

ANNUAL FINANCIAL REPORT

**VERNON COUNTY, MISSOURI**

For the Year Ended  
December 31, 2020

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**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 2020

*County Commission*

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

*Other Elected Officials*

Assessor – Cherie K. Roberts  
Circuit Clerk – Carrie Poe  
Collector/Treasurer – Brent Baner  
County Clerk – Sean M. Buehler  
Coroner – David L. Ferry  
Prosecuting Attorney – Brandi McInroy  
Public Administrator – Tammy Bond  
Recorder – Shelly Baldwin  
Sheriff – Jason M. Mosher

## **FINANCIAL SECTION**

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

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CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To the County Commission and  
Officeholders of Vernon County, Missouri

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Vernon County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2020, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law, 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

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

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

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred 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, 2020, or the changes in financial position thereof for the year then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Vernon County, Missouri, as of December 31, 2020, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted 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. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we also have issued our report dated June 15, 2021, 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  
Kansas City, Missouri  
June 15, 2021



VERNON COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH  
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

Fund	Cash and Cash Equivalents			Cash and Cash Equivalents
	January 1	Receipts	Disbursements	December 31
General Revenue	\$ 1,065,091	\$ 5,671,941	\$ 4,982,232	\$ 1,754,800
Special Road & Bridge	777,539	1,246,491	1,170,818	853,212
Assessment	16,218	239,413	246,787	8,844
Quarter % Assessment	36,014	50,710	83,598	3,126
Sheriff's Discretionary	4,296	11,947	12,451	3,792
Law Enforcement Training	5,727	2,517	3,246	4,998
Prosecuting Attorney Training	2,187	2,047	565	3,669
Sewer	-	5,622	5,622	-
Election	-	125,904	125,904	-
Law Enforcement Sales Tax	152,033	1,180,723	1,235,033	97,723
Local Emergency Planning Commission	24,207	3,258	373	27,092
Law Enforcement Restitution	23,269	29,137	25,527	26,879
Election Service	15,415	28,805	28,114	16,106
Tax Maintenance	10,022	34,139	29,600	14,561
Help America Vote Act	4,617	46,977	47,090	4,504
Inmate Security	9,418	103,802	58,977	54,243
Prosecuting Attorney Administrative Cost	1,354	6,196	5,603	1,947
Shelter	-	3,659	3,659	-
Recycling	4	21	25	-
United Way DARE	1,331	3,027	480	3,878
Vernon County DARE	830	363	1,127	66
Recorder User Fee	36,643	11,060	6,825	40,878
Capital Improvement	400,206	80,000	95,529	384,677
Sheriff's Revolving (CCW)	6,862	10,919	7,832	9,949
Katy Allen Lake	6,681	-	1,126	5,555
CARES Act Grant	-	2,412,450	2,100,469	311,981
Prosecuting Attorney Tax Collection	177	60	-	237
Federal Seizure	-	-	-	-
Total	<u>\$ 2,600,141</u>	<u>\$ 11,311,188</u>	<u>\$ 10,278,612</u>	<u>\$ 3,632,717</u>

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

VERNON COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
- BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	<u>GENERAL REVENUE FUND</u>	
	<u>Budget</u>	<u>Actual</u>
<b>RECEIPTS</b>		
Property taxes	\$ 456,000	\$ 509,989
Sales taxes	1,051,500	1,177,205
Intergovernmental	858,266	1,147,916
Charges for services	1,660,569	2,101,109
Interest	5,000	15,844
Other	22,606	53,656
Transfers in	526,818	666,222
Total Receipts	<u>\$ 4,580,759</u>	<u>\$ 5,671,941</u>
<b>DISBURSEMENTS</b>		
County Commission	\$ 116,619	\$ 115,261
County Clerk	169,536	168,477
Elections	87,050	2,000
Buildings and grounds	173,662	154,735
Employee fringe benefits	822,530	663,528
Treasurer	140,174	136,859
Collector	-	-
Recorder of Deeds	89,360	85,603
Circuit Court	42,300	34,560
Court Administration	31,070	21,005
Public Administrator	101,563	99,376
Sheriff	1,111,677	1,799,161
Jail	1,653,879	820,976
Prosecuting Attorney	229,444	230,467
Juvenile Officer	156,300	96,384
Coroner	50,675	34,421
Other County government	388,577	372,032
Transfers out	87,200	147,387
Emergency fund	129,768	-
Total Disbursements	<u>\$ 5,581,384</u>	<u>\$ 4,982,232</u>
<b>RECEIPTS OVER (UNDER)</b>		
DISBURSEMENTS	\$ (1,000,625)	\$ 689,709
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,065,091</u>	<u>1,065,091</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 64,466</u>	<u>\$ 1,754,800</u>

