\$ 635
<b>CASH AND CASH EQUIVALENTS,</b>								
JANUARY 1	<u>814</u>	<u>814</u>	<u>3,122</u>	<u>3,122</u>	<u>352</u>	<u>352</u>	<u>1,096</u>	<u>1,096</u>
<b>CASH AND CASH EQUIVALENTS,</b>								
DECEMBER 31	<u>\$ 14</u>	<u>\$ 3,122</u>	<u>\$ -</u>	<u>\$ 2,642</u>	<u>\$ 253</u>	<u>\$ 1,096</u>	<u>\$ -</u>	<u>\$ 1,731</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				ELECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ 5,200	\$ 5,808	\$ 5,500	\$ 5,160	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	135,000	30,403	60,000	46,860
Charges for services	-	-	-	-	-	-	-	-
Interest	25	32	-	35	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	63,421	-	-
Total Receipts	<u>\$ 5,225</u>	<u>\$ 5,840</u>	<u>\$ 5,500</u>	<u>\$ 5,195</u>	<u>\$ 135,000</u>	<u>\$ 93,824</u>	<u>\$ 60,000</u>	<u>\$ 46,860</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,200	20	-	20	135,000	86,347	60,000	41,498
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	5,180	6,594	6,269	-	7,477	-	5,362
Total Disbursements	<u>\$ 5,200</u>	<u>\$ 5,200</u>	<u>\$ 6,594</u>	<u>\$ 6,289</u>	<u>\$ 135,000</u>	<u>\$ 93,824</u>	<u>\$ 60,000</u>	<u>\$ 46,860</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ 25	\$ 640	\$ (1,094)	\$ (1,094)	\$ -	\$ -	\$ -	\$ -
<b>CASH AND CASH EQUIVALENTS,</b>								
JANUARY 1	<u>454</u>	<u>454</u>	<u>1,094</u>	<u>1,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS,</b>								
DECEMBER 31	<u>\$ 479</u>	<u>\$ 1,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	<u>LAW ENFORCEMENT SALES TAX FUND</u>				<u>LOCAL EMERGENCY PLANNING COMMISSION FUND</u>			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,045,000	1,064,061	1,050,000	1,079,507	-	-	-	-
Intergovernmental	-	-	-	-	3,650	3,863	3,672	3,484
Charges for services	-	-	-	-	-	-	-	-
Interest	2,000	1,871	-	2,509	-	-	-	-
Other	-	-	-	4,159	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,047,000</u>	<u>\$ 1,065,932</u>	<u>\$ 1,050,000</u>	<u>\$ 1,086,175</u>	<u>\$ 3,650</u>	<u>\$ 3,863</u>	<u>\$ 3,672</u>	<u>\$ 3,484</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	758,096	732,788	760,351	739,637	15,000	3,292	7,060	881
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	335,000	335,000	355,000	375,000	-	-	-	-
Total Disbursements	<u>\$ 1,093,096</u>	<u>\$ 1,067,788</u>	<u>\$ 1,115,351</u>	<u>\$ 1,114,637</u>	<u>\$ 15,000</u>	<u>\$ 3,292</u>	<u>\$ 7,060</u>	<u>\$ 881</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ (46,096)	\$ (1,856)	\$ (65,351)	\$ (28,462)	\$ (11,350)	\$ 571	\$ (3,388)	\$ 2,603
<b>CASH AND CASH EQUIVALENTS,</b>								
JANUARY 1	<u>141,736</u>	<u>141,736</u>	<u>139,880</u>	<u>139,880</u>	<u>15,098</u>	<u>15,098</u>	<u>15,669</u>	<u>15,669</u>
<b>CASH AND CASH EQUIVALENTS,</b>								
DECEMBER 31	<u>\$ 95,640</u>	<u>\$ 139,880</u>	<u>\$ 74,529</u>	<u>\$ 111,418</u>	<u>\$ 3,748</u>	<u>\$ 15,669</u>	<u>\$ 12,281</u>	<u>\$ 18,272</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 RESTITUTION FUND				ELECTION SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	12,228	1,803	2,000	10,505
Charges for services	30,000	26,472	30,000	29,864	-	-	-	-
Interest	-	267	-	174	140	115	100	44
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	5,500	9,731	3,000	38,213
Total Receipts	<u>\$ 30,000</u>	<u>\$ 26,739</u>	<u>\$ 30,000</u>	<u>\$ 30,038</u>	<u>\$ 17,868</u>	<u>\$ 11,649</u>	<u>\$ 5,100</u>	<u>\$ 48,762</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	15,000	33,946	8,361	8,215
Services and other	-	2,436	53,115	17,270	-	-	-	-
Capital outlay	77,000	48,531	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	1,600	-	-
Total Disbursements	<u>\$ 77,000</u>	<u>\$ 50,967</u>	<u>\$ 53,115</u>	<u>\$ 17,270</u>	<u>\$ 15,000</u>	<u>\$ 35,546</u>	<u>\$ 8,361</u>	<u>\$ 8,215</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ (47,000)	\$ (24,228)	\$ (23,115)	\$ 12,768	\$ 2,868	\$ (23,897)	\$ (3,261)	\$ 40,547
<b>CASH AND CASH EQUIVALENTS,</b>								
JANUARY 1	<u>47,343</u>	<u>47,343</u>	<u>23,115</u>	<u>23,115</u>	<u>27,158</u>	<u>27,158</u>	<u>3,261</u>	<u>3,261</u>
<b>CASH AND CASH EQUIVALENTS,</b>								
DECEMBER 31	<u>\$ 343</u>	<u>\$ 23,115</u>	<u>\$ -</u>	<u>\$ 35,883</u>	<u>\$ 30,026</u>	<u>\$ 3,261</u>	<u>\$ -</u>	<u>\$ 43,808</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				HELP AMERICA VOTE ACT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	17,986	10,263	4,643	3,143
Charges for services	28,000	27,782	27,500	31,099	-	-	-	-
Interest	150	195	200	184	100	33	30	59
Other	-	-	-	-	-	-	-	106
Transfers in	-	-	-	-	-	4,000	1,600	2,400
Total Receipts	<u>\$ 28,150</u>	<u>\$ 27,977</u>	<u>\$ 27,700</u>	<u>\$ 31,283</u>	<u>\$ 18,086</u>	<u>\$ 14,296</u>	<u>\$ 6,273</u>	<u>\$ 5,708</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	28,000	18,686	28,000	27,966	-	-	-	-
Services and other	-	-	-	-	20,486	15,240	15,406	4,884
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	12,000	12,000	12,000	12,000	-	-	-	-
Total Disbursements	<u>\$ 40,000</u>	<u>\$ 30,686</u>	<u>\$ 40,000</u>	<u>\$ 39,966</u>	<u>\$ 20,486</u>	<u>\$ 15,240</u>	<u>\$ 15,406</u>	<u>\$ 4,884</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ (11,850)	\$ (2,709)	\$ (12,300)	\$ (8,683)	\$ (2,400)	\$ (944)	\$ (9,133)	\$ 824
<b>CASH AND CASH</b>								
<b>EQUIVALENTS, JANUARY 1</b>	<u>22,721</u>	<u>22,721</u>	<u>20,012</u>	<u>20,012</u>	<u>10,077</u>	<u>10,077</u>	<u>9,133</u>	<u>9,133</u>
<b>CASH AND CASH</b>								
<b>EQUIVALENTS, DECEMBER 31</b>	<u>\$ 10,871</u>	<u>\$ 20,012</u>	<u>\$ 7,712</u>	<u>\$ 11,329</u>	<u>\$ 7,677</u>	<u>\$ 9,133</u>	<u>\$ -</u>	<u>\$ 9,957</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

