

January 3, 2013

To Sheriff Donald Keeler
Addison County Sheriff's Department

We have audited the financial statements of the business-type activities of the Addison County Sheriff's Department (the Department) for the period of July 1, 2011 to April 16, 2012. Professional Standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 1, 2012, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 6, 2012.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Department are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the period ended April 16, 2012. We noted no transactions entered into by the Department during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates used by management.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes corrected misstatements of the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 3, 2013.

Management Consultations with Other Independent Accountants

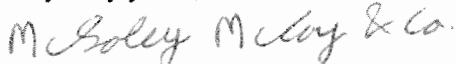
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Department's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Department's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of management of the Addison County Sheriff's Department and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


McSoley McCoy & Co.

Addison County Sheriff's Department
 Corrected Misstatements
 For the Period of July 1, 2011 to April 16, 2012

To record revenue to the correct period.			
11000	Accounts Receivable	\$ 12,804	
41000	Contract Income		\$ 3,318
41100	Contracted Services - Govt		1,021
41200	Contracted Services - Private		6,065
41400	Jail- US Marshall		2,400
To write-off note receivable.			
65500	Bad Debt Expense	6,000	
11500	Note Receivable - George Ellwood		6,000
To capitalize equipment that had been expensed.			
16200	Communication Equipment	5,902	
55470	Communications -Misc. Disbursements		5,902
To record accrued salaries and vacation.			
20110	Accrued Salaries	5,407	
21400	Accrued Vacation	1,352	
51100	Salaries Dept Sheriff Contract		6,759
To record communication activity.			
10140	Cash - Communication Division	181	
12065	Accounts Receivable - Communication	30	
56360	Communications- Purchases	4,850	
45001	Communications- sales		5,061
To record prepaid insurance.			
57340	Insurance - General, cars, ect.	1,597	
15500	Prepaid Insurance		1,597
To record amount received from the Court for insurance.			
57340	Insurance - General, cars, ect.	19,092	
44950	County Support Funds		19,092
To record payments on the Ford Motor loan.			
25000	Ford Credit Loan	2,827	
69000	Interest Expense	232	
16400	Vehicles		3,059
To record expenses in the correct period.			
54006	Jail- Food	516	
20003	Accounts Payable Jail		516

Addison County Sheriff's Department
 Corrected Misstatements
 For the Period of July 1, 2011 to April 16, 2012

To record jail activity.

10110	Cash - Jail Checking	\$ 293	
10115	Cash Clearing - Jail	55,802	
54002	Jail- Misc	137	
54004	Education Supplies	201	
54006	Jail- Food	10,013	
54007	Jail Household Supplies	527	
54008	Jail Administration	10,776	
54009	Jail- Utilities	1,773	
54010	Jail- Training & Edu	20	
54011	Jail Benefits	1,111	
54012	Jail Supplies	599	
54013	Jail- Medical expense	2,345	
54014	Jail- Office Expense	1,167	
54015	Jail - Auto Exp	106	
54380	Jail - Repairs & Maint	2,539	
54475	Jail - Health Insurance	11,231	
55451	Uniforms, Plaques, Awards-jail	114	
67101	Rent Expense -Jail	2,700	
10410	Cash Savings - Jail		\$ 23,975
12060	Accounts Receivable - US Marshall		17,769
20003	Accounts Payable Jail		359
41400	Jail- US Marshall		50,146
41401	Jail- Misc Income		632
44101	Interest Income- Jail		73
54008	Jail Administration		8,500

To record received and paid for equipment.

16200	Communication Equipment	79,344	
20000	Accounts Payable		79,344

To record current year disposals.

16410	Accum Depr - Vehicles	3,039	
44320	G/L on Sale of Cars	1,714	
70004	Depreciation- Vehicles	467	
16400	Vehicles		5,220

To record grant income for Homeland Security equipment.

44900	Misc. Receipts	63,475	
43000	Grants		63,475

Addison County Sheriff's Department
 Corrected Misstatements
 For the Period of July 1, 2011 to April 16, 2012

To record current year depreciation.

70002	Depreciation- Comm equip	\$ 15,670	
70004	Depreciation- Vehicles	37,370	
70005	Depreciation- Jail Equip	2,345	
70006	Depreciation- Surveillance equip	867	
70007	Depreciation- Leasehold Improvements	1,926	
16210	Accum Depr - Communication Equipment		\$ 15,670
16410	Accum Depr - Vehicles		37,370
16510	Accum Depr - Jail Equipment		2,345
16610	Accum Depr - Surveillance Equipment		867
16710	Accum Depr - Leasehold Improvements		1,926

To adjust due to Vermont Civil Process and roll forward retained earnings.

