

ANNUAL FINANCIAL REPORT

VERNON COUNTY, MISSOURI

For the Years Ended
December 31, 2022 and 2021

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

VERNON COUNTY, MISSOURI

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INTRODUCTORY SECTION

VERNON COUNTY, MISSOURI
List of Elected Officials 2021-2022

County Commission

Presiding Commissioner – Joe Hardin

Commissioner, North District – Cindy Thompson

Commissioner, South District – Everett Wolfe

Other Elected Officials

Assessor – Lena Kleeman

Circuit Clerk – Carrie Poe

Collector/Treasurer – Brent Banes

County Clerk – Sean Buehler

Coroner – David L. Ferry

Prosecuting Attorney – Brandi L McInroy

Public Administrator – Kelsey Westerhold

Recorder – Shelly Baldwin

Sheriff – Jason M. Mosher

FINANCIAL SECTION

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McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Vernon County, Missouri

Disclaimer of Opinion on Regulatory Basis of Accounting

We were engaged to audit 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 Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2021 and 2022, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

We do not express an opinion on the financial statements of Vernon County, Missouri, referred to above. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on Regulatory Basis of Accounting, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

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 section of our report, the financial statements referred to 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, 2021 and 2022, or the changes in financial position thereof for the years then ended.

Basis for Disclaimer of Opinion on Regulatory Basis of Accounting

As described in Finding 2022-001, the financial statements prepared by Vernon County, Missouri are not supported by the available audit evidence. Material variances exist between the amounts reported in the financial statements and the amounts supported in the accounting records provided. Therefore, we do not consider the audit evidence we have obtained to be sufficient and appropriate to provide a basis for an audit opinion.

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Vernon County, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

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, to meet the requirements of Missouri Law. 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 and pervasive.

Responsibilities of Management 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, as described in Note 1. 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 for the Audit of the Financial Statements

Our responsibility is to conduct an audit of Vernon County, Missouri's financial statements in accordance with generally accepted auditing standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion on Regulatory Basis of Accounting section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the financial statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vernon County, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

We were engaged for the purpose of forming an opinion 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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. Because of the significance of the matter discussed in the Basis for Disclaimer of Opinion on Regulatory Basis of Accounting, it is inappropriate to and we do not express an opinion on the schedule of expenditures of federal awards.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated November 28, 2023, 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 solely 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 effectiveness of Vernon County, Missouri's 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
November 28, 2023

VERNON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2021 AND 2022

Fund	Cash and Cash Equivalents			Cash and Cash Equivalents			Cash and Cash
	January 1, 2020	Receipts 2021	Disbursements 2021	December 31, 2021	Receipts 2022	Disbursements 2022	December 31, 2022
General Revenue	\$ 1,754,800	\$ 6,197,101	\$ 5,413,930	\$ 2,537,971	\$ 6,904,560	\$ 6,422,540	\$ 3,019,991
Special Road & Bridge	853,212	1,644,714	1,972,697	525,229	1,393,597	1,539,086	379,740
Assessment	8,844	253,987	253,022	9,809	280,068	262,655	27,222
Quarter % Assessment	3,126	54,359	51,293	6,192	62,658	56,469	12,381
Sheriff's Discretionary	3,794	12,059	5,114	10,739	11,916	11,760	10,895
Law Enforcement Training	4,997	2,762	1,083	6,676	2,448	3,763	5,361
Prosecuting Attorney Training	3,667	2,578	1,759	4,486	2,356	1,239	5,603
Sewer	-	6,054	3,860	2,194	5,094	6,201	1,087
Election	-	31,814	31,814	-	142,454	142,454	-
Law Enforcement Sales Tax	97,723	1,285,597	1,298,271	85,049	1,361,078	1,380,888	65,239
Local Emergency Planning Commission	27,092	-	315	26,777	-	302	26,475
Law Enforcement Restitution	26,879	26,138	21,128	31,889	29,171	14,620	46,440
Election Service	16,105	4,872	11,910	9,067	39,844	18,365	30,546
Tax Maintenance	14,559	34,705	42,262	7,002	35,323	39,706	2,619
Help America Vote Act	4,504	9,124	12,901	727	29,428	12,592	17,563
Inmate Security	54,243	162,984	114,348	102,879	129,052	164,284	67,647
Prosecuting Attorney Administrative Cost	1,946	5,396	5,900	1,442	4,272	3,779	1,935
Shelter	-	4,079	4,079	-	3,320	3,320	-
Federal Seizure	-	-	-	-	-	-	-
United Way DARE	3,878	3,029	2,205	4,702	1,588	822	5,468
Vernon County DARE	65	1,842	796	1,111	953	342	1,722
Recorder User Fee	40,880	13,686	1,125	53,441	11,993	1,373	64,061
Capital Improvement	384,676	175,000	-	559,676	200,000	-	759,676
Sheriff's Revolving (CCW)	9,950	11,814	7,786	13,978	2,645	6,004	10,619
Katy Allen Lake	5,554	-	5,554	-	-	-	-
CARES Act Grant	311,981	-	311,981	-	-	-	-
Prosecuting Attorney Tax Collection	237	375	-	612	421	530	503
American Rescue Plan Act	-	1,997,061	-	1,997,061	1,997,061	696,065	3,298,057
Opioid Settlement	-	-	-	-	50,324	-	50,324
Economic Development	-	-	-	-	450,000	-	450,000
Total	\$ 3,632,712	\$ 11,941,130	\$ 9,575,133	\$ 5,998,709	\$ 13,151,624	\$ 10,789,159	\$ 8,361,174

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

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

	GENERAL REVENUE FUND			
	Year Ended December 31,			
	2021		2022	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 454,000	\$ 567,313	\$ 445,000	\$ 560,032
Sales taxes	1,051,500	1,283,715	1,100,000	1,361,042
Intergovernmental	763,128	1,145,842	1,135,210	1,302,843
Charges for services	1,865,712	2,292,358	1,884,294	2,723,436
Interest	5,000	25,481	5,000	25,859
Other	19,502	65,617	70,300	77,974
Transfers in	586,748	816,775	541,920	853,374
Total Receipts	<u>\$ 4,745,590</u>	<u>\$ 6,197,101</u>	<u>\$ 5,181,724</u>	<u>\$ 6,904,560</u>
DISBURSEMENTS				
County Commission	\$ 113,090	\$ 116,180	\$ 123,050	\$ 127,409
County Clerk	178,796	171,115	201,766	200,688
Elections	2,000	2,000	2,000	2,000
Buildings and Grounds	377,645	170,154	377,739	195,032
Employee Fringe Benefits	835,970	623,403	1,012,135	748,301
Treasurer	152,477	150,683	158,292	154,553
Recorder of Deeds	92,483	82,295	100,199	92,100
Circuit Clerk	40,600	19,933	40,600	30,055
Court Administration	31,075	17,257	36,274	19,372
Public Administrator	108,789	104,712	121,924	115,760
Sheriff	1,913,448	1,865,498	2,449,537	2,205,929
Jail	1,138,728	1,113,179	1,350,455	1,326,029
Prosecuting Attorney	237,713	224,473	249,529	242,088
Juvenile Officer	163,000	133,633	155,100	144,938
County Coroner	52,358	39,179	75,379	49,057
Other County Government	401,549	395,587	532,719	485,353
Transfers Out	208,649	184,649	312,833	283,876
Emergency Fund	130,240	-	133,921	-
Total Disbursements	<u>\$ 6,178,610</u>	<u>\$ 5,413,930</u>	<u>\$ 7,433,452</u>	<u>\$ 6,422,540</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (1,433,020)	\$ 783,171	\$ (2,251,728)	\$ 482,020
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,754,800</u>	<u>1,754,800</u>	<u>2,537,971</u>	<u>2,537,971</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 321,780</u>	<u>\$ 2,537,971</u>	<u>\$ 286,243</u>	<u>\$ 3,019,991</u>

