CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Vernon County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Vernon County, Missouri, for the two years ended December 31, 2001. A copy of this audit, which was performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

Claire C. McCaskill
State Auditor

Report No. 2002-81
August 30, 2002

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VERNON COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 2001 AND 2000

VERNON COUNTY, MISSOURI

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FINANCIAL SECTION

Independent Auditor's Reports

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CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES

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

To the State Auditor
and
County Commission of
Vernon County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Vernon County, Missouri, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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 special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Vernon County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 30, 2002, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Original Signed by Auditor

McBride, Lock & Associates

May 30, 2002

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McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED

To the State Auditor
and
County Commission of
Vernon County, Missouri

We have audited the special-purpose financial statements of various funds of Vernon County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 30, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Vernon County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Vernon County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Original Signed by Auditor

McBride, Lock & Associates

May 30, 2002

Financial Statements

Exhibit A-1

VERNON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	$ 434,982	$ 1,820,505	$ 1,799,561	$ 455,926
Special Road and Bridge	295,999	1,107,170	1,120,506	282,663
Assessment	15,044	192,611	205,330	2,325
Law Enforcement Training	2,046	4,494	5,751	789
Prosecuting Attorney Training	4,285	1,231	1,593	3,923
Health Center	202,197	486,592	465,959	222,830
Prosecuting Attorney Bad Check	12,978	17,478	22,000	8,456
Sewer	35,478	5,945	627	40,796
Shelter for Victims of Domestic Violence	42	4,195	4,185	52
Local Emergency Planning Commission	12,406	6,255	4,710	13,951
Recorder's User Fees	81,509	15,962	10,200	87,271
Community Outreach	0	0	0	0
Circuit Clerk Interest	19,955	479	0	20,434
Law Library	24,299	11,689	10,221	25,767
Sheriff Discretionary	13,633	47,368	49,985	11,016
Elevator Grant	0	134,081	134,081	0
Victim Impact Panel	5,450	2,166	822	6,794
Election Services	2,318	4,736	0	7,054
Prosecuting Attorney Delinquent Tax	7,263	681	488	7,456
Sheriff Drug	115	500	300	315
Elevator Special	0	96,581	96,581	0
Total	$ 1,169,999	$ 3,960,719	$ 3,932,900	$ 1,197,818

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

Exhibit A-2

VERNON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	$ 414,829	$ 1,751,402	$ 1,731,249	$ 434,982
Special Road and Bridge	571,664	1,534,278	1,809,943	295,999
Assessment	5,705	172,781	163,442	15,044
Law Enforcement Training	1,231	5,024	4,209	2,046
Prosecuting Attorney Training	5,234	1,128	2,077	4,285
Health Center	206,262	432,008	436,073	202,197
Prosecuting Attorney Bad Check	20,193	15,872	23,087	12,978
Sewer	31,545	6,004	2,071	35,478
Shelter for Victims of Domestic Violence	0	2,168	2,126	42
Local Emergency Planning Commission	11,364	3,487	2,445	12,406
Recorder's User Fees	78,087	13,822	10,400	81,509
Community Outreach	0	6,000	6,000	0
Circuit Clerk Interest	19,480	475	0	19,955
Law Library	21,477	8,217	5,395	24,299
Sheriff Discretionary	19,033	36,440	41,840	13,633
Victim Impact Panel	4,604	2,106	1,260	5,450
Election Services	0	2,318	0	2,318
Prosecuting Attorney Delinquent Tax	9,026	678	2,441	7,263
Sheriff Drug	315	0	200	115
Commissioners Escrow	16,120	13,333	29,453	0
	$ 1,436,169	$ 4,007,541	$ 4,273,711	$ 1,169,999