20100	Due to VT Civil Process - 15%	2,985	
30020	Retained Earnings		1,348
53000	Process Service 15% State		1,110
62800	Miscellaneous Expense		527

To write-off communications receivable.

12065	Accounts Receivable - Communication	577	
55470	Communications -Misc. Disbursements		577

To expense DEA payable account.

62800	Miscellaneous Expense	1,599	
21380	DEA - Escrow Payable		1,599

Addison County Sheriff's Department
Financial Statements
For the Period of July 1, 2011 to April 16, 2012

Addison County Sheriff's Department
For the Period of July 1, 2011 to April 16, 2012

Table of Contents

	<u>Pages</u>
Independent Auditors' Report	
Statement of Net Assets	2
Statement of Revenues, Expenses, and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5-8
Government Auditing Standards Report:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	
Schedule of Findings and Questioned Costs	

Independent Auditors' Report

Donald Keeler, Sheriff
Addison County Sheriff's Department
Middlebury, Vermont

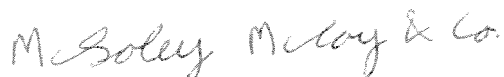
We have audited the accompanying financial statements of the business-type activities of the Addison County Sheriff's Department of the County of Addison, Vermont (the Department), as of April 16, 2012 and for the period from July 1, 2011 to April 16, 2012, as listed in the table of contents. These financial statements are the responsibility of the Department's management. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Department as of April 16, 2012 and the respective changes in financial position and cash flows for the period from July 1, 2011 to April 16, 2012 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2012 on our consideration of the Department'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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Addison County Sheriff's Department has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.



January 3, 2013
VT Reg. No. 92-349

Addison County Sheriff's Department
Statement of Net Assets
April 16, 2012

Assets:

Current assets

Cash	\$ 231,945
Accounts receivable	37,592
Prepaid expenses	1,485
Inventory	<u>8,992</u>

Total current assets 280,014

Vehicles and equipment, net of accumulated depreciation 277,317

Cash - restricted 20,670

Total assets 578,001

Liabilities:

Current liabilities

Accounts payable	13,424
Accrued payroll and payroll items	1,050
Compensated absences	11,184
Current portion long-term debt	<u>2,964</u>

Total liabilities 28,622

Net assets:

Invested in capital assets, net of related debt	274,353
Restricted cash	20,670
Unrestricted	<u>254,356</u>

Total net assets \$ 549,379

The accompanying notes are an integral part of this statement.

Addison County Sheriff's Department
Statement of Revenues, Expenses, and Changes in Net Assets
For the Period of July 1, 2011 to April 16, 2012

Operating Revenues:

Charges for services	\$	270,968
Jail revenues		53,251
Communications		5,061
Transport services		35,431
Process services		42,981
County reimbursements		27,092
Grant revenue		63,475
Miscellaneous revenues		<u>20,443</u>

Total operating revenues 518,702

Operating Expenses:

Contracted services		178,600
Process services		20,362
Administration and general		136,514
Communications services		4,850
Jail services		121,691
Automotive services		38,694
Depreciation		<u>58,645</u>

Total operating expenses 559,356

Net operating loss (40,654)

Non-operating Revenues (Expenses):

Interest income		20
Interest expense		(275)
Gain on sale of vehicles		<u>786</u>

Total non-operating revenues (expenses) 531

Net loss (40,123)

Net assets, beginning of period 589,502

Net assets, end of period \$ 549,379

The accompanying notes are an integral part of this statement.

Addison County Sheriff's Department
Statement of Cash Flows
For the Period of July 1, 2011 to April 16, 2012

Operating activities:

Cash received from customers	\$ 567,919
Operating grants received	63,475
Cash payments to suppliers for goods and services	(176,695)
Cash payments to employees for services	<u>(323,553)</u>
Net cash provided by operating activities	<u>131,146</u>

Cash flows from capital and related financing activities:

Acquisition of capital assets	(164,589)
Cash proceeds from sale of equipment	2,500
Interest paid on loans	(275)
Principal paid on long-term debt	(2,827)
Interest earned	<u>20</u>
Net cash used by capital and related financing activities	<u>(165,171)</u>

Net decrease in cash	(34,025)
Cash, beginning of period	<u>286,640</u>
Cash, end of period	<u>\$ 252,615</u>

Reconciliation of operating loss to net cash provided by operating activities:

Net operating loss	<u>\$ (40,654)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	58,645
Decrease in accounts receivable	27,348
Decrease in prepaid expenses	1,597
Decrease in notes receivable	6,000
Decrease in equipment deposit	79,344
Increase in accounts payable	5,124
Decrease in accrued payroll and payroll taxes	(4,911)
Decrease in compensated absences	<u>(1,352)</u>
Total adjustments	<u>171,795</u>
Net cash provided by operating activities	<u>\$ 131,141</u>

Cash consists of:

Cash and cash equivalents	\$ 231,945
Restricted cash	<u>20,670</u>
	<u>\$ 252,615</u>

The accompanying notes are an integral part of this statement.