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

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS 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,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 130,000	\$ 148,644	\$ 130,000	\$ 142,763	\$ -	\$ -	\$ -	-
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,324,075	1,477,800	1,092,250	1,238,632	231,847	-	-	-
Charges for services	5,000	500	-	-	200	245,345	238,440	260,658
Interest	4,000	5,754	4,500	2,457	400	534	400	354
Other	1,500	5,776	6,500	7,345	-	2,159	-	381
Transfers in	10,400	6,240	2,400	2,400	20,783	5,949	32,732	18,675
Total Receipts	<u>\$ 1,474,975</u>	<u>\$ 1,644,714</u>	<u>\$ 1,235,650</u>	<u>\$ 1,393,597</u>	<u>\$ 253,230</u>	<u>\$ 253,987</u>	<u>\$ 271,572</u>	<u>\$ 280,068</u>
DISBURSEMENTS								
Salaries	\$ 262,936	\$ 253,595	\$ 302,079	\$ 264,115	\$ 175,744	\$ 171,137	\$ 199,690	\$ 187,764
Employee fringe benefits	96,464	80,611	109,856	93,233	31,383	55,899	35,233	57,469
Materials and supplies	96,440	86,093	96,440	101,386	9,300	12,817	8,000	6,804
Services and other	359,000	326,148	455,500	319,584	46,215	13,169	51,526	10,618
Capital outlay	451,500	417,809	256,500	181,764	-	-	-	-
Construction	959,625	715,020	450,000	505,846	-	-	-	-
Transfers out	75,000	93,421	75,000	73,158	-	-	-	-
Total Disbursements	<u>\$ 2,300,965</u>	<u>\$ 1,972,697</u>	<u>\$ 1,745,375</u>	<u>\$ 1,539,086</u>	<u>\$ 262,642</u>	<u>\$ 253,022</u>	<u>\$ 294,449</u>	<u>\$ 262,655</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (825,990)	\$ (327,983)	\$ (509,725)	\$ (145,489)	\$ (9,412)	\$ 965	\$ (22,877)	\$ 17,413
CASH AND CASH EQUIVALENTS,								
JANUARY 1	<u>853,212</u>	<u>853,212</u>	<u>525,229</u>	<u>525,229</u>	<u>8,844</u>	<u>8,844</u>	<u>9,809</u>	<u>9,809</u>
CASH AND CASH EQUIVALENTS,								
DECEMBER 31	<u>\$ 27,222</u>	<u>\$ 525,229</u>	<u>\$ 15,504</u>	<u>\$ 379,740</u>	<u>\$ (568)</u>	<u>\$ 9,809</u>	<u>\$ (13,068)</u>	<u>\$ 27,222</u>

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

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS 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,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	52,500	54,275	55,080	62,558	10,000	11,811	10,000	11,862
Interest	150	82	70	34	-	48	-	54
Other	-	2	-	66	-	200	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 52,650</u>	<u>\$ 54,359</u>	<u>\$ 55,150</u>	<u>\$ 62,658</u>	<u>\$ 10,000</u>	<u>\$ 12,059</u>	<u>\$ 10,000</u>	<u>\$ 11,916</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,600	561	1,200	158	-	-	-	-
Services and other	27,675	25,374	32,082	29,446	13,794	5,114	20,739	11,760
Capital outlay	26,468	25,324	28,060	26,865	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	34	-	-	-	-	-	-
Total Disbursements	<u>\$ 55,743</u>	<u>\$ 51,293</u>	<u>\$ 61,342</u>	<u>\$ 56,469</u>	<u>\$ 13,794</u>	<u>\$ 5,114</u>	<u>\$ 20,739</u>	<u>\$ 11,760</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (3,093)</u>	<u>\$ 3,066</u>	<u>\$ (6,192)</u>	<u>\$ 6,189</u>	<u>\$ (3,794)</u>	<u>\$ 6,945</u>	<u>\$ (10,739)</u>	<u>\$ 156</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>3,126</u>	<u>3,126</u>	<u>6,192</u>	<u>6,192</u>	<u>3,794</u>	<u>3,794</u>	<u>10,739</u>	<u>10,739</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 33</u>	<u>\$ 6,192</u>	<u>\$ -</u>	<u>\$ 12,381</u>	<u>\$ -</u>	<u>\$ 10,739</u>	<u>\$ -</u>	<u>\$ 10,895</u>

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

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

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	800	701	-	836	-	-	-	287
Charges for services	-	2,021	1,500	1,584	2,000	2,550	2,000	2,045
Interest	-	40	-	28	20	28	-	24
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 800</u>	<u>\$ 2,762</u>	<u>\$ 1,500</u>	<u>\$ 2,448</u>	<u>\$ 2,020</u>	<u>\$ 2,578</u>	<u>\$ 2,000</u>	<u>\$ 2,356</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,797	1,083	8,176	3,763	5,687	1,759	6,486	1,239
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,797</u>	<u>\$ 1,083</u>	<u>\$ 8,176</u>	<u>\$ 3,763</u>	<u>\$ 5,687</u>	<u>\$ 1,759</u>	<u>\$ 6,486</u>	<u>\$ 1,239</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (4,997)	\$ 1,679	\$ (6,676)	\$ (1,315)	\$ (3,667)	\$ 819	\$ (4,486)	\$ 1,117
CASH AND CASH EQUIVALENTS,								
JANUARY 1	<u>4,997</u>	<u>4,997</u>	<u>6,676</u>	<u>6,676</u>	<u>3,667</u>	<u>3,667</u>	<u>4,486</u>	<u>4,486</u>
CASH AND CASH EQUIVALENTS,								
DECEMBER 31	<u>\$ -</u>	<u>\$ 6,676</u>	<u>\$ -</u>	<u>\$ 5,361</u>	<u>\$ -</u>	<u>\$ 4,486</u>	<u>\$ -</u>	<u>\$ 5,603</u>

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

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

	SEWER FUND				ELECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 8,000	\$ 5,996	\$ 5,093	\$ 5,061	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	26,250	30,980	23,100	66,684
Charges for services	-	-	-	-	-	-	-	-
Interest	-	58	-	33	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	10,500	834	77,700	75,770
Total Receipts	<u>\$ 8,000</u>	<u>\$ 6,054</u>	<u>\$ 5,093</u>	<u>\$ 5,094</u>	<u>\$ 36,750</u>	<u>\$ 31,814</u>	<u>\$ 100,800</u>	<u>\$ 142,454</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	20	7,287	6,201	30,600	26,134	105,428	103,497
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	8,000	3,840	-	-	6,150	5,680	39,793	38,957
Total Disbursements	<u>\$ 8,000</u>	<u>\$ 3,860</u>	<u>\$ 7,287</u>	<u>\$ 6,201</u>	<u>\$ 36,750</u>	<u>\$ 31,814</u>	<u>\$ 145,221</u>	<u>\$ 142,454</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ -</u>	<u>\$ 2,194</u>	<u>\$ (2,194)</u>	<u>\$ (1,107)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,421)</u>	<u>\$ -</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>2,194</u>	<u>2,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 2,194</u>	<u>\$ -</u>	<u>\$ 1,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,421)</u>	<u>\$ -</u>