	INMATE SECURITY FUND				PROSECUTING ATTORNEY ADMINISTRATIVE COST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	5,500	7,187	7,500	5,232	5,000	4,992	4,362	4,848
Interest	-	223	-	238	-	23	-	22
Other	48,000	66,208	65,000	65,012	2,500	2,286	1,750	2,985
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 53,500</u>	<u>\$ 73,618</u>	<u>\$ 72,500</u>	<u>\$ 70,482</u>	<u>\$ 7,500</u>	<u>\$ 7,301</u>	<u>\$ 6,112</u>	<u>\$ 7,855</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	2,000	1,264	2,000	1,408
Services and other	8,100	6,099	9,200	3,353	-	-	-	-
Capital outlay	81,900	53,472	114,926	105,461	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	5,500	5,500	5,000	4,513
Total Disbursements	<u>\$ 90,000</u>	<u>\$ 59,571</u>	<u>\$ 124,126</u>	<u>\$ 108,814</u>	<u>\$ 7,500</u>	<u>\$ 6,764</u>	<u>\$ 7,000</u>	<u>\$ 5,921</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>								
	\$ (36,500)	\$ 14,047	\$ (51,626)	\$ (38,332)	\$ -	\$ 537	\$ (888)	\$ 1,934
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>								
	<u>37,579</u>	<u>37,579</u>	<u>51,626</u>	<u>51,626</u>	<u>351</u>	<u>351</u>	<u>888</u>	<u>888</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>								
	<u>\$ 1,079</u>	<u>\$ 51,626</u>	<u>\$ -</u>	<u>\$ 13,294</u>	<u>\$ 351</u>	<u>\$ 888</u>	<u>\$ -</u>	<u>\$ 2,822</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				RECYCLING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	2,250
Charges for services	4,500	5,224	5,000	4,677	-	-	-	-
Interest	10	20	-	18	10	40	-	51
Other	-	-	-	-	30,000	25,077	32,500	30,008
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,510</u>	<u>\$ 5,244</u>	<u>\$ 5,000</u>	<u>\$ 4,695</u>	<u>\$ 30,010</u>	<u>\$ 25,117</u>	<u>\$ 32,500</u>	<u>\$ 32,309</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	9,500	9,500	5,768	5,463	27,207	18,799	24,500	19,587
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	7,500	7,000	8,000	8,500
Total Disbursements	<u>\$ 9,500</u>	<u>\$ 9,500</u>	<u>\$ 5,768</u>	<u>\$ 5,463</u>	<u>\$ 34,707</u>	<u>\$ 25,799</u>	<u>\$ 32,500</u>	<u>\$ 28,087</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (4,990)</u>	<u>\$ (4,256)</u>	<u>\$ (768)</u>	<u>\$ (768)</u>	<u>\$ (4,697)</u>	<u>\$ (682)</u>	<u>\$ -</u>	<u>\$ 4,222</u>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>								
	<u>5,024</u>	<u>5,024</u>	<u>768</u>	<u>768</u>	<u>4,697</u>	<u>4,697</u>	<u>4,015</u>	<u>4,015</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>								
	<u>\$ 34</u>	<u>\$ 768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,015</u>	<u>\$ 4,015</u>	<u>\$ 8,237</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 FUND				UNITED WAY DARE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	39,608	39,608	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	3	-	87	-	5	-	7
Other	-	-	-	-	2,000	3,525	3,500	3,000
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 39,608</u>	<u>\$ 39,695</u>	<u>\$ 2,000</u>	<u>\$ 3,530</u>	<u>\$ 3,500</u>	<u>\$ 3,007</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	548	12	538	20	2,700	2,731	5,002	3,275
Capital outlay	-	-	39,609	37,274	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 548</u>	<u>\$ 12</u>	<u>\$ 40,147</u>	<u>\$ 37,294</u>	<u>\$ 2,700</u>	<u>\$ 2,731</u>	<u>\$ 5,002</u>	<u>\$ 3,275</u>
<b>RECEIPTS OVER (UNDER)</b>								
DISBURSEMENTS	\$ (548)	\$ (9)	\$ (539)	\$ 2,401	\$ (700)	\$ 799	\$ (1,502)	\$ (268)
<b>CASH AND CASH EQUIVALENTS,</b>								
JANUARY 1	<u>548</u>	<u>548</u>	<u>539</u>	<u>539</u>	<u>703</u>	<u>703</u>	<u>1,502</u>	<u>1,502</u>
<b>CASH AND CASH EQUIVALENTS,</b>								
DECEMBER 31	<u>\$ -</u>	<u>\$ 539</u>	<u>\$ -</u>	<u>\$ 2,940</u>	<u>\$ 3</u>	<u>\$ 1,502</u>	<u>\$ -</u>	<u>\$ 1,234</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