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

VERNON COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2020

	SPECIAL ROAD & BRIDGE FUND		ASSESSMENT FUND		QUARTER % ASSESSMENT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ 130,000	\$ 134,451	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	1,256,278	986,264	-	-	-	-
Charges for services	-	-	227,847	238,247	52,500	50,538
Interest	4,000	9,251	400	700	150	172
Other	78,900	110,924	260	466	-	-
Transfers in	6,000	5,601	3,416	-	-	-
Total Receipts	<u>\$ 1,475,178</u>	<u>\$ 1,246,491</u>	<u>\$ 231,923</u>	<u>\$ 239,413</u>	<u>\$ 52,650</u>	<u>\$ 50,710</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ 343,373	\$ 222,332	\$ 165,450	\$ 164,836	\$ -	\$ -
Employee fringe benefits	125,178	79,571	62,166	61,192	-	-
Materials and supplies	93,000	49,361	15,525	8,548	32,420	32,627
Services and other	432,104	338,163	5,000	12,211	52,828	50,971
Capital outlay	370,000	111,280	-	-	-	-
Construction	727,000	314,358	-	-	-	-
Transfers out	85,533	55,753	-	-	3,416	-
Total Disbursements	<u>\$ 2,176,188</u>	<u>\$ 1,170,818</u>	<u>\$ 248,141</u>	<u>\$ 246,787</u>	<u>\$ 88,664</u>	<u>\$ 83,598</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (701,010)	\$ 75,673	\$ (16,218)	\$ (7,374)	\$ (36,014)	\$ (32,888)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>777,539</u>	<u>777,539</u>	<u>16,218</u>	<u>16,218</u>	<u>36,014</u>	<u>36,014</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 76,529</u>	<u>\$ 853,212</u>	<u>\$ -</u>	<u>\$ 8,844</u>	<u>\$ -</u>	<u>\$ 3,126</u>

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

VERNON COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2020

	SHERIFF'S DISCRETIONARY FUND		LAW ENFORCEMENT TRAINING FUND		PROSECUTING ATTORNEY TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	1,000	842	-	-
Charges for services	15,000	11,900	2,000	1,612	1,059	2,019
Interest	-	47	-	63	11	28
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 15,000</u>	<u>\$ 11,947</u>	<u>\$ 3,000</u>	<u>\$ 2,517</u>	<u>\$ 1,070</u>	<u>\$ 2,047</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	19,296	12,451	8,727	3,246	3,257	565
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 19,296</u>	<u>\$ 12,451</u>	<u>\$ 8,727</u>	<u>\$ 3,246</u>	<u>\$ 3,257</u>	<u>\$ 565</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,296)	\$ (504)	\$ (5,727)	\$ (729)	\$ (2,187)	\$ 1,482
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>4,296</u>	<u>4,296</u>	<u>5,727</u>	<u>5,727</u>	<u>2,187</u>	<u>2,187</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ 3,792</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,998</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,669</u></u>