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

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

	LAW ENFORCEMENT SALES TAX FUND				LOCAL EMERGENCY PLANNING COMMISSION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,269,212	1,282,252	1,359,030	1,359,030	-	-	-	-
Intergovernmental	-	-	-	-	3,000	-	6,000	-
Charges for services	-	-	-	-	-	-	-	-
Interest	1,500	3,223	1,500	1,974	-	-	-	-
Other	1,500	122	-	74	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,272,212</u>	<u>\$ 1,285,597</u>	<u>\$ 1,360,530</u>	<u>\$ 1,361,078</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	614,400	592,811	631,200	616,158	30,092	315	32,777	302
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	705,460	705,460	749,730	764,730	-	-	-	-
Total Disbursements	<u>\$ 1,319,860</u>	<u>\$ 1,298,271</u>	<u>\$ 1,380,930</u>	<u>\$ 1,380,888</u>	<u>\$ 30,092</u>	<u>\$ 315</u>	<u>\$ 32,777</u>	<u>\$ 302</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (47,648)	\$ (12,674)	\$ (20,400)	\$ (19,810)	\$ (27,092)	\$ (315)	\$ (26,777)	\$ (302)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>97,723</u>	<u>97,723</u>	<u>85,049</u>	<u>85,049</u>	<u>27,092</u>	<u>27,092</u>	<u>26,777</u>	<u>26,777</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 50,075</u>	<u>\$ 85,049</u>	<u>\$ 64,649</u>	<u>\$ 65,239</u>	<u>\$ -</u>	<u>\$ 26,777</u>	<u>\$ -</u>	<u>\$ 26,475</u>

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

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS 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,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	11,858
Charges for services	20,000	25,936	20,000	28,986	2,000	2,993	2,000	1,358
Interest	-	202	-	185	100	92	100	46
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	1,750	1,787	10,575	26,582
Total Receipts	<u>\$ 20,000</u>	<u>\$ 26,138</u>	<u>\$ 20,000</u>	<u>\$ 29,171</u>	<u>\$ 3,850</u>	<u>\$ 4,872</u>	<u>\$ 12,675</u>	<u>\$ 39,844</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	46,879	21,128	51,889	14,620	-	-	-	-
Capital outlay	-	-	-	-	19,955	11,910	21,742	18,365
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 46,879</u>	<u>\$ 21,128</u>	<u>\$ 51,889</u>	<u>\$ 14,620</u>	<u>\$ 19,955</u>	<u>\$ 11,910</u>	<u>\$ 21,742</u>	<u>\$ 18,365</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (26,879)	\$ 5,010	\$ (31,889)	\$ 14,551	\$ (16,105)	\$ (7,038)	\$ (9,067)	\$ 21,479
CASH AND CASH EQUIVALENTS,								
JANUARY 1	<u>26,879</u>	<u>26,879</u>	<u>31,889</u>	<u>31,889</u>	<u>16,105</u>	<u>16,105</u>	<u>9,067</u>	<u>9,067</u>
CASH AND CASH EQUIVALENTS,								
DECEMBER 31	<u>\$ -</u>	<u>\$ 31,889</u>	<u>\$ -</u>	<u>\$ 46,440</u>	<u>\$ -</u>	<u>\$ 9,067</u>	<u>\$ -</u>	<u>\$ 30,546</u>

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

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS 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,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	4,984	4,984	4,863	17,029
Charges for services	32,000	34,541	32,000	35,247	-	-	-	-
Interest	100	164	100	76	30	15	10	24
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	4,400	4,125	12,375	12,375
Total Receipts	<u>\$ 32,100</u>	<u>\$ 34,705</u>	<u>\$ 32,100</u>	<u>\$ 35,323</u>	<u>\$ 9,414</u>	<u>\$ 9,124</u>	<u>\$ 17,248</u>	<u>\$ 29,428</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	34,659	30,262	27,102	29,069	-	-	-	-
Services and other	-	-	-	-	13,918	12,901	17,975	12,592
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	12,000	12,000	12,000	10,637	-	-	-	-
Total Disbursements	<u>\$ 46,659</u>	<u>\$ 42,262</u>	<u>\$ 39,102</u>	<u>\$ 39,706</u>	<u>\$ 13,918</u>	<u>\$ 12,901</u>	<u>\$ 17,975</u>	<u>\$ 12,592</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (14,559)	\$ (7,557)	\$ (7,002)	\$ (4,383)	\$ (4,504)	\$ (3,777)	\$ (727)	\$ 16,836
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>14,559</u>	<u>14,559</u>	<u>7,002</u>	<u>7,002</u>	<u>4,504</u>	<u>4,504</u>	<u>727</u>	<u>727</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 7,002</u>	<u>\$ -</u>	<u>\$ 2,619</u>	<u>\$ -</u>	<u>\$ 727</u>	<u>\$ -</u>	<u>\$ 17,563</u>

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

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS 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,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	1,641	-	-	-	-
Charges for services	70,000	162,133	100,000	127,031	5,500	5,374	5,501	4,259
Interest	-	576	-	380	30	22	-	13
Other	-	275	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 70,000</u>	<u>\$ 162,984</u>	<u>\$ 100,000</u>	<u>\$ 129,052</u>	<u>\$ 5,530</u>	<u>\$ 5,396</u>	<u>\$ 5,501</u>	<u>\$ 4,272</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	2,976	1,400	2,443	279
Services and other	16,700	17,360	29,700	35,367	-	-	-	-
Capital outlay	107,543	96,988	173,180	128,917	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	4,500	4,500	4,500	3,500
Total Disbursements	<u>\$ 124,243</u>	<u>\$ 114,348</u>	<u>\$ 202,880</u>	<u>\$ 164,284</u>	<u>\$ 7,476</u>	<u>\$ 5,900</u>	<u>\$ 6,943</u>	<u>\$ 3,779</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (54,243)	\$ 48,636	\$ (102,880)	\$ (35,232)	\$ (1,946)	\$ (504)	\$ (1,442)	\$ 493
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>54,243</u>	<u>54,243</u>	<u>102,879</u>	<u>102,879</u>	<u>1,946</u>	<u>1,946</u>	<u>1,442</u>	<u>1,442</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 102,879</u>	<u>\$ (1)</u>	<u>\$ 67,647</u>	<u>\$ -</u>	<u>\$ 1,442</u>	<u>\$ -</u>	<u>\$ 1,935</u>

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

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

	SHELTER FUND				FEDERAL SEIZURE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	100	-	100	-
Charges for services	6,000	4,068	6,000	3,314	-	-	-	-
Interest	-	11	-	6	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 6,000</u>	<u>\$ 4,079</u>	<u>\$ 6,000</u>	<u>\$ 3,320</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	6,000	4,079	6,000	3,320	-	-	-	-
Capital outlay	-	-	-	-	100	-	100	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 6,000</u>	<u>\$ 4,079</u>	<u>\$ 6,000</u>	<u>\$ 3,320</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	-	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	UNITED WAY DARE FUND				VERNON COUNTY DARE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,000	3,000	3,000	1,564	300	329	370	197
Charges for services	-	-	-	-	700	1,500	700	750
Interest	-	29	-	24	-	5	-	6
Other	-	-	-	-	-	8	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,000</u>	<u>\$ 3,029</u>	<u>\$ 3,000</u>	<u>\$ 1,588</u>	<u>\$ 1,000</u>	<u>\$ 1,842</u>	<u>\$ 1,070</u>	<u>\$ 953</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	6,878	2,205	7,702	822	1,065	796	2,181	342
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 6,878</u>	<u>\$ 2,205</u>	<u>\$ 7,702</u>	<u>\$ 822</u>	<u>\$ 1,065</u>	<u>\$ 796</u>	<u>\$ 2,181</u>	<u>\$ 342</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,878)	\$ 824	\$ (4,702)	\$ 766	\$ (65)	\$ 1,046	\$ (1,111)	\$ 611
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>3,878</u>	<u>3,878</u>	<u>4,702</u>	<u>4,702</u>	<u>65</u>	<u>65</u>	<u>1,111</u>	<u>1,111</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 4,702</u>	<u>\$ -</u>	<u>\$ 5,468</u>	<u>\$ -</u>	<u>\$ 1,111</u>	<u>\$ -</u>	<u>\$ 1,722</u>