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

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	$ 4,185,957	$ 3,727,391	$ (458,566)	$ 3,940,652	$ 4,005,435	$ 64,783
DISBURSEMENTS	4,870,643	3,701,116	1,169,527	4,868,232	4,272,251	595,981
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (684,686)	$ 26,275	$ (710,961)	$ (927,580)	$ (266,816)	$ 660,764
CASH, JANUARY 1	1,167,371	1,164,434	(2,938)	1,430,401	1,431,250	849
CASH, DECEMBER 31	$ 482,685	$ 1,190,709	$ 708,023	$ 502,821	$ 1,164,434	$ 661,613
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	$ 262,211	$ 292,802	$ 30,591	$ 255,376	$ 301,189	$ 45,813
Sales taxes	772,000	789,677	17,677	764,800	769,865	5,065
Intergovernmental	230,245	228,425	(1,820)	183,409	190,920	7,511
Charges for services	290,140	274,843	(15,297)	250,599	289,861	39,262
Interest	25,000	20,300	(4,700)	18,000	28,949	10,949
Other	136,897	161,845	24,948	164,734	112,388	(52,346)
Transfers in	52,613	52,613	0	58,230	58,230	0
Total Receipts	$ 1,769,106	$ 1,820,505	$ 51,399	$ 1,695,148	$ 1,751,402	$ 56,254
DISBURSEMENTS						
County Commission	$ 91,387	$ 89,989	$ 1,398	$ 90,150	$ 90,758	$ (608)
County Clerk	157,834	151,578	6,256	152,612	148,145	4,467
Elections	23,650	12,002	11,648	59,450	58,778	672
Buildings and grounds	144,656	123,505	21,151	152,183	133,535	18,648
Employee fringe benefits	174,289	154,661	19,628	164,800	137,036	27,764
Ex Officio County Collector	68,067	65,452	2,615	65,705	63,700	2,005
Recorder of Deeds	84,424	87,082	(2,658)	85,276	75,539	9,737
Circuit Clerk	93,100	40,656	52,444	60,500	35,282	25,218
Court administration	30,250	17,913	12,337	27,750	20,016	7,734
Public Administrator	51,043	48,582	2,461	39,450	49,689	(10,239)
Sheriff	382,516	466,561	(84,045)	347,474	461,251	(113,777)
Jail	203,767	53,652	150,115	195,238	58,228	137,010
Prosecuting Attorney	136,408	121,062	15,346	112,369	111,385	984
Juvenile Officer	233,341	162,349	70,992	212,175	147,071	65,104
County Coroner	26,569	23,116	3,453	21,155	17,975	3,180
Other	187,600	103,857	83,743	124,100	118,217	5,883
Transfers out	31,466	77,544	(46,078)	15,578	0	15,578
Emergency Fund	53,073	0	53,073	50,561	4,644	45,917
Total Disbursements	$ 2,173,440	$ 1,799,561	$ 373,879	$ 1,976,526	$ 1,731,249	$ 245,277
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (404,334)	$ 20,944	$ 425,278	$ (281,378)	$ 20,153	$ 301,531
CASH, JANUARY 1	434,982	434,982	0	413,764	414,829	1,065
CASH, DECEMBER 31	$ 30,648	$ 455,926	$ 425,278	$ 132,386	$ 434,982	$ 302,596

Exhibit B
(Continued)