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

VERNON COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2020

	SEWER FUND		ELECTION FUND		LAW ENFORCEMENT SALES TAX FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ 6,000	\$ 5,579	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	1,176,500	1,176,671
Intergovernmental	-	-	42,100	55,365	-	-
Charges for services	-	-	-	-	-	-
Interest	25	43	-	-	1,500	4,052
Other	-	-	-	161	-	-
Transfers in	-	-	85,050	70,378	-	-
Total Receipts	<u>\$ 6,025</u>	<u>\$ 5,622</u>	<u>\$ 127,150</u>	<u>\$ 125,904</u>	<u>\$ 1,178,000</u>	<u>\$ 1,180,723</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	25	20	114,903	113,878	694,253	646,111
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	6,000	5,602	12,247	12,026	540,780	588,922
Total Disbursements	<u>\$ 6,025</u>	<u>\$ 5,622</u>	<u>\$ 127,150</u>	<u>\$ 125,904</u>	<u>\$ 1,235,033</u>	<u>\$ 1,235,033</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ (57,033)	\$ (54,310)
CASH AND CASH EQUIVALENTS, JANUARY 1	-	-	-	-	152,033	152,033
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 97,723</u>

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

VERNON COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2020

	LOCAL EMERGENCY PLANNING COMMISSION FUND		LAW ENFORCEMENT RESTITUTION FUND		ELECTION SERVICE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	3,000	3,258	-	-	1,000	2,148
Charges for services	-	-	20,000	28,865	-	-
Interest	-	-	-	272	100	137
Other	-	-	-	-	9,348	17,566
Transfers in	-	-	-	-	5,400	8,954
Total Receipts	<u>\$ 3,000</u>	<u>\$ 3,258</u>	<u>\$ 20,000</u>	<u>\$ 29,137</u>	<u>\$ 15,848</u>	<u>\$ 28,805</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	21,914	18,766
Services and other	27,207	373	43,269	25,527	9,349	5,429
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	3,919
Total Disbursements	<u>\$ 27,207</u>	<u>\$ 373</u>	<u>\$ 43,269</u>	<u>\$ 25,527</u>	<u>\$ 31,263</u>	<u>\$ 28,114</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (24,207)	\$ 2,885	\$ (23,269)	\$ 3,610	\$ (15,415)	\$ 691
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>24,207</u>	<u>24,207</u>	<u>23,269</u>	<u>23,269</u>	<u>15,415</u>	<u>15,415</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 27,092</u>	<u>\$ -</u>	<u>\$ 26,879</u>	<u>\$ -</u>	<u>\$ 16,106</u>

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

VERNON COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2020

	TAX MAINTENANCE FUND		HELP AMERICA VOTE ACT FUND		INMATE SECURITY FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	42,849	42,848	-	-
Charges for services	32,000	33,947	-	-	-	3,273
Interest	100	192	-	98	-	254
Other	-	-	-	31	70,000	100,275
Transfers in	-	-	6,400	4,000	-	-
Total Receipts	<u>\$ 32,100</u>	<u>\$ 34,139</u>	<u>\$ 49,249</u>	<u>\$ 46,977</u>	<u>\$ 70,000</u>	<u>\$ 103,802</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	66,218	45,592
Services and other	30,122	17,600	53,866	47,090	13,200	13,385
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	12,000	12,000	-	-	-	-
Total Disbursements	<u>\$ 42,122</u>	<u>\$ 29,600</u>	<u>\$ 53,866</u>	<u>\$ 47,090</u>	<u>\$ 79,418</u>	<u>\$ 58,977</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,022)	\$ 4,539	\$ (4,617)	\$ (113)	\$ (9,418)	\$ 44,825
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>10,022</u>	<u>10,022</u>	<u>4,617</u>	<u>4,617</u>	<u>9,418</u>	<u>9,418</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 14,561</u>	<u>\$ -</u>	<u>\$ 4,504</u>	<u>\$ -</u>	<u>\$ 54,243</u>