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

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

	RECORDER USER FEE FUND				CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	15,000	-	-	-	-	-
Charges for services	40,085	13,371	13,715	11,723	-	-	-	-
Interest	311	315	260	270	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	175,000	175,000	200,000	200,000
Total Receipts	<u>\$ 40,396</u>	<u>\$ 13,686</u>	<u>\$ 28,975</u>	<u>\$ 11,993</u>	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	72,276	-	72,696	23	-	-	-	-
Capital outlay	-	-	-	-	559,676	-	759,676	-
Construction	-	-	-	-	-	-	-	-
Transfers out	9,000	1,125	9,720	1,350	-	-	-	-
Total Disbursements	<u>\$ 81,276</u>	<u>\$ 1,125</u>	<u>\$ 82,416</u>	<u>\$ 1,373</u>	<u>\$ 559,676</u>	<u>\$ -</u>	<u>\$ 759,676</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (40,880)	\$ 12,561	\$ (53,441)	\$ 10,620	\$ (384,676)	\$ 175,000	\$ (559,676)	\$ 200,000
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>40,880</u>	<u>40,880</u>	<u>53,441</u>	<u>53,441</u>	<u>384,676</u>	<u>384,676</u>	<u>559,676</u>	<u>559,676</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 53,441</u>	<u>\$ -</u>	<u>\$ 64,061</u>	<u>\$ -</u>	<u>\$ 559,676</u>	<u>\$ -</u>	<u>\$ 759,676</u>

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

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS 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,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	9,000	11,727	10,000	2,590	-	-	-	-
Interest	-	87	-	55	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 9,000</u>	<u>\$ 11,814</u>	<u>\$ 10,000</u>	<u>\$ 2,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	18,950	7,786	23,978	6,004	5,554	5,554	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 18,950</u>	<u>\$ 7,786</u>	<u>\$ 23,978</u>	<u>\$ 6,004</u>	<u>\$ 5,554</u>	<u>\$ 5,554</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,950)	\$ 4,028	\$ (13,978)	\$ (3,359)	\$ (5,554)	\$ (5,554)	\$ -	\$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>9,950</u>	<u>9,950</u>	<u>13,978</u>	<u>13,978</u>	<u>5,554</u>	<u>5,554</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 13,978</u>	<u>\$ -</u>	<u>\$ 10,619</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 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CARES ACT GRANT FUND				PROSECUTING ATTORNEY TAX COLLECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								0
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	480	372	400	418
Interest	-	-	-	-	-	3	-	3
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480</u>	<u>\$ 375</u>	<u>\$ 400</u>	<u>\$ 421</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	311,981	311,981	-	-	717	-	1,012	530
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 311,981</u>	<u>\$ 311,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 717</u>	<u>\$ -</u>	<u>\$ 1,012</u>	<u>\$ 530</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (311,981)	\$ (311,981)	\$ -	\$ -	\$ (237)	\$ 375	\$ (612)	\$ (109)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>311,981</u>	<u>311,981</u>	<u>-</u>	<u>-</u>	<u>237</u>	<u>237</u>	<u>612</u>	<u>612</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 612</u>	<u>\$ -</u>	<u>\$ 503</u>

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

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

	AMERICAN RESCUE PLAN ACT FUND				OPIOID SETTLEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2021		2022		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,997,061	1,997,061	1,997,061	1,997,061	-	-	-	50,324
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,997,061</u>	<u>\$ 1,997,061</u>	<u>\$ 1,997,061</u>	<u>\$ 1,997,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,324</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,997,061	-	3,994,122	233,095	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	462,970	-	-	-	-
Total Disbursements	<u>\$ 1,997,061</u>	<u>\$ -</u>	<u>\$ 3,994,122</u>	<u>\$ 696,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 1,997,061	\$ (1,997,061)	\$ 1,300,996	\$ -	\$ -	\$ -	\$ 50,324
CASH AND CASH EQUIVALENTS, JANUARY 1	-	-	1,997,061	1,997,061	-	-	-	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 1,997,061</u>	<u>\$ -</u>	<u>\$ 3,298,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,324</u>

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

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

	ECONOMIC DEVELOPMENT FUND			
	Year Ended December 31,			
	2021		2022	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers in	-	-	-	450,000
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,000</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	-	-	-	-
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 450,000
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 450,000</u></u>

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

VERNON COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2020 AND 2021

Fund/Account	Cash and Cash Equivalents January 1, 2020	Receipts 2021	Disbursements 2021	Cash and Cash Equivalents December 31, 2021	Receipts 2022	Disbursements 2022	Cash and Cash Equivalents December 31, 2022
Treasurer Township	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treasurer School	-	-	-	-	-	-	-
Treasurer School Fine	41,517	102,852	86,210	58,159	78,641	100,655	36,145
Treasurer Health Unit	-	340,471	336,290	4,181	320,675	319,996	4,860
Treasurer Unclaimed Fees	955	157	-	1,112	5	-	1,117
Treasurer Overplus	28,857	20,939	27,108	22,688	40,429	13,044	50,073
Treasurer Ambulance	-	510,683	504,416	6,267	480,638	479,616	7,289
Treasurer Deputy Sheriff Supplemental	740	15,444	16,824	(640)	5,680	4,640	400
Treasurer Criminal Cost	193,795	6,302	193,795	6,302	-	-	6,302
Treasurer State Revenue	-	102,410	101,143	1,267	105,184	105,198	1,253
Treasurer City	10,347	-	-	10,347	63	46	10,364
Treasurer CERF	15,041	303,291	296,441	21,891	304,656	295,958	30,589
Treasurer Surtax	48,252	505,864	470,428	83,688	1,855,500	1,847,513	91,675
Treasurer Prosecuting Attorney \$5 Fee	75	160	440	(205)	190	-	(15)
Treasurer Circuit Clerk Over/Under	1,117	38	-	1,155	62	-	1,217
Self Insured Account	-	-	-	-	493,796	408,244	85,552
Self Insured Sweep Account	-	-	-	-	213,666	188,664	25,002
Collector's Account	8,326,995	20,922,746	16,792,658	12,457,083	21,128,469	16,516,969	17,068,583
Collector's Credit Card Sweep	-	1,318,548	1,318,548	-	1,465,276	1,465,276	-
Collector's In-Out	11,594	3,391,843	3,403,437	-	924,448	921,923	2,525
Collector's Bankruptcy Account	-	-	-	-	-	-	-
Collector's Protested Tax Account	-	1,958	653	1,305	245,241	245,236	1,310
Recorder	10,018	155,912	154,271	11,659	128,733	133,111	7,281
Public Administrator	458,563	1,660,157	1,446,488	672,232	1,361,281	1,473,062	560,451
Prosecuting Attorney	300	9,106	9,171	235	7,417	6,607	1,045
Sheriff's Account	286,372	1,917,927	1,887,331	316,968	2,338,760	2,463,988	191,740
Sheriff's CCW	810	11,042	11,732	120	2,470	2,590	-
Sheriff's Evidence	42,510	4,482	7,358	39,634	139	1,941	37,832
Sheriff's Commissary (CTC & Turnkey)	36,753	652,106	647,081	41,778	443,147	453,408	31,517
Total	<u>\$ 9,514,611</u>	<u>\$ 31,954,438</u>	<u>\$ 27,711,823</u>	<u>\$ 13,757,226</u>	<u>\$ 31,944,566</u>	<u>\$ 27,447,685</u>	<u>\$ 18,254,107</u>

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

VERNON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2022

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 under the regulatory basis of accounting. Financial data of other entities that may be considered to be component units of the County under generally accepted accounting principles is not included.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

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.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County’s custodial 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 January 15, 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. The County budgeted expenditures in excess of the sum of the budgeted revenues and anticipated beginning balance of the fund in the Assessment Fund for 2021 and 2022 and in the Election Fund for 2022.
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.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Tax Maintenance Fund in 2022.