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
SPECIAL ROAD AND BRIDGE FUND						
RECEIPTS						
Property taxes	$ 100,000	$ 101,817	$ 1,817	$ 98,600	$ 97,312	$ (1,288)
Intergovernmental	1,532,681	989,382	(543,299)	1,354,371	1,379,948	25,577
Interest	20,000	12,568	(7,432)	20,000	26,617	6,617
Other	250	3,403	3,153	27,600	30,401	2,801
Total Receipts	$ 1,652,931	$ 1,107,170	$ (545,761)	$ 1,500,571	$ 1,534,278	$ 33,707
DISBURSEMENTS						
Salaries	$ 200,000	$ 168,631	$ 31,369	$ 195,000	$ 170,528	$ 24,472
Employee fringe benefits	43,680	33,538	10,142	42,990	29,969	13,021
Supplies	25,000	28,732	(3,732)	25,000	24,401	599
Insurance	11,000	11,781	(781)	10,000	9,285	715
Road and bridge materials	66,500	35,579	30,921	71,500	41,330	30,170
Equipment repairs	25,000	24,398	602	25,000	12,740	12,260
Rentals	1,000	0	1,000	1,000	0	1,000
Equipment purchases	49,600	142,099	(92,499)	136,500	155,912	(19,412)
Construction, repair, and maintenance	275,000	324,534	(49,534)	360,000	398,754	(38,754)
Distributions to townships	0	0	0	0	0	0
Bridge construction	0	0	0	0	0	0
Shop building	0	0	0	0	0	0
Other	1,057,000	298,601	758,399	1,087,000	908,794	178,206
Transfers out	52,613	52,613	0	58,230	58,230	0
Total Disbursements	$ 1,806,393	$ 1,120,506	$ 685,887	$ 2,012,220	$ 1,809,943	$ 202,277
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (153,462)	$ (13,336)	$ 140,126	$ (511,649)	$ (275,665)	$ 235,984
CASH, JANUARY 1	295,999	295,999	0	571,664	571,664	0
CASH, DECEMBER 31	$ 142,537	$ 282,663	$ 140,126	$ 60,015	$ 295,999	$ 235,984
ASSESSMENT FUND						
RECEIPTS						
Intergovernmental	$ 166,670	$ 185,767	$ 19,097	$ 161,378	$ 166,438	$ 5,060
Charges for services	3,000	2,750	(250)	2,700	2,800	100
Interest	2,000	2,231	231	1,000	2,104	1,104
Other	1,500	1,863	363	300	1,439	1,139
Transfers in	31,466	0	(31,466)	15,578	0	(15,578)
Total Receipts	$ 204,636	$ 192,611	$ (12,025)	$ 180,956	$ 172,781	$ (8,175)
DISBURSEMENTS						
Assessor	$ 219,680	$ 205,330	$ 14,350	$ 186,661	$ 163,442	$ 23,219
Total Disbursements	$ 219,680	$ 205,330	$ 14,350	$ 186,661	$ 163,442	$ 23,219
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (15,044)	$ (12,719)	$ 2,325	$ (5,705)	$ 9,339	$ 15,044
CASH, JANUARY 1	15,044	15,044	0	5,705	5,705	0
CASH, DECEMBER 31	$ 0	$ 2,325	$ 2,325	$ 0	$ 15,044	$ 15,044