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

VERNON COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2020

	PROSECUTING ATTORNEY ADMINISTRATIVE COST FUND		SHELTER FUND		RECYCLING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
	RECEIPTS					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	13	-	-	-	-
Charges for services	2,500	3,295	6,000	3,645	-	-
Interest	-	37	-	14	22	21
Other	1,750	2,851	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 4,250</u>	<u>\$ 6,196</u>	<u>\$ 6,000</u>	<u>\$ 3,659</u>	<u>\$ 22</u>	<u>\$ 21</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	1,104	2,907	6,000	3,659	-	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	4,500	2,696	-	-	26	25
Total Disbursements	<u>\$ 5,604</u>	<u>\$ 5,603</u>	<u>\$ 6,000</u>	<u>\$ 3,659</u>	<u>\$ 26</u>	<u>\$ 25</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,354)	\$ 593	\$ -	\$ -	\$ (4)	\$ (4)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,354</u>	<u>1,354</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 1,947</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  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2020

	UNITED WAY DARE FUND		VERNON COUNTY DARE FUND		RECORDER USER FEE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	100	360	-	-
Charges for services	-	-	-	-	9,000	10,685
Interest	-	27	-	3	300	375
Other	3,000	3,000	750	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 3,000</u>	<u>\$ 3,027</u>	<u>\$ 850</u>	<u>\$ 363</u>	<u>\$ 9,300</u>	<u>\$ 11,060</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	4,331	480	1,680	1,127	36,943	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	9,000	6,825
Total Disbursements	<u>\$ 4,331</u>	<u>\$ 480</u>	<u>\$ 1,680</u>	<u>\$ 1,127</u>	<u>\$ 45,943</u>	<u>\$ 6,825</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ (1,331)	\$ 2,547	\$ (830)	\$ (764)	\$ (36,643)	\$ 4,235
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>1,331</u>	<u>1,331</u>	<u>830</u>	<u>830</u>	<u>36,643</u>	<u>36,643</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ -</u>	<u>\$ 3,878</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 40,878</u>

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

VERNON COUNTY, MISSOURI  
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
- BUDGET AND ACTUAL - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	CAPITAL IMPROVEMENT FUND		SHERIFF'S REVOLVING (CCW) FUND		KATY ALLEN LAKE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	10,000	10,830	-	-
Interest	-	-	-	89	-	-
Other	-	-	-	-	-	-
Transfers in	80,000	80,000	-	-	-	-
Total Receipts	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 10,000</u>	<u>\$ 10,919</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	-	-	16,862	7,832	6,681	1,126
Capital outlay	480,206	95,529	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 480,206</u>	<u>\$ 95,529</u>	<u>\$ 16,862</u>	<u>\$ 7,832</u>	<u>\$ 6,681</u>	<u>\$ 1,126</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (400,206)	\$ (15,529)	\$ (6,862)	\$ 3,087	\$ (6,681)	\$ (1,126)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>400,206</u>	<u>400,206</u>	<u>6,862</u>	<u>6,862</u>	<u>6,681</u>	<u>6,681</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 384,677</u>	<u>\$ -</u>	<u>\$ 9,949</u>	<u>\$ -</u>	<u>\$ 5,555</u>

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

VERNON COUNTY, MISSOURI  
 STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 - BUDGET AND ACTUAL - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2020

	CARES ACT GRANT FUND		PROSECUTING ATTORNEY TAX COLLECTION FUND		FEDERAL SEIZURE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
<b>RECEIPTS</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	2,412,450	2,412,450	-	-	100	-
Charges for services	-	-	-	-	-	-
Interest	-	-	-	2	-	-
Other	-	-	-	58	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 2,412,450</u>	<u>\$ 2,412,450</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 100</u>	<u>\$ -</u>
<b>DISBURSEMENTS</b>						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	100	-
Services and other	2,412,450	2,100,469	-	-	-	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,412,450</u>	<u>\$ 2,100,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 311,981	\$ -	\$ 60	\$ -	\$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	-	-	177	177	-	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 311,981</u>	<u>\$ 177</u>	<u>\$ 237</u>	<u>\$ -</u>	<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  
YEAR ENDED DECEMBER 31, 2020