- 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 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 2022 and 2021, for purposes of taxation were:

	<u>2022</u>	<u>2021</u>
Real Estate	\$ 181,568,160	\$ 178,849,890
Personal Property	90,508,094	75,532,485
Railroad and Utilities	<u>31,258,870</u>	<u>27,324,098</u>
Total	<u>\$ 303,335,124</u>	<u>\$ 281,706,473</u>

For calendar years 2022 and 2021, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	<u>2022</u>	<u>2021</u>
General Revenue	\$ 0.1584	\$ 0.1820

- F. Cash Deposits 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, or any instrumentality thereof, certain municipal bonds authorized by Missouri statute, or time certificates of deposit. 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 include 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, 2022, the County had the following cash balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents - Governmental Funds	<u>\$ 8,361,174</u>	<u>\$ 6,699,416</u>	<u>\$ 250,000</u>
Cash and Cash Equivalents - Fiduciary Funds	<u>\$ 18,254,107</u>	<u>\$ 11,445,932</u>	<u>\$ 758,302</u>

At December 31, 2021, the County had the following cash balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents - Governmental Funds	<u>\$ 5,998,709</u>	<u>\$ 6,463,810</u>	<u>\$ 250,000</u>
Cash and Cash Equivalents - Fiduciary Funds	<u>\$ 13,757,226</u>	<u>\$ 11,256,487</u>	<u>\$ 761,904</u>

The remainder of the balances not covered by FDIC deposit insurance at December 31, 2022 and 2021 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.

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 January 1st statutorily required contribution rates were 6.7% and 7.3% (General), and 12% and 12.4% (Police) of annual covered payroll for 2022 and 2021 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, 2022 and 2021, the County contributed \$216,687 and \$197,377 to LAGERS.

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.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, 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 2022 and 2021, the County collected and remitted to CERF employee withholdings of \$295,958 and \$296,441, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with Section 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 \$3,366, respectively, for the years ended December 31, 2022 and 2021.

D. Other Retirement Plan

Vernon County has a voluntary 457(b) plan for all full-time employees. Part-time employees are not eligible to participate in the plan. Plan participants can elect to contribute any whole percentage or dollar amount of their earnings to the plan. Fifty cents on the dollar is matched by CERF on the first 6% of an employee's contribution. The County does not contribute to the plan. Employee contributions collected and remitted by the County for the years ended December 31, 2022 and 2021 were \$71,604 and \$57,166, respectively.

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 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 potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

D. Self-Insurance

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

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; natural disasters; excessive coverage from healthcare claims, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. The County switched their healthcare insurance from a provider to being self-insured. The County maintains stop loss insurance with a

net claim limit of \$35,000 per covered unit, and aggregate reimbursement maximum per policy period of \$1,000,000. There have been no significant reductions in coverage for the County's liability insurance 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 Trust. 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 had the following long-term debt outstanding as of December 31, 2022:

The County issued \$6,860,000 in Certificates of Participation (COPS), 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. In December 2016, the County paid down the debt using funds from the Bond Reserve Fund and refinanced the remaining balance. In December 2020, the bonds were reissued. Principal payments are due on October 1 each year through 2027. Interest is due on April 1 and October 1 each year with a rate of 2%. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 555,000	\$ 53,300	\$ 608,300
2024	565,000	42,200	607,200
2025	570,000	30,900	600,900
2026	575,000	19,500	594,500
2027	400,000	8,000	408,000
Totals	<u>\$ 2,665,000</u>	<u>\$ 153,900</u>	<u>\$ 2,818,900</u>

The following schedule shows changes in long-term debt during the year ended December 31, 2022:

Description	Balance 12/31/2021	Additions	Payments	Balance 12/31/2022	Interest Paid
Certificates of Participation	<u>\$3,215,000</u>	<u>\$ -</u>	<u>\$ (550,000)</u>	<u>\$2,665,000</u>	<u>\$ 64,300</u>

The following schedule shows changes in long-term debt during the year ended December 31, 2021:

<u>Description</u>	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/2021</u>	<u>Interest Paid</u>
Certificates of Participation	<u>\$ 3,750,000</u>	<u>\$ -</u>	<u>\$ (535,000)</u>	<u>\$ 3,215,000</u>	<u>\$ 62,500</u>

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2022 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 28, 2023, the date the financial statements were available to be issued.

COMPLIANCE SECTION

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McBRIDE, LOCK & ASSOCIATES, LLC

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 were engaged to audit, 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 which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2021 and 2022, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, 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 November 28, 2023.

Report on 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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control

described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-005 that we consider to be material weaknesses. Additionally, we identified certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as items 2022-002, 2022-003, and 2022-004 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

In connection with our engagement to audit the financial statements of Vernon County, Missouri, 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 financial statements. 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 is required to be reported under *Government Auditing Standards*, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-06. Additionally, if the scope of our work had been sufficient to enable us to express an opinion on the financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

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 Questioned Costs. 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

McBride, Lock & Associates, LLC
Kansas City, Missouri
November 28, 2023

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the County Commission and
Officeholders of Vernon County, Missouri

Report on Compliance for Each Major Federal Program

Qualified Opinion on Each Major Federal Program

We have audited Vernon County, Missouri's compliance with the types of compliance requirements identified as subject to audit in the *OMB 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, 2021 and 2022. Vernon County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, except for the possible effects of the matters described in the Basis for Disclaimer of Opinion on Regulatory Basis of Accounting section of our report, 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, 2021 and 2022.

Basis for Qualified Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Vernon County, Missouri and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Vernon County, Missouri's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Each Major Federal Program

As described in the accompanying Schedule of Findings and Questioned Costs, Vernon County, Missouri, did not comply with requirements regarding the maintenance of underlying account records.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Vernon County, Missouri's federal programs.

Auditor's Responsibilities for Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Vernon County, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Vernon County, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Vernon County, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Vernon County, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Vernon County, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies over compliance and therefore, material weaknesses and significant deficiencies may exist which have not been identified. We identified certain deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-005 that we consider to be material weaknesses. Additionally, we identified a deficiency in internal control which we consider to be noncompliance in the Schedule of Findings and Questioned Costs as item 2022-006.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McBride Lock & Associates, LLC

McBride, Lock & Associates, LLC

Kansas City, Missouri

November 28, 2023

VERNON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31, 2021	2022
U.S. DEPARTMENT OF JUSTICE				
Passed through Missouri Department of Public Safety -				
16.034	COVID-19 - Coronavirus Emergency Supplemental Funding Program	2020VDBX0223	31,260	-
16.540	Juvenile Justice and Delinquency Prevention	ER172-19023	16,016	32,500
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Missouri Department of Transportation -				
20.205	Highway Planning and Construction	BRO-B108(44)	372,772	-
20.600	State and Community Highway Safety	21-PT-E02-075	1,589	10,499
20.607	Alcohol Open Container Requirements	22-154-AL-104	4,254	6,525
20.616	National Priority Safety Programs	21-MVHVE-0317	3,516	597
U.S. DEPARTMENT OF TREASURY				
Passed through Missouri State Treasurer -				
21.019	COVID-19 - Coronavirus Relief Fund	253	311,981	-
Direct Program				
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	N/A	-	264,065
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Missouri Department of Health and Senior Services -				
93.563	Child Support Enforcement	N/A	54,342	34,757
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Missouri Department of Public Safety -				
97.042	Emergency Management Performance Grants	EMK-2021-EP-11	31,252	26,715
Total Expenditures of Federal Awards			<u>\$ 826,982</u>	<u>\$ 375,658</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, 2021 AND 2022

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Vernon County, Missouri for the years ended December 31, 2022 and 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS

The County did not pass any federal awards through to subrecipients during the years ended December 31, 2022 and 2021.