Addison County Sheriff's Department
Notes to Financial Statements
For the Period of July 1, 2011 to April 16, 2012

(1) Summary of Significant Accounting Policies

The Addison County Sheriff's Department (the Department) is a governmental entity operating under Title 24 Vermont Statutes Annotated Section 290 located in the County of Addison, Vermont. Funding for the Department is provided by the State of Vermont and the County of Addison. Operating revenue is generated by service charges, some of which are set by state statute and others are set by the Department. Included among the duties performed by the Department are contracting to provide law enforcement services; security services; control dispatching and other centralized support services; service of lawful writs, warrants and processes; and transportation of prisoners and the mentally disabled.

A new Sheriff was elected into office effective April 16, 2012, due to the passing away of the prior Sheriff. The State of Vermont requires a financial statement audit upon transition of Sheriff.

(a) Basis of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. The Department's revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The Department applied (a) all Governmental Accounting Standards Board (GASB) pronouncements and (b) Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 20, 1989, except insignificant items that conflict with GASB pronouncement.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first, then unrestricted resources, as needed.

(b) Basis of presentation

The Department accounts for ongoing operations and activities using proprietary fund accounting, a method developed with the economic resources measurement focus. This focus is similar to accounting methods used in the private sector.

(c) Cash and cash equivalents

For the purpose of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Addison County Sheriff's Department
Notes to Financial Statements
For the Period of July 1, 2011 to April 16, 2012

Summary of Significant Accounting Policies (continued)

(d) Vehicles and equipment

Vehicles and equipment are recorded at cost with depreciation computed using the straight-line method over their estimated useful lives. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected as nonoperating activity for the period. The cost of maintenance and repairs is charged to expense as incurred; renewals and betterments over \$1,000 are capitalized.

Estimated useful lives by major classification are as follows:

Jail equipment	3-10 years
Department equipment	5-10 years
Vehicles	5 years
Leasehold improvements	5-39 years

(e) Unrestricted net assets

Unrestricted net assets for proprietary funds represent the net assets available for future operations or distributions.

(f) Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(g) Accounts receivable

Significant receivables include amounts due from state, town, contractor contracts, and the US Marshall. These receivable are due within one year. The Department has not recorded an allowance for uncollectible accounts at April 16, 2012, as the Department believes all accounts will be collected.

(h) Inventory

Inventory is stated at cost and consists of food and durable goods for the jail operations.

(i) Subsequent Events

In accordance with ASC 855, the Department evaluated subsequent events through December 15, 2012, the date the Department's financial statements were available to be used and no events or transactions occurred.

Addison County Sheriff's Department
Notes to Financial Statements
For the Period of July 1, 2011 to April 16, 2012

(2) Cash and Categories of Risk

There are three categories of credit risk that apply to the Department's balance:

1. Insured by the FDIC or collateralized with securities held by the Department or by the Department's agent in the Department's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the Department's name.
3. Uncollateralized.

The Sheriff's Department's bank balances are categorized below to give an indication of the level of risk assumed by the Department at April 16, 2012.

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured deposits	\$ 252,415	\$ 252,473
Uninsured deposits	-	-
Cash on hand	<u>200</u>	<u>-</u>
Total cash deposits	<u>\$ 252,615</u>	<u>\$ 252,473</u>

The Department's restricted cash consists of cash received from the DEA for the purpose of drug related enforcement by the Department. The Federal Deposit Insurance Corporation (FDIC) currently insures amounts on deposit with each financial institution up to \$250,000.

(3) Vehicles and Equipment

Vehicles and equipment are summarized as of April 16, 2012 by major classifications as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Vehicles	\$ 405,727	\$ -	\$ (5,220)	\$ 400,507
Equipment	356,534	164,589	-	521,123
Leasehold improvements	<u>56,828</u>	<u>-</u>	<u>-</u>	<u>56,828</u>
Total vehicles and equipment	819,089	164,589	(5,220)	978,458
Less accumulated depreciation	<u>(646,002)</u>	<u>(58,645)</u>	<u>3,506</u>	<u>(701,141)</u>
Net vehicles and equipment	<u>\$ 173,087</u>	<u>\$ 105,944</u>	<u>\$ (1,714)</u>	<u>\$ 277,317</u>

Addison County Sheriff's Department
Notes to Financial Statements
For the Period of July 1, 2011 to April 16, 2012

(4) Long-Term Debt

Long-term debt as of April 16, 2012 consists of a note payable to Ford Credit, with monthly payments of \$339 including interest at 6.79%, due January 3, 2013 as follows:

<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Current Maturities</u>	<u>Ending Balance</u>
\$ 5,791	\$ -	\$ (2,827)	\$ 2,964	\$ -

The Department paid in full the outstanding balance on the loan subsequent to year-end.