Fund/Account	Cash and Cash Equivalents January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
Treasurer Township	\$ 35,352	\$ 1,299,434	\$ 1,334,786	\$ -
Treasurer School	185,368	9,508,644	9,694,012	-
Treasurer School Fine	52,956	73,506	84,945	41,517
Treasurer Health Unit	4,769	276,161	280,930	-
Treasurer Unclaimed Fees	864	91	-	955
Treasurer Overplus	15,674	42,805	29,622	28,857
Treasurer Ambulance	7,177	414,168	421,345	-
Treasurer Deputy Sheriff Supplemental	460	89,938	89,658	740
Treasurer Criminal Cost	23,477	351,871	181,552	193,796
Treasurer State Revenue	1,417	87,459	88,876	-
Treasurer City	6,257	1,070,830	1,066,741	10,346
Treasurer CERF	3,326	275,663	263,948	15,041
Treasurer Surtax	43,388	445,338	440,475	48,251
Treasurer Prosecuting Attorney \$5 Fee	-	436	361	75
Treasurer Circuit Clerk Over/Under	1,072	45	-	1,117
Collector's Account	12,005,650	12,094,689	15,773,344	8,326,995
Collector's Credit Card Sweep	-	1,004,048	1,004,048	-
Collector's In-Out	-	2,419,313	2,407,719	11,594
Recorder	11,663	124,875	126,520	10,018
Public Administrator	412,169	1,666,437	1,620,042	458,564
Prosecuting Attorney	1,781	5,194	6,675	300
Sheriff's Account	118,053	1,820,819	1,652,500	286,372
Sheriff's CCW	340	9,740	9,270	810
Sheriff's Evidence	36,241	6,269	-	42,510
Sheriff's Commissary	19,133	571,199	553,579	36,753
Total	<u>\$ 12,986,587</u>	<u>\$ 33,658,972</u>	<u>\$ 37,130,948</u>	<u>\$ 9,514,611</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, 2020

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.
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.

- 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 2020, for purposes of taxation were:

Real Estate	\$ 170,857,970
Personal Property	65,986,899
Railroad and Utilities	<u>26,769,138</u>
Total	<u>\$ 263,614,007</u>

For calendar year 2020, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

General Revenue	\$ 0.1845
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In addition to the levy above, the County assesses a .50 levy on parcels of land that are part of the sewer district and receives 5% of Road & Bridge taxes levied and collected by each township in the County.

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash equivalents balances are presented in Note 2.

G. Interfund Activity

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

## 2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents 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, 2020, the County had the following cash and investment balances:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>FDIC Coverage</u>
Cash and Cash Equivalents - Governmental Funds	\$ 3,632,717	\$ 4,519,686	\$ 250,000
Cash and Cash Equivalents - Fiduciary Funds	\$ 9,514,611	\$ 9,039,678	\$ 967,577

The remainder of the balances not covered by FDIC deposit insurance at December 31, 2020 were covered by collateral held at the Federal Reserve Bank and the County’s safekeeping bank agent in the County’s name or by a line of credit held by the County or by its agent in the County’s name.

## 3. COUNTY EMPLOYEES’ RETIREMENT PLANS

### A. Missouri Local Government Employees Retirement System (LAGERS)

#### 1) Plan Description

Vernon County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system’s responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, [www.molagers.org](http://www.molagers.org).



## 2) Pension Benefits

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

## 3) Funding Policy

Full-time employees of Vernon County do not contribute to the pension plan. The January 1st statutorily required contribution rates were 8.4% (General) and 12.4% (Police) of annual covered payroll for 2020. 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 year ended December 31, 2020, the County contributed \$203,574 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](http://www.mocerf.org).

### 3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. 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 2020, the County collected and remitted to CERF employee withholdings and fees collected of \$263,948 for the year 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, respectively, for the year ended December 31, 2020.

### D. Deferred 457 Pension Plan

Participation in the plan is voluntary 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 year ended December 31, 2020 were \$52,103.

## 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.

## 6. RISK MANAGEMENT

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

The County is a member 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, 2020:

- A. 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
2021	\$ 535,000	\$ 62,500	\$ 597,500
2022	550,000	64,300	614,300
2023	555,000	53,300	608,300
2024	565,000	42,200	607,200
2025	570,000	30,900	600,900
2026-2027	975,000	27,500	1,002,500
Totals	<u>\$ 3,750,000</u>	<u>\$ 280,700</u>	<u>\$ 4,030,700</u>

- B. In September 2019, the County entered into a \$69,700 lease-purchase agreement for a Ford Transit Cargo Van. The agreement called for an initial payment of \$29,456 and two payments of \$22,228, with an interest rate of 6.9%. The lease was fully paid as of December 31, 2020.