VERNON COUNTY, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEARS ENDED DECEMBER 31, 2021 AND 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of Auditor’s Report Issued: Disclaimer of Opinion

Internal Control Over Financial Reporting:

- Material weakness(es) identified? X Yes 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? X Yes 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: Qualified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance section 200.516? X Yes No

Identification of Major Programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Fund
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$750,000

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

See Finding 2022-001 and Finding 2022-005 below.

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2022-002: Collector’s Settlement Timeliness and Inaccuracies

Questioned Costs: Up to \$130,000 in uncollected fees.

Criteria: RSMo 82.660 requires the Collector to present the annual settlement on the first Monday in March. Further, in accordance with the RSMo, the Collector is allowed to retain a “five percent keep fee” for administrative costs related to the collection of revenue received from townships.

Condition: The 2023 Collector’s settlement was not completed as of April 17, 2023 but was provided to the auditors during the week of April 24, 49 days late. The Collector’s settlements had a significant change in the “five percent keep fee”. The 2022 and 2023 Collector’s settlement reported \$142,794 and \$16,616 in fees, respectively. The Collector/Treasurer determined that the fees in 2023 were not properly retained and disbursed to the townships.

Cause: The County implemented a new accounting system, CIC, beginning in fiscal year 2021. The Collector/Treasurer experienced issues with CIC system, and requested guidance from the customer support throughout the audit period. Further, the Collector/Treasurer did not properly “check mark” the retain fee option within the accounting system, and the fees were disbursed to the townships.

Effect: Timeliness of the annual Collector’s settlement reduces the risk of being noncompliant with RSMo, and could identify any misstatements or errors from collection.

Recommendation: We recommend the Collector/Treasurer implement procedures to complete the annual settlement timely and recommend the Collector/Treasurer implement procedures to perform adequate reviews of monthly collector settlements to identify any errors from collection. Additionally, we recommend the Collector/Treasurer work with the County Commission and the Prosecuting Attorney to determine the best course of action to collect the funds disbursed to the townships.

County’s Response: Our Software Company created a Report for the Collector's Annual Settlement this past year. We ran this report for this past year and the numbers were not adding up. I requested assistance with this, and this is something that has been an issue and they have been trying to get it corrected going forward.

The Auditors brought to my attention a discrepancy from the 2023 and the 2022 collector's annual settlement. The five percent keep amount was significantly different. I checked into this and found that I did not check box in the system to retain the funds from the Townships. I contacted the Attorney to figure out the best way to approach my error. We spoke of a couple different ways to recoup the funds. We talked of retaining a percentage from each distribution going forward from when we became aware of this error. This would not work because some Townships do not receive a disbursement check in months where collections are low. We chose to approach this situation by retaining the funds the next time we do a distribution for five percent keep. We will retain what we

are supposed to for this year and last year. I typed a letter and sent to all entities that were impacted by this and explained what I had done. I have spoken with several of the Trustees about this situation, so they are aware of my mistake.

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

2022-003: Prosecuting Attorney's Bank Reconciliations

Criteria: A proper system of internal controls requires the reconciliation between the accounting and bank records to be accurately completed within a timely manner.

Condition: Our review of the Prosecuting Attorney's accounting records noted instances in which the bank reconciliations did not include all outstanding items resulting in an incorrect reconciled balance. In 2021, there were a total of 14 checks which had not cleared and which were not included on the bank reconciliation as an outstanding transaction during the months of February, April, May, June, and July. In 2022, there were a total of 17 which had not cleared and which were not included on the bank reconciliation as an outstanding transaction during the months of June, October, November, and December.

Cause: The Prosecuting Attorney did not adequately review the bank reconciliation to ensure that all outstanding items were included.

Effect: Performing accurate bank reconciliations ensures that any misstatements are detected and corrected in a timely manner.

Recommendation: We recommend that the Prosecuting Attorney's office implement procedures to ensure accurate bank reconciliations are performed in a timely manner each month.

County's Response: The Prosecutor's Office is implementing an electronic database to assist with the reconciliations. The transactions are all accurate, the only concern of this audit was each reconciliation did not include all outstanding checks each time it was completed. Those checks remain outstanding with the balance in the account reflecting so.

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

2021-004: Sheriff's Commissary Account

Criteria: RSMo requires all unclaimed property to be turned over to the State Treasurer after exceeding the dormancy period. Additionally, internal controls requires adequate accounting records to be maintained.

Condition: In the prior audit period, the Sheriff switched their commissary systems from Turnkey to CTC, and the Sheriff maintains a bank account for each system. The commissary account for the Turnkey system still has a total balance of \$1,384 as of December 31, 2022. The funds are intended to be disbursed to individuals that are owed a portion of the balance. However, the Sheriff did not have a record of the individuals or amounts.

Cause: The Sheriff changed their commissary systems, and did not have the time to reconcile and disburse the remaining balance from their previous system.

Effect: The Sheriff's office collects funds in a fiduciary capacity that are to be distributed to the County Treasurer or to other outside entities, and should not maintain significant balances of funds on a monthly basis that are not distributed.

Recommendation: We recommend that the Sheriff's office implement procedures to ensure that adequate accounting records are maintained, and recommend that the Sheriff's office disburse the remaining balance to individuals that are owed a portion of the balance or turned over to the State Treasurer as unclaimed property.

County's Response: The outstanding balance of that account was uncleared checks and inmate security money that remained to be turned over to the treasurer. The account has since been closed and outstanding balance has been turned over to the State Treasurer as unclaimed money and Vernon County Treasurer as inmate security money.

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

ITEMS OF NONCOMPLIANCE

See Finding 2022-006 below.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2022-001: Collector/Treasurer Bank Reconciliations and Treasurer’s Settlement Inaccuracies

Federal Grantor: U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of the Treasury, U.S. Department of Health and Human Services, and U.S. Department of Homeland Security

Pass-Through Grantor: Missouri Department of Public Safety, Missouri Department of Transportation, Missouri State Treasurer, Missouri Department of Health and Human Services, and Missouri Department of Public Safety.

Federal ALN Numbers: 16.034, 16.540, 20.205, 20.600, 20.607, 20.616, 21.019, 21.027, 93.563, and 97.042.

Program Title: COVID-19 - Coronavirus Emergency Supplemental Funding Program, Juvenile Justice and Delinquency Prevention, Highway Planning and Construction, State and Community Highway Safety, Alcohol Open Container Requirements, National Priority Safety Programs, COVID-19 - Coronavirus Relief Fund, COVID-19 - Coronavirus State and Local Fiscal Recovery Fund, Child Support Enforcement, and Emergency Management Performance Grants.

Pass-through Entity Identifying Number: 2020VDBX0223, ER172-19023, BRO-B108(44), 21-PT-E02-075, 22-154-AL-104, 21-MVHVE-0317, 253, and EMK-2021-EP-11.

Award Years: 2021 and 2022.

Questioned Costs: None

Criteria: In accordance with RSMo 54.290, the County Treasurer must present a full and complete annual settlement of their accounts. Further, a proper system of internal controls requires the reconciliation between the accounting and bank records to be accurately completed for the fair presentation of the financial statements.

Condition: The Treasurer’s Settlement and the Collector/Treasurer’s bank reconciliations did not reconcile to each other. There are significant variances between the accounting system and banking records.

Our review of all the Collector/Treasurer’s bank reconciliations noted issues with outstanding items and adjusting entries reported on the bank reconciliations. On the Treasurer’s December 2021 bank reconciliation for the main account, the reconciliation included an outstanding transfer of \$47,020 to the self-insurance account. The self-insurance account has no activity within the bank account or any items outstanding. Further, \$75,483 in adjustments from payroll clearing accounts was reported in the general ledger, but not included on the bank reconciliation for the main account. The total of these adjustments to the reconciled balance to the Collector/Treasurer of December 2021 are shown

below. However, the adjusted reconciliation does not reconcile to the Treasurer’s settlement, which results in an unreconciled balance of \$143,190.