(5) Cost Sharing

Under Vermont law, Addison County and the State of Vermont are required to cover certain costs of the Addison County Sheriff's Department. Such costs include the Sheriff's salary and benefits, administrative salary and benefits, office space, certain automotive expenses and others. The amount expended by the County and State during the period ended April 16, 2012 has not been determined.

(6) Operating Grants

The Addison County Sheriff's Department received grants from the U.S. Government and other grantors. Entitlements to the resources are generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditures of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowance as a result of these audits becomes a liability of the Department. As of April 16, 2012, management believes that no material liabilities will result from such audits.

(7) Risk Management

The Sheriff's Department is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Sheriff's Department maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Department. Settled claims have not materially exceeded this commercial coverage in any of the past three fiscal years.

(8) Related Party Transactions

Certain family members of the Sheriff perform services for the Department. All are considered to be within normal course of business.

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

Donald Keeler, Sheriff
Addison County Sheriff's Department
Middlebury, Vermont

We have audited the financial statements of the business-type activities of the Addison County Sheriff's Department of the County of Addison, Vermont (the Department) as of April 16, 2012 and for the period from July 1, 2011 to April 16, 2012, which comprise the Department's basic financial statements, and have issued our report thereon dated January 3, 2013. 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 of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We consider items 2012-01, 2012-02 2012-03 and 2012-04 described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

McSOLEY McCOY



Certified Public Accountants and Business Advisors

CO.

This communication is intended solely for the information and use of the Department and is not intended to be and should not be used by anyone other than these specified parties.

McSoley McCoy & Co.

January 3, 2013
VT Reg. No. 92-349

Addison County Sheriff's Department
Schedule of Findings and Questioned Costs
For the Period of July 1, 2011 to April 16, 2012

Internal Control – Material Weaknesses

Findings

2012-01 Accounting for Jail Activity

The Department accounts for activity in its jail account differently than it does for all other activity within the Department. While the receipts and disbursements process incorporate a limited segregation of duties, the Sheriff performs virtually all functions with respect to the jail account, including purchasing, processing invoices, maintaining control of all check stocks, processing checks, signing checks, classification and posting all cash disbursements and receipts, and reconciling bank statements. This appears to violate the Uniform Accounting Manual for Sheriff's Departments which requires separation of the following duties: authorization, record keeping, and custody.

In addition, the activity for the jail account is accounted for using a separate accounting system. It is only integrated with the other activities of the Department annually, at fiscal year-end. Therefore, no internal report is generated reflecting the statement of position and results of operations of the Department, taken as a whole during the fiscal year. It was also noted that supporting documentation was not available for all transactions.

While any small Department is exposed to the risk of management override, we believe that the inherent risk of management override coupled with the complete lack of segregation of duties over the jail account exposes the Department to unacceptable risks.

We recommend that jail accounting activity follow the same internal control procedures in place for other Department activities.

2012-02 Financial Statement Presentation

Comprehensive financial information is fundamental to any organization for making sound economic decisions and demonstrating accountability and stewardship. In addition, reliable financial information is necessary to provide useful information with which to manage an organization.

At the start of our audit, we noted several accounts including cash accounts, accounts receivable, net assets, notes payable and other various liability accounts whose actual year-end balances were not reflected in the trial balance. These accounts required several adjusting journal entries to bring the financial statements current.

To provide accurate financial information, financial statements should be reviewed and reconciled quarterly. This will provide the Department with useful financial information throughout the year, reduce work at year-end, and could provide an early indication of potential errors or problems within the Department.

Addison County Sheriff's Department
Schedule of Findings and Questioned Costs
For the Period of July 1, 2011 to April 16, 2012

Internal Control – Material Weaknesses

Findings (continued)

2012-03 Scheduling and Staffing Patrols

During the audit we noted a deputy with a significant amount of time reported. While no improprieties were noted, we recommend the Department maintaining a schedule for daily patrols. This would provide for a formalized process and ensure accuracy of time reported by deputies.

2012-04 Fixed Assets

The Department maintains a variety of fixed assets used in its operations. These assets include a number of fully depreciated items. We recommend that the Department review the fixed asset detail and remove those items that are no longer in service on a regular basis.