	PAYMENT IN LIEU OF TAX FUND				VERNON COUNTY DARE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	4	-	9
Other	-	-	-	-	200	1,700	-	446
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 1,704</u>	<u>\$ -</u>	<u>\$ 455</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	35,085	35,085	-	-	450	507	1,455	594
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 35,085</u>	<u>\$ 35,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 507</u>	<u>\$ 1,455</u>	<u>\$ 594</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (35,085)	\$ (35,085)	\$ -	\$ -	\$ (250)	\$ 1,197	\$ (1,455)	\$ (139)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>35,085</u>	<u>35,085</u>	<u>-</u>	<u>-</u>	<u>258</u>	<u>258</u>	<u>1,455</u>	<u>1,455</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 1,455</u>	<u>\$ -</u>	<u>\$ 1,316</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 TAX COLLECTION FUND				RECORDER USER FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	10,000	10,898	10,000	10,027
Interest	2	1	-	1	450	402	400	439
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 10,450</u>	<u>\$ 11,300</u>	<u>\$ 10,400</u>	<u>\$ 10,466</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	41,000	531	41,000	3,695
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	9,000	9,000	9,000	9,000
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 9,531</u>	<u>\$ 50,000</u>	<u>\$ 12,695</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2	\$ 1	\$ -	\$ 1	\$ (39,550)	\$ 1,769	\$ (39,600)	\$ (2,229)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>173</u>	<u>173</u>	<u>174</u>	<u>174</u>	<u>65,622</u>	<u>65,622</u>	<u>67,391</u>	<u>67,391</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 175</u>	<u>\$ 174</u>	<u>\$ 174</u>	<u>\$ 175</u>	<u>\$ 26,072</u>	<u>\$ 67,391</u>	<u>\$ 27,791</u>	<u>\$ 65,162</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