FY 2021			
Bank Account	Collector/ Treasurer Reconciled Bank Balance	Net Audit Adjustments	Reconciled Bank Balance Per Audit
Main	\$ 4,517,217	\$ (122,503)	\$ 4,394,714
Self-Insurance	-	-	-
Total	<u>\$ 4,517,217</u>	<u>\$ (122,503)</u>	<u>\$ 4,394,714</u>

FY 2021			
Bank Account	Reconciled Balance Per Audit	Ending Balance Per Settlement	Variance
Main	\$ 4,394,714	\$ 4,217,857	\$ 176,857
Self-Insurance	-	33,667	(33,667)
Total	<u>\$ 4,394,714</u>	<u>\$ 4,251,524</u>	<u>\$ 143,190</u>

Our review of the Treasurer’s December 2022 bank reconciliation for the main account also had issues with outstanding items. There were three ACH wires that were included as outstanding items for over 30 days, but they had already been recorded in the accounting records and cleared the bank. Further, we verified that an outstanding deposit of \$3,567,156 on December 2022 bank reconciliation for the Treasurer’s and Collector’s main accounts was not in transit. The bank received the deposit on December 8, 2022 in the Treasurer’s main account, and the deposit should not have been reported as outstanding on either of the bank reconciliations. After adjusting the Treasurer’s main account and Collector’s main account, the reconciled balances are \$4,370,084 and \$17,318,583, respectively. An attempted reconciliation between the adjusted reconciled balances for the Treasurer and the Treasurer’s Settlement noted the following variances:

FY 2022			
Bank Account	Collector/ Treasurer Reconciled Balance	Net Audit Adjustments	Reconciled Balance Per Audit
Main	\$ 3,690,213	\$ 679,871	\$ 4,370,084
Self-Insurance	110,554	-	110,554
Economic Development	450,000	-	450,000
Total	<u>\$ 4,250,767</u>	<u>\$ 679,871</u>	<u>\$ 4,930,638</u>

FY 2022			
Bank Account	Reconciled Balance Per Audit	Ending Balance Per Settlement	Variance
Main	\$ 4,370,084	\$ 4,820,893	\$ (450,809)
Self-Insurance	110,554	(19,238)	129,792
Economic Development Fund	450,000	-	450,000
Total	<u>\$ 4,930,638</u>	<u>\$ 4,801,655</u>	<u>\$ 128,983</u>

As shown above, the reconciled cash balance for the main account did not reconcile to the Treasurer's Settlement and reported a variance of \$405,809. The variance could not be determined through the County's accounting records; however, the ACH transactions mentioned above are a portion of this variance. Additionally, the self-insurance fund continued to experience issues that carried forward from the previous fiscal year. Our review of the self-insurance bank statements and reconciliations noted \$96,490 in receipts and \$66,285 in disbursements that were not reflected on the Treasurer's Settlement. The activity of the economic development fund was not reflected on the Treasurer's settlement as well. The economic development fund is the account for the Vernon County Community Foundation held at the Community Foundation of the Ozarks, which opened in December of 2022. The County transferred \$450,000 to help promote economic development within Vernon County in accordance with American Rescue Plan Act guidance.

Cause: The County implemented a new accounting system, CIC, beginning in fiscal year 2021. The Collector/Treasurer experienced issues with the CIC system and requested guidance from customer support throughout the audit period. These issues include the outstanding deposits and wires, the self-insurance fund, and reconciliation issues between the bank reconciliation and treasurer's settlement.

Additionally, 18 of the 21 outstanding checks are issued to cities and townships which have been an ongoing issue for the County and the County has been working with an attorney to address the situation. The remaining outstanding checks were trivial amounts and have not been addressed by the Collector/Treasurer.

The County considered the \$450,000 which was placed into the Economic Development Fund to have been an expenditure of the American Rescue Plan Act Fund as a disbursement to a sub-recipient. The funds were transferred to a non-profit entity who will eventually expend the funds; however, the funds were determined to still be within the control of the County as the County still controls the bank account to which they were transferred. Therefore, the funds were transferred from the American Rescue Plan Act Fund to the Economic Development Fund rather than expended by the County.

Effect: Adequate financial reporting ensures that the County's financial statements are fairly presented. Further, performing accurate bank reconciliations ensures that any misstatements are detected and corrected in a timely manner.

Recommendation: We recommend that the Collector/Treasurer continue to work with CIC to address the bank reconciliations and Treasurer's settlement issues, or request assistance from an outside accountant to help address the issues. Further, we recommend the Collector/Treasurer implement procedures to ensure the Treasurer's settlement reconcile to the bank reconciliation on a monthly

basis, and address any reconciling differences. Additionally, we recommend the Collector/Treasurer implement procedures to properly address any outstanding items on the bank reconciliations in a timely manner.

County's Response: The Collector/Treasurer's Office has continued to work with our Software Company on bank reconciliations. This is something that we are improving on. Funds are entered into the CIC system daily. Should something inadvertently be missed on getting entered, it will be compensated for when we find this inaccuracy. This is sometimes later when we perform bank reconciliations. We correct this going forward or to the day that has not been processed in Cash Receipting System. Should you back to the day a deposit was inadvertently missed and enter these funds, it will change every day in the system that you have processed to that point.

Our insurance account was opened late 2021 to early 2022. We have experienced inaccuracies with this and have been working closely with our Software Company for guidance. This has been a learning experience for being a partially funded account.

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

2022-005: Internal Control Over Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of the Treasury

Pass-Through Grantor: Missouri State Treasurer

Federal ALN Number: 21.027

Program Title: Coronavirus State and Local Fiscal Recovery Funds

Pass-through Entity Identifying Number: N/A

Award Year: 2022

Questioned Costs: None

Criteria: 2 CFR 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program. The County has not implemented proper internal controls to ensure the completeness and accuracy of the SEFA.

Condition: The schedule of expenditures of federal awards (SEFA) reported by the County in the 2022 annual budget documents contained errors in amounts of federal expenditures reported. Discrepancies in amounts reported on the 2022 SEFA and amount supported by underlying accounting records are summarized as follows:

<u>Federal Agency</u>	<u>ALN</u>	<u>Program</u>	<u>Original SEFA</u>	<u>Supported</u>	<u>Difference</u>
USDT	21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund	\$ 696,065	\$ 246,065	\$ 450,000

Cause: The County Clerk did not prepare an accurate SEFA for the year ending December 31, 2022. This was caused by the County reporting \$450,000 disbursed to the Nevada/Vernon County Community Foundation as expended rather than transferred to a separate internal County fund. The County treated the Vernon County Community Foundation as a subrecipient. The audit considered the funds to be transferred to an separate internal County fund because the County Commission maintained full control of the funds. None of the \$450,000 was expended by the Nevada/Vernon County Community Foundation as of December 31, 2022.

Effect: The SEFA presented for audit did not accurately reflect the County’s actual expenditures of federal awards for the year ended December 31, 2022.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year, such as performing a reconciliation between the SEFA and underlying accounting records.

County’s Response: Our SEFA was inaccurate for year ending December 31, 2022. This was caused by the County reporting \$450,000 disbursed funds to the Nevada/Vernon County Community Foundation as a subrecipient. Instead of treating the Foundation as a subrecipient, we now understand that we must transfer the funds to a separate internal fund, as we remain in full control of the funds.

A written internal policy has been established to ensure that the SEFA completely and accurately states the expenditures of federal funds of the County each year. At the end of each calendar year, a reconciliation will be performed between the completed SEFA and our underlying accounting records for accuracy.

We understand that inaccurate reporting of federal programs could result in non-compliance with federal guidelines and increases the risk of ineligibility for future federal programs. Execution of these revised policies and procedures have been put in place.