The following schedule shows changes in long-term debt during the year ended December 31, 2020:

Description	Balance 12/31/2019	Additions	Payments	Balance 12/31/2020	Interest Paid
COPS	\$ 4,350,000	\$3,750,000	\$ (4,350,000)	\$ 3,750,000	\$112,353
Cargo Van	40,244	-	(40,244)	-	3,247

#### 8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2020 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 15, 2021, the date the financial statements were available to be issued.

## **COMPLIANCE SECTION**

## McBRIDE, LOCK & ASSOCIATES, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

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

To the County Commission and  
Officeholders of Vernon County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Vernon County, Missouri 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, 2020, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year 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 June 15, 2021.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Vernon County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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



McBride, Lock & Associates, LLC  
Kansas City, Missouri  
June 15, 2021

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

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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**

We have audited Vernon County, Missouri's compliance with the types of compliance requirements described 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 year ended December 31, 2020. 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.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Vernon County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Vernon County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Vernon County, Missouri's compliance.



### ***Opinion on Each Major Federal Program***

In our opinion, Vernon County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

### **Report on Internal Control over Compliance**

Management of Vernon County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Vernon County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Vernon County, Missouri's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



McBride, Lock & Associates, LLC  
Kansas City, Missouri  
June 15, 2021

VERNON COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2020

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
16.540	Passed through State Department of Public Safety - Juvenile Justice and Delinquency Prevention	ER172-19023 OSCA 19-00109-20 OSCA 20-00632-22	\$ 18,592 1,022 1,130 <u>20,744</u>
	Total 16.540		<u>\$ 20,744</u>
U. S. DEPARTMENT OF TRANSPORTATION			
20.205	Passed through Missouri Department of Transportation - Highway Planning and Construction (Cluster)	BRO-B108(44)	<u>\$ 8,295</u>
20.600	State and Community Highway Safety	21-PT-02-075	\$ 2,005
20.616	National Priority Safety Programs	21-M5HVE-03-017	5,721
	Total Highway Safety Cluster		<u>\$ 7,726</u>
U. S. DEPARTMENT OF TREASURY			
21.019	Passed through Missouri State Treasurer - Coronavirus Relief Fund - COVID-19	253	<u>\$ 2,100,469</u>
ELECTION ASSISTANCE COMMISSION			
90.404	Passed through the Office of Secretary of State - 2020 Help America Vote Act Coronavirus Aid, Relief and Economic Security Act Grant - COVID-19	N/A	<u>\$ 33,775</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
93.563	Passed through Missouri Department of Social Services - Child Support Enforcement	ER10220109	<u>\$ 44,678</u>
U. S. DEPARTMENT OF HOMELAND SECURITY			
97.042	Passed through Missouri Department of Public Safety - Emergency Management Performance Grants	EMK-2020-EP-004-113-04	<u>\$ 21,682</u>
	Total Expenditures of Federal Awards		<u><u>\$ 2,237,369</u></u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**VERNON COUNTY, MISSOURI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2020**

**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 year ended December 31, 2020. 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 year ended December 31, 2020.

VERNON COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements:**

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

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

**Federal Awards:**

Internal Control Over Major Programs:

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

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

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

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund – COVID-19

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

Auditee Qualified as low-risk:  Yes  No

**SECTION II – FINANCIAL STATEMENTS FINDINGS**

**MATERIAL WEAKNESSES IN INTERNAL CONTROL**

None

**SIGNIFICANT INTERNAL CONTROL DEFICIENCIES**

None noted

**ITEMS OF NONCOMPLIANCE**

None noted

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

VERNON COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2020

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 years ended December 31, 2019 and 2018.

There were no findings noted in the prior audit report.