	BOND RESERVE FUND				CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	300	17,782	300	4,930	-	-	-	-
Other	-	14,770	-	-	-	-	-	-
Transfers in	-	-	-	-	100,000	100,000	90,000	90,000
Total Receipts	<u>\$ 300</u>	<u>\$ 32,552</u>	<u>\$ 300</u>	<u>\$ 4,930</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	31,799	747,016	751,060	-	-	-	-
Capital outlay	-	-	-	-	400,000	-	490,000	33,670
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 31,799</u>	<u>\$ 747,016</u>	<u>\$ 751,060</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 490,000</u>	<u>\$ 33,670</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 300	\$ 753	\$ (746,716)	\$ (746,130)	\$ (300,000)	\$ 100,000	\$ (400,000)	\$ 56,330
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>745,963</u>	<u>745,963</u>	<u>746,716</u>	<u>746,716</u>	<u>300,000</u>	<u>300,000</u>	<u>400,000</u>	<u>400,000</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 746,263</u>	<u>\$ 746,716</u>	<u>\$ -</u>	<u>\$ 586</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ 456,330</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) FUND				KATY ALLEN LAKE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	30,183	10,000	2,516	-	-	-	-
Interest	-	202	-	134	-	-	-	-
Other	-	-	-	-	-	67,080	33,500	53,500
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 30,385</u>	<u>\$ 10,000</u>	<u>\$ 2,650</u>	<u>\$ -</u>	<u>\$ 67,080</u>	<u>\$ 33,500</u>	<u>\$ 53,500</u>
<b>DISBURSEMENTS</b>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	27,257	38,285	15,710	-	-	-	-
Capital outlay	-	-	-	-	-	-	100,580	63,836
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	21,413
Total Disbursements	<u>\$ -</u>	<u>\$ 27,257</u>	<u>\$ 38,285</u>	<u>\$ 15,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,580</u>	<u>\$ 85,249</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 3,128	\$ (28,285)	\$ (13,060)	\$ -	\$ 67,080	\$ (67,080)	\$ (31,749)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>25,157</u>	<u>25,157</u>	<u>28,285</u>	<u>28,285</u>	<u>-</u>	<u>-</u>	<u>67,080</u>	<u>67,080</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 25,157</u>	<u>\$ 28,285</u>	<u>\$ -</u>	<u>\$ 15,225</u>	<u>\$ -</u>	<u>\$ 67,080</u>	<u>\$ -</u>	<u>\$ 35,331</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, 2017 and 2016

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, Circuit Clerk, Collector – Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder and Sheriff.