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31, 2001 Budget	2001 Actual	2001 Variance Favorable (Unfavorable)	2000 Budget	2000 Actual	2000 Variance Favorable (Unfavorable)
LAW ENFORCEMENT TRAINING FUND						
RECEIPTS						
Intergovernmental	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Charges for services	5,250	4,232	(1,018)	5,400	4,776	(624)
Interest	100	72	(28)	20	118	98
Other	150	190	40	100	130	30
Total Receipts	$ 5,500	$ 4,494	$ (1,006)	$ 5,520	$ 5,024	$ (496)
DISBURSEMENTS						
Sheriff	$ 6,000	$ 5,751	$ 249	$ 6,751	$ 4,209	$ 2,542
Total Disbursements	$ 6,000	$ 5,751	$ 249	$ 6,751	$ 4,209	$ 2,542
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (500)	$ (1,257)	$ (757)	$ (1,231)	$ 815	$ 2,046
CASH, JANUARY 1	2,046	2,046	0	1,231	1,231	0
CASH, DECEMBER 31	$ 1,546	$ 789	$ (757)	$ 0	$ 2,046	$ 2,046
PROSECUTING ATTORNEY TRAINING FUND						
RECEIPTS						
Charges for services	$ 900	$ 1,048	$ 148	$ 1,400	$ 847	$ (553)
Interest	150	183	33	70	281	211
Total Receipts	$ 1,050	$ 1,231	$ 181	$ 1,470	$ 1,128	$ (342)
DISBURSEMENTS						
Prosecuting Attorney	$ 2,250	$ 1,593	$ 657	$ 2,500	$ 2,077	$ 423
Total Disbursements	$ 2,250	$ 1,593	$ 657	$ 2,500	$ 2,077	$ 423
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,200)	$ (362)	$ 838	$ (1,030)	$ (949)	$ 81
CASH, JANUARY 1	4,285	4,285	0	5,234	5,234	0
CASH, DECEMBER 31	$ 3,085	$ 3,923	$ 838	$ 4,204	$ 4,285	$ 81
HEALTH CENTER FUND						
RECEIPTS						
Property taxes	$ 184,000	$ 207,379	$ 23,379	$ 153,000	$ 163,779	$ 10,779
Intergovernmental	175,024	188,066	13,042	189,927	171,573	(18,354)
Charges for services	64,287	55,793	(8,494)	51,400	51,221	(179)
Interest	14,043	14,380	337	13,420	14,087	667
Other	18,278	20,974	2,696	35,950	31,348	(4,602)
Total Receipts	$ 455,632	$ 486,592	$ 30,960	$ 443,697	$ 432,008	$ (11,689)
DISBURSEMENTS						
Salaries	$ 345,323	$ 354,164	$ (8,841)	$ 347,513	$ 326,025	$ 21,488
Office expenditures	78,232	89,217	(10,985)	86,210	78,232	7,978
Equipment	7,213	10,524	(3,311)	8,000	20,745	(12,745)
Mileage and training	11,000	12,054	(1,054)	12,518	11,071	1,447
Emergency	13,864	0	13,864	13,311	0	13,311
Total Disbursements	$ 455,632	$ 465,959	$ (10,327)	$ 467,552	$ 436,073	$ 31,479
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 0	$ 20,633	$ 20,633	$ (23,855)	$ (4,065)	$ 19,790
CASH, JANUARY 1	202,197	202,197	0	206,478	206,262	(216)
CASH, DECEMBER 31	$ 202,197	$ 222,830	$ 20,633	$ 182,623	$ 202,197	$ 19,574

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
PROSECUTING ATTORNEY BAD CHECK FUND						
RECEIPTS						
Charges for services	$ 14,000	$ 17,050	$ 3,050	$ 14,300	$ 14,924	$ 624
Interest	1,025	428	(597)	0	948	948
Total Receipts	$ 15,025	$ 17,478	$ 2,453	$ 14,300	$ 15,872	$ 1,572
DISBURSEMENTS						
Prosecuting Attorney	$ 23,542	$ 22,000	$ 1,542	$ 23,463	$ 23,087	$ 376
Total Disbursements	$ 23,542	$ 22,000	$ 1,542	$ 23,463	$ 23,087	$ 376
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (8,517)	$ (4,522)	$ 3,995	$ (9,163)	$ (7,215)	$ 1,948
CASH, JANUARY 1	12,978	12,978	0	20,193	20,193	0
CASH, DECEMBER 31	$ 4,461	$ 8,456	$ 3,995	$ 11,030	$ 12,978	$ 1,948
SEWER FUND						
RECEIPTS						
Special assessments	$ 4,000	$ 3,913	$ (87)	$ 4,000	$ 4,059	$ 59
Interest	2,200	2,032	(168)	1,100	1,945	845
Total Receipts	$ 6,200	$ 5,945	$ (255)	$ 5,100	$ 6,004	$ 904
DISBURSEMENTS						
Sewer repairs and maintenance	$ 41,678	$ 627	$ 41,051	$ 36,645	$ 2,071	$ 34,574
Total Disbursements	$ 41,678	$ 627	$ 41,051	$ 36,645	$ 2,071	$ 34,574
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (35,478)	$ 5,318	$ 40,796	$ (31,545)	$ 3,933	$ 35,478
CASH, JANUARY 1	35,478	35,478	0	31,545	31,545	0
CASH, DECEMBER 31	$ 0	$ 40,796	$ 40,796	$ 0	$ 35,478	$ 35,478
SHELTER FOR VICTIMS OF DOMESTIC VIOLENCE FUND						
RECEIPTS						
Charges for services	$ 2,070	$ 4,158	$ 2,088	$ 2,800	$ 2,137	$ (663)
Interest	25	37	12	0	31	31
Total Receipts	$ 2,095	$ 4,195	$ 2,100	$ 2,800	$ 2,168	$ (632)
DISBURSEMENTS						
Health and welfare	$ 2,137	$ 4,185	$ (2,048)	$ 2,800	$ 2,126	$ 674
Total Disbursements	$ 2,137	$ 4,185	$ (2,048)	$ 2,800	$ 2,126	$ 674
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (42)	$ 10	$ 52	$ 0	$ 42	$ 42
CASH, JANUARY 1	42	42	0	0	0	0
CASH, DECEMBER 31	$ 0	$ 52	$ 52	$ 0	$ 42	$ 42