Auditor’s Evaluation: The County’s response is sufficient to correct the concern.

2022-006: Federal Program Reporting Inaccuracies

Federal Grantor: U.S. Department of the Treasury

Pass-Through Grantor: Missouri State Treasurer

Federal ALN Number: 21.027

Program Title: Coronavirus State and Local Fiscal Recovery Funds

Pass-through Entity Identifying Number: N/A

Award Year: 2022

Questioned Costs: None

Criteria: The Coronavirus State and Local Fiscal Recovery Funds (CSLFR) program requires the recipient of the federal funds to submit an annual project and expenditure report on April 30th. The project and expenditure report provides the grantor with information regarding the grantee's financial data, projects funded, expenditures, and contracts and subawards over \$50,000, and other information.

Condition: The CSLFR program was selected as the major program for the single audit. We selected CSLFR expenditures for testing and reviewed the submitted project and expenditures reports. We found that a disbursement of \$450,000 to Vernon County Community Foundation was reported as expended on the project and expenditure report as well as the County's SEFA. After reviewing the contract between the County and the Vernon County Community Foundation, it was determined that funds were not actually expended because the County Commission still maintained full control over the funds.

Cause: The County initially considered the Vernon County Community Foundation as a subrecipient, and considered the funds as expended after the disbursement was completed.

Effect: Inaccurate reporting of federal programs could result in non-compliance with federal guidelines and increases the risk of ineligibility for future federal programs.

Recommendation: We recommend that the County amends their project and expenditure report, and recommend the County to implement procedures to ensure the project and expenditure reports are adequately stated.

County's Response: On our initial reporting of ARPA funds on 4/30/23, the County considered the Vernon County Community Foundation as a subrecipient. However, we now realize that the County is still in control of the funds and should only report actual dispersed funds from the Foundation.

In May, 2023, the County attempted to go into the portal and correct our reporting error regarding Nevada/Vernon County Community Foundation. However, according to their Project and Expenditure Report User Guide Section V, page 70, any corrections to this report can not be made until the next reporting cycle which is 4/30/24.

We understand that inaccurate reporting of federal programs could result in non-compliance with federal guidelines and increases the risk of ineligibility for future federal programs. We will correct the reporting on the Nevada/Vernon County Community Foundation on the 4/30/24 reporting cycle. We have reviewed and implemented internal controls to avoid this situation in the future.

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

MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:

- **Summary Schedule of Prior Audit Findings**
 - **Corrective Action Plan**

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Ragan Forkner – Chief Deputy Clerk

David Heumader Account Services Clerk

Adrienne Lee

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Vernon County Clerk

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Pat Renwick – Payroll Clerk

Chelsa Shelley – Election Clerk

VERNON COUNTY, MISSOURI

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the 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, 2020 and 2019.

There were no findings or recommendations issued as a result of the prior audit.

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VERNON COUNTY, MISSOURI

CORRECTIVE ACTION PLAN

Finding Reference Number: 2022-01

Federal Agency: U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of the Treasury, U.S. Department of Health and Human Services, and U.S. Department of Homeland Security

Program Name: COVID-19 - Coronavirus Emergency Supplemental Funding Program, Juvenile Justice and Delinquency Prevention, Highway Planning and Construction, State and Community Highway Safety, Alcohol Open Container Requirements, National Priority Safety Programs, COVID-19 - Coronavirus Relief Fund, COVID-19 - Coronavirus State and Local Fiscal Recovery Fund, Child Support Enforcement, and Emergency Management Performance Grants.

Federal ALN Number: 16.034, 16.540, 20.205, 20.600, 20.607, 20.616, 21.019, 21.027, 93.563, and 97.042.

Responsible Official: County Collector/Treasurer

Views of Responsible Individuals: The Collector/Treasurer's Office has continued to work with our Software Company on bank reconciliations. This is something that we are improving on. Funds are entered into the CIC system daily. Should something inadvertently be missed on getting entered, it will be compensated for when we find this inaccuracy. This is sometimes later when we perform bank reconciliations. We correct this going forward or to the day that has not been processed in Cash Receipting System. Should you back to the day a deposit was inadvertently missed and enter these funds, it will change every day in the system that you have processed to that point.

Our insurance account was opened late 2021 to early 2022. We have experienced inaccuracies with

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this and have been working closely with our Software Company for guidance. This has been a learning experience for being a partially funded account.

Finding Reference Number: 2022-002

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: County Collector/Treasurer

Views of Responsible Individuals: Our Software Company created a Report for the Collector's Annual Settlement this past year. We ran this report for this past year and the numbers were not adding up. I requested assistance with this, and this is something that has been an issue and they have been trying to get it corrected going forward.

The Auditors brought to my attention a discrepancy from the 2023 and the 2022 collector's annual settlement. The five percent keep amount was significantly different. I checked into this and found that I did not check box in the system to retain the funds from the Townships. I contacted the Attorney to figure out the best way to approach my error. We spoke of a couple different ways to recoup the funds. We talked of retaining a percentage from each distribution going forward from when we became aware of this error. This would not work because some Townships do not receive a

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disbursement check in months where collections are low. We chose to approach this situation by retaining the funds the next time we do a distribution for five percent keep. We will retain what we are supposed to for this year and last year. I typed a letter and sent to all entities that were impacted by this and explained what I had done. I have spoken with several of the Trustees about this situation, so they are aware of my mistake.

Finding Reference Number: 2022-003

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: Prosecuting Attorney

Views of Responsible Individuals: The Prosecutor's Office is implementing an electronic database to assist with the reconciliations. The transactions are all accurate, the only concern of this audit was each reconciliation did not include all outstanding checks each time it was completed. Those checks remain outstanding with the balance in the account reflecting so.

Finding Reference Number: 2022-004

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: Sheriff

Views of Responsible Individuals: The outstanding balance of that account was uncleared checks and inmate security money that remained to be turned over to the treasurer. The account has since

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been closed and outstanding balance has been turned over to the State Treasurer as unclaimed money and Vernon County Treasurer as inmate security money.

Finding Reference Number: 2022-005

Federal Agency: U.S. Department of the Treasury

Program Name: COVID-19 - Coronavirus State and Local Fiscal Recovery Fund

CFDA Number: 21.027

Responsible Official: County Commission, County Clerk

Views of Responsible Individuals: Our SEFA was inaccurate for year ending December 31, 2022.

This was caused by the County reporting \$450,000 disbursed funds to the Nevada/Vernon County Community Foundation as a subrecipient. Instead of treating the Foundation as a subrecipient, we now understand that we must transfer the funds to a separate internal fund, as we remain in full control of the funds.

A written internal policy has been established to ensure that the SEFA completely and accurately states the expenditures of federal funds of the County each year. At the end of each calendar year, a reconciliation will be performed between the completed SEFA and our underlying accounting records for accuracy.

We understand that inaccurate reporting of federal programs could result in non-compliance with federal guidelines and increases the risk of ineligibility for future federal programs. Execution of these revised policies and procedures have been put in place.

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Finding Reference Number: 2022-06

Federal Agency: U.S. Department of the Treasury

Program Name: COVID-19 - Coronavirus State and Local Fiscal Recovery Fund

CFDA Number: 21.027

Responsible Official: Christine Owen, County Clerk

Views of Responsible Individuals: On our initial reporting of ARPA funds on 4/30/23, the County considered the Vernon County Community Foundation as a subrecipient. However, we now realize that the County is still in control of the funds and should only report actual dispersed funds from the Foundation.

In May, 2023, the County attempted to go into the portal and correct our reporting error regarding Nevada/Vernon County Community Foundation. However, according to their Project and Expenditure Report User Guide Section V, page 70, any corrections to this report can not be made until the next reporting cycle which is 4/30/24.

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