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, 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 2016.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2017</u>	<u>2016</u>
Election Service	N/A	✓
United Way DARE	N/A	✓
Vernon County DARE	N/A	✓
Bond Reserve	✓	✓

Also, the actual expenditures of the Sheriff's Revolving (CCW) fund in 2016 exceeded budgetary authority to the extent that a formal budget was 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 2017 and 2016, for purposes of taxation were:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 167,839,700	\$ 163,881,490
Personal Property	65,764,792	66,427,313
Railroad and Utilities	<u>26,369,808</u>	<u>28,141,776</u>
Total	<u>\$ 259,974,300</u>	<u>\$ 258,450,579</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	<u>2017</u>	<u>2016</u>
General Revenue	\$ 0.1736	\$ 0.1643

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 Cash Equivalents

Deposits and cash equivalents 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 these balances 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 cash equivalents 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 CASH EQUIVALENTS

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 Cash Equivalents" caption. Cash and cash equivalents includes deposits and short-term investments with maturities that are less than ninety days.

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, 2017 and 2016, the carrying amounts of the County's deposits were \$2,282,424 and \$2,502,432, respectively, and the bank balances were \$2,761,494 and \$2,468,450, respectively. Of the bank balances, \$250,000 for both December 31, 2017 and December 31, 2016, were covered by federal depository insurance. The remainder of the balances at December 31, 2017 and December 31, 2016 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, 2017 and 2016, the County Collector - Treasurer held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$7,992,485 and \$8,168,289 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2017 and 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 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 70.600-70.755, RSMo. 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. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, [www.molagers.org](http://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 30<sup>th</sup> statutorily required contribution rates were 6.4% and 8.0% (General), and 13.2% and 12.9% (Police) of annual covered payroll for 2017 and 2016 respectively. 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, 2017 and 2016, the County contributed \$161,646 and \$195,806 to LAGERS.

## 4) Funding Status

As of February 28, 2017, the actuarial value of assets exceeded the accrued liabilities of the plan by \$351,458 for the General division, and the accrued liabilities exceeded the actuarial value of plan assets by \$111,506 for the Police division. As of February 29, 2016, the actuarial value of assets exceeded the accrued liabilities of the plan by \$402,419 for the General division, and the accrued liabilities exceeded the actuarial value of plan assets by \$144,303 for the Police division. These net pension assets and liabilities are not recognized in the cash basis financial statements of the County.

## B. County Employees' Retirement Fund (CERF)

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

### 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 1-877-632-2373, or by the following website, [www.mocerf.org](http://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. The County has elected not to make contributions on behalf of employees. During 2017 and 2016, the County collected and remitted to CERF employee withholding and fees collected of \$191,006 and \$188,675, respectively, for the years then ended.

## C. Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 and \$9,044, respectively, for the years ended December 31, 2017 and 2016.

## 5. 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.

## 6. CLAIMS, COMMITMENT AND CONTINGENCIES

### A. Compensated Absences

The County provides employees with up to a maximum of six weeks of sick leave, to accrue at 5.5 hours per pay period for full-time employees and 4 hours per pay period for part-time employees. Upon termination, employees are not compensated for accrued sick time. Vacation time is accrued for every full-time employee, and accrues at the rate of 5 days per year up to twenty days per year depending on length of employment. Vacation time must be used in its entirety within one year of being earned unless approved by the supervisor and County Commission.

### 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.

### C. Litigation

The County was involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

## 7. 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 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.

## 8. LONG TERM DEBT

The County issued \$6,860,000 in Certificates of Participation, Series 2007, 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. During the audit period, the County paid down the debt using funds from the Bond Reserve Fund and refinanced the remaining balance of \$5,350,000. Principal payments are due on October 1 each year through 2027. Interest is due on April 1 and October 1 each year, with rates increasing each year from 2% up to 3.1%. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	\$ 500,000	\$ 132,353	\$ 632,353
2019	500,000	122,353	622,353
2020	515,000	112,353	627,353
2021	520,000	102,053	622,053
2022	530,000	90,613	620,613
2023-2027	<u>2,785,000</u>	<u>245,978</u>	<u>3,030,978</u>
Total	<u>\$5,350,000</u>	<u>\$ 805,703</u>	<u>\$6,155,703</u>

On December 4, 2015, the County entered into a \$64,756, 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 includes interest of 5.95%, with the final payment scheduled on December 4, 2018. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	\$ 16,629	\$ 989	\$ 17,618

On May 3, 2016, the County entered into a \$47,900, 48 month capital lease for the purchase of a 2016 Ford Transit 350 for the Sheriff's Department. The lease is to be paid in annual payments of \$13,269, which includes interest of 6.45%. The lease was paid off ahead of schedule during 2017.