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
LOCAL EMERGENCY PLANNING COMMISSION FUND						
RECEIPTS						
Intergovernmental	$ 4,000	$ 5,777	$ 1,777	$ 2,500	$ 2,924	$ 424
Interest	400	478	78	0	563	563
Total Receipts	$ 4,400	$ 6,255	$ 1,855	$ 2,500	$ 3,487	$ 987
DISBURSEMENTS						
Civil defense	$ 16,806	$ 4,710	$ 12,096	$ 13,864	$ 2,445	$ 11,419
Total Disbursements	$ 16,806	$ 4,710	$ 12,096	$ 13,864	$ 2,445	$ 11,419
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (12,406)	$ 1,545	$ 13,951	$ (11,364)	$ 1,042	$ 12,406
CASH, JANUARY 1	12,406	12,406	0	11,364	11,364	0
CASH, DECEMBER 31	$ 0	$ 13,951	$ 13,951	$ 0	$ 12,406	$ 12,406
RECORDER'S USER FEES FUND						
RECEIPTS						
Charges for services	$ 10,000	$ 12,591	$ 2,591	$ 10,000	$ 9,370	$ (630)
Interest	3,000	3,371	371	3,000	4,452	1,452
Total Receipts	$ 13,000	$ 15,962	$ 2,962	$ 13,000	$ 13,822	$ 822
DISBURSEMENTS						
Recorder of Deeds	$ 59,600	$ 10,200	$ 49,400	$ 50,000	$ 10,400	$ 39,600
Total Disbursements	$ 59,600	$ 10,200	$ 49,400	$ 50,000	$ 10,400	$ 39,600
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (46,600)	$ 5,762	$ 52,362	$ (37,000)	$ 3,422	$ 40,422
CASH, JANUARY 1	81,509	81,509	0	78,087	78,087	0
CASH, DECEMBER 31	$ 34,909	$ 87,271	$ 52,362	$ 41,087	$ 81,509	$ 40,422
COMMUNITY OUTREACH FUND						
RECEIPTS						
Intergovernmental	$ 6,000	$ 0	$ (6,000)	$ 6,000	$ 6,000	$ 0
Total Receipts	$ 6,000	$ 0	$ (6,000)	$ 6,000	$ 6,000	$ 0
DISBURSEMENTS						
Community food bank	$ 6,000	$ 0	$ 6,000	$ 6,000	$ 6,000	$ 0
Total Disbursements	$ 6,000	$ 0	$ 6,000	$ 6,000	$ 6,000	$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31, 2001 Budget	2001 Actual	2001 Variance Favorable (Unfavorable)	2000 Budget	2000 Actual	2000 Variance Favorable (Unfavorable)
CIRCUIT CLERK INTEREST FUND						
RECEIPTS						
Interest	$ 395	$ 479	$ 84	$ 500	$ 475	$ (25)
Other	2,861	0	(2,861)	0	0	0
Total Receipts	$ 3,256	$ 479	$ (2,777)	$ 500	$ 475	$ (25)
DISBURSEMENTS						
Circuit Clerk	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Disbursements	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 3,256	$ 479	$ (2,777)	$ 500	$ 475	$ (25)
CASH, JANUARY 1	22,935	19,955	(2,980)	19,480	19,480	0
CASH, DECEMBER 31	$ 26,191	$ 20,434	$ (5,757)	$ 19,980	$ 19,955	$ (25)
LAW LIBRARY FUND						
RECEIPTS						
Charges for services	$ 7,942	$ 11,062	$ 3,120	$ 9,300	$ 7,752	$ (1,548)
Interest	559	627	68	470	465	(5)
Total Receipts	$ 8,501	$ 11,689	$ 3,188	$ 9,770	$ 8,217	$ (1,553)
DISBURSEMENTS						
Law library	$ 6,335	$ 10,221	$ (3,886)	$ 5,510	$ 5,395	$ 115
Total Disbursements	$ 6,335	$ 10,221	$ (3,886)	$ 5,510	$ 5,395	$ 115
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 2,166	$ 1,468	$ (698)	$ 4,260	$ 2,822	$ (1,438)
CASH, JANUARY 1	24,299	24,299	0	21,477	21,477	0
CASH, DECEMBER 31	$ 26,465	$ 25,767	$ (698)	$ 25,737	$ 24,299	$ (1,438)
SHERIFF DISCRETIONARY FUND						
RECEIPTS						
Charges for services	$ 34,000	$ 28,117	$ (5,883)	$ 40,700	$ 32,835	$ (7,865)
Interest	500	669	169	0	971	971
Other	2,000	18,582	16,582	0	2,634	2,634
Total Receipts	$ 36,500	$ 47,368	$ 10,868	$ 40,700	$ 36,440	$ (4,260)
DISBURSEMENTS						
Sheriff	$ 47,150	$ 49,985	$ (2,835)	$ 43,000	$ 41,840	$ 1,160
Total Disbursements	$ 47,150	$ 49,985	$ (2,835)	$ 43,000	$ 41,840	$ 1,160
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (10,650)	$ (2,617)	$ 8,033	$ (2,300)	$ (5,400)	$ (3,100)
CASH, JANUARY 1	13,633	13,633	0	19,033	19,033	0
CASH, DECEMBER 31	$ 2,983	$ 11,016	$ 8,033	$ 16,733	$ 13,633	$ (3,100)

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
ELECTION SERVICES FUND						
RECEIPTS						
Charges for services	$ 2,125	$ 4,736	$ 2,611	$ 2,500	$ 2,318	$ (182)
Total Receipts	$ 2,125	$ 4,736	$ 2,611	$ 2,500	$ 2,318	$ (182)
DISBURSEMENTS						
Equipment	$ 4,000	$ 0	$ 4,000	$ 2,500	$ 0	$ 2,500
Total Disbursements	$ 4,000	$ 0	$ 4,000	$ 2,500	$ 0	$ 2,500
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,875)	$ 4,736	$ 6,611	$ 0	$ 2,318	$ 2,318
CASH, JANUARY 1	2,318	2,318	0	0	0	0
CASH, DECEMBER 31	$ 443	$ 7,054	$ 6,611	$ 0	$ 2,318	$ 2,318
COMMISSIONERS ESCROW FUND						
RECEIPTS						
Other				$ 16,120	$ 13,333	$ (2,787)
Total Receipts				$ 16,120	$ 13,333	$ (2,787)
DISBURSEMENTS						
Sheriff				$ 32,240	$ 29,453	$ 2,787
Total Disbursements				$ 32,240	$ 29,453	$ 2,787
RECEIPTS OVER (UNDER) DISBURSEMENTS				$ (16,120)	$ (16,120)	$ 0
CASH, JANUARY 1				16,120	16,120	0
CASH, DECEMBER 31				$ 0	$ 0	$ 0

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

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

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

B. Basis of Accounting

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

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

Fund	Years Ended December 31,
Sheriff’s Drug Fund	2001, 2000
Victim Impact Panel Fund	2001, 2000
Elevator Grant Fund	2001
Elevator Special	2001
Prosecuting Attorney Delinquent Tax	2001, 20000

Funds for the elevator project were noted as budgeted within the General Revenue Fund in the 2001 budget.