In June 2017, the County entered into a \$132,941 loan for the purchase of dispatch equipment. The loan originally called for a maturity date of June 2022, however, the County plans to make the final payment in 2019. The loan has an interest rate of 3%. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	\$ 42,189	\$ 2,811	\$ 45,000
2019	47,215	-	47,215
	<u>\$ 89,404</u>	<u>\$ 2,811</u>	<u>\$ 92,215</u>

The following schedule shows changes in long-term debt during the year ended December 31, 2016:

Description	Balance 12/31/2015	Additions	Payments	Balance 12/31/2016	Interest Paid
COPS	\$6,860,000	\$ -	\$ (455,000)	\$6,405,000	\$285,996
2016 Interceptors	47,138	-	(14,814)	32,324	2,805
2016 Transit 350	-	48,445	(13,269)	35,176	-

The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
COPS	\$6,405,000	\$ -	\$(1,055,000)	\$5,350,000	\$353,839
2016 Interceptors	32,324	-	(15,695)	16,629	1,923
2016 Transit 350	35,176	-	(35,176)	-	3,186
Dispatch equipment	-	132,941	(43,537)	89,404	-

## 9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 5, 2018, 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

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Certified Public Accountants

### 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, 2017 and 2016, 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 September 5, 2018.

#### **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 opinion 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as item 2017-001.

### **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 them.

### **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  
September 5, 2018

## **FINDINGS AND RECOMMENDATIONS**

VERNON COUNTY, MISSOURI  
FINDINGS AND RECOMMENDATIONS

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

None

**ITEMS OF NONCOMPLIANCE**

**2017-001 – Budgetary Controls**

Condition: Actual expenditures exceeded budgeted expenditures for one fund in 2017 and four funds in 2016. 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 2016.

In addition, the County did not adopt a formal budget for the Sheriff's Revolving (CCW) Fund in 2016. However, the fund was added to the budgets in 2017 as a result of the prior audit recommendation.

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: In 2017 the Bond Reserve Fund went over the budgeted amount by \$4,044.79. That was due to an increase in the market value in the investment account that was being administered by BOK Financial when the county refinanced our bonds for 2017. In future years the county will check with BOK Financial on how the market value of the investment account is doing to see if the county needs to do a budget amendment. In 2016 our United Way DARE Fund went over by \$31.26, and the Vernon County DARE Fund went over by \$56.93. Both of those funds are funded by private individuals that give money to the funds to fund our DARE program. In both of the funds the county received more money than what we have budgeted and so the county spent that which put our expenses over our budgeted amount. In the future if we received more money than what we have budgeted we will amend the budget so that the county doesn't go over the budgeted amount. In 2016 our Election Service Fund went over by \$20,546. The Election Service Fund is funded by money the county received from the state, and five percent of expenses from each election and can only be spent on qualifying election expenses. The actual expenses went over the budgeted amount due to the fund having a high balance from the previous

years, and the county decided to spend a portion of the 2016 August primary election out of it to save money from the general fund. We couldn't do a budget amendment due to the fact that the county had not received more money to budget up the expenses. In future years when we budget a fund at the beginning of the year the county will make sure that the budgeted expenses will include the amount that is left over from the previous year.

Auditor's Response: 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, 2015 and 2014.

1. A County Road & Bridge employee approved the time on his own timesheet. The County did not maintain a record to support two employee's rates of pay.

*Status:* Resolved.

2. The transfers reported in both 2015 and 2014 did not balance, in that transfers to other funds were not in agreement with transfers from other funds.

*Status:* Resolved.

3. Actual expenditures exceeded budgeted expenditures for one fund in 2014 and six funds in 2015. In addition, the County did not adopt a formal budget for the Sheriff's Revolving (CCW) Fund in 2014 or 2015.

*Status:* Partially resolved, see finding 2017-001.