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

Fund	Years Ended December 31,
Health Center	2001
Law Library Fund	2001
Sheriff Discretionary Fund	2001
Shelter for Victims of Domestic Violence	2001

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets. As it pertains to the Shelter for Victims of Domestic Violence Fund, expenditures were made in accordance with Section 455.215, RSMo 2000.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements for the years ended December 31, 2001 and 2000, did not include the Sheriff Drug Fund.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

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

Deposits

The county's, and Health Center’s deposits at December 31, 2001 and 2000, were entirely covered by federal depositary insurance or by collateral securities held by the county’s and Health Center’s custodial bank in the county's and Health Center Board’s name.

Supplementary Schedule

VERNON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31, 2001	2000
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state:			
	Department of Social Services -			
10.550	Food Distribution	N/A	$ 572	$ 0
	Department of Health -			
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS-0451-1209W	62,054	52,087
10.599	Summer Food Service	ERS146-1209I	120	114
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Economic Development -			
14.228	Community Development Block Grants/State's Program	2000-PF-10	96,581	0
	Department of Social Services -			
14.231	Emergency Shelter Grants Program	ERO-164	0	6,000
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state:			
	Department of Public Safety -			
16.540	Reality and Responsibility	01-JFJ4-10	3,102	0
16.554	Highway Patrol -			
	National Criminal History Improvement Program	95-RU-RX-K011	8,198	0
16.575	Crime Victim Assistance	98-VOCA-0101	7,505	2,504
		2000-VOCA-0087	2,593	0
		98-VOCA-0066	0	7,087
	Program total		10,098	9,591
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-108-26	3,191	419,239
		BRO-108-27	28,470	9,578
		BRO-108-28	8,401	11,922
	Program total		40,062	440,739
	Missouri Emergency Response Commission -			
20.703	Hazardous Materials Emergency Preparedness		2,843	0
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
	Division of Family Services			
93.658	Foster Care - Title IV-E	Unknown	6,133	0
	Department of Health -			
93.268	Immunization Grant - Vaccines for Children	N/A	21,278	26,876
	- 317 Vaccines	N/A	16,549	12,731
	Program total		37,827	39,607
93.575	Child Care and Development Block Grant	PGA-067-0209S	0	2,270
		PGA-067-1209S	2,935	380
		PGA-067-2209S	240	0
		PGA-067-0209C	0	1,420
		PGA-067-1209C	358	643
	Program total		3,533	4,713
93.991	Preventive Health and Health Services Block Grant	Vaccines	0	472
93.994	Maternal and Child Health Services Block Grant	ERS146-0209M	0	14,902
		ERS046-1209M	19,845	4,194
		Vaccines	4,255	2,358
	Program total		24,100	21,454
	Department of Social Services -			
93.563	Child Support Enforcement - P.A.		9,544	7,412
	- Circuit Clerk		2,218	2,641
	Program total		11,762	10,053
93.667	Social Services Block Grant	ERO-172-062	0	3,582
		ERO-172-111	0	7,404
	Program total		0	10,986
	Total Expenditures of Federal Awards		$ 306,985	$ 595,816

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

VERNON COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Vernon County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions which govern the contents of this schedule:

> *Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals . . . .
>
> *Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

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

The pass-through program amounts for Immunization Grants (CFDA number 93.268), $35,463 and $39,607 represent the original acquisition cost of vaccines purchased by the Centers for Disease Control of the U.S. Department of Health and Human Services but distributed to the Health Center through the state Department of Health during the years ended December 31, 2001 and 2000. Of the amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991), $472 represents the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the year ended December 31, 2000. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), $4,255 and $2,358 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 2001 and 2000. The remaining amounts for Immunization Grants, the Preventive Health and Health Services Block Grant, and the Maternal and Child Health Services Block Grant to the States represent cash disbursements. The pass-through amounts for the Food Distribution Program (CFDA number 10.550) of $572 represents the dollar value of food received.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided $6,000 to a subrecipient under the Emergency Shelter Grant (CFDA number 14.231) during the year ended December 31, 2000.

FEDERAL AWARDS - SINGLE AUDIT SECTION

Independent Auditor's Report

SUITE 406
1221 BALTIMORE AVE.
KANSAS CITY, MO 64105
TELEPHONE: (816) 221-4559
FACSIMILE: (816) 221-4563
CERTIFIED PUBLIC ACCOUNTANTS

McBRIDE, LOCK & ASSOCIATES

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

To the State Auditor
and
County Commission of
Vernon County, Missouri

Compliance

We have audited the compliance of Vernon County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2001 and 2000. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Vernon County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2001 and 2000.

Internal Control Over Compliance

The management of Vernon County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 01-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

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

Original Signed by Auditor

McBride, Lock & Associates

May 30, 2002

Schedule

VERNON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION
YEARS ENDED DECEMBER 31, 2001 AND 2000

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? ______ yes __X__ no

Reportable condition identified that is not considered to be a material weakness? ______ yes __X__ none reported

Noncompliance material to the financial statements noted? ______ yes __X__ no

Federal Awards

Internal control over major program:

Material weakness identified? ______ yes __X__ no

Reportable condition identified that is not considered to be a material weakness? __X__ yes ______ none reported

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

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

Identification of major program:

CFDA or Other Identifying Number	Program Title
20.205	Highway Planning and Construction

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

Auditee qualified as a low-risk auditee? ______ yes __X__ no

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding(s) that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

01-1 Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Transportation
Pass-through Grantor:	State Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-through Entity Identifying Numbers:	BRO-108-26 BRO-108-27 BRO-108-28
Award Years:	2001 and 2000
Questioned Costs:	Not Applicable

Section .310(b) of Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations***, requires the auditee to prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget. For the SEFA to adequately reflect the county's federal expenditures, it is necessary that all federal expenditures be properly reported.

The County Clerk prepares the SEFA as part of the annual county budget process. The Health Center Administrator submits information related to grants administered by the Health Center to the County Clerk for inclusion in the schedule.

The county does not have adequate procedures in place to track federal awards for the preparation of the SEFA. For the years ended December 31, 2001 and 2000, the county's SEFA contained numerous errors and omissions. These errors and omissions appear to have been primarily caused by inadequate communication between the elected officials and the County Clerk regarding the proper allocation of federal versus non-federal grant funds per grant, as well as reporting all grants received containing federal awards.

The Health Center inaccurately reported the value of vaccines received from the State due to final values of vaccines not reported to the health center by the State prior to the county's budget deadline. As such, estimates were used in the final budget.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

WE RECOMMEND the County Clerk implement procedures to ensure more accurate information about federal grants is received from elected officials and the SEFA is complete and accurate. In addition, we recommend the Health Center Administrator report to the County Clerk the actual value of vaccines received from the State when the final reports are received so that the SEFA may be amended appropriately.

AUDITEE'S RESPONSE

The County Clerk indicated she would require elected officials to report the federal portion of grants when the grants are approved so that a complete and accurate SEFA may be prepared. This recommendation would be implemented for the 2002 SEFA to be submitted with the budget due in January 2003.

The Health Center Administrator indicated she will submit to the County Clerk actual values of vaccines received from the State as soon as the information is available so that the SEFA may be amended appropriately.

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

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

The prior audit report issued for the two years ended December 31, 1999, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

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

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

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

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

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

99-1 Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Transportation
Pass-through Grantor: State Highway and Transportation
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Pass-through Entity Identifying Number: BRO-108-24
BRO-108-26
Award Year: 1999 and 1998
Questioned Costs: Not Applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee's financial statements. However, the county and Health Center did not have procedures in place to track Federal awards for the preparation of the SEFA. For the years ended December 31, 1999 and 1998, the county's SEFA contained numerous errors and omissions. For example, expenditures related to several Federal grants were not included on the schedule or were included at the wrong amounts. In addition, some expenditures shown were not related to Federal grant programs.

It was recommended the County Clerk, with the assistance of the Health Center, prepare a complete and accurate schedule of expenditures of Federal awards.

Current Status:

The County Clerk and Health Center Administrator have taken steps toward preparing a complete and accurate SEFA. However, conditions still exist that affect the completeness and accuracy of the SEFA. See Schedule of Findings and Questioned Costs finding number 01-1.