

December 16, 2011

To Sheriff Chad Schmidt  
Bennington County Sheriff's Department

We have audited the financial statements of the business-type activities of the Bennington County Sheriff's Department (the Department) for the year ended June 30, 2011, and have issued our report thereon dated December 16, 2011. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated August 1, 2011, 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 October 6, 2011.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. 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 June 30, 2011. We noted no transactions entered into by the Department during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 December 16, 2011.

*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 the 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 Bennington 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,

A handwritten signature in cursive script that reads "McSoley McCoy & Co.".

McSoley McCoy & Co.

Bennington County Sheriff's Department  
Corrected Misstatements  
June 30, 2011

To correct a duplicate entry in the previous year			
10010	Regular Checking Account	\$ 6,000	
30000.1	Retained Earnings		\$ 6,000
To adjust cash and payables balances for bonuses recorded twice in error in 2010			
10020	Payroll Checking Account	4,750	
30000.1	Retained Earnings		4,750
To reverse 2012 insurance expense that was recorded in 2011 FY - TO BE REVERSED			
20001	Accounts Payable	3,593	
67005	Insurance - Health Expense		3,593
To record bills for services received in 2011 but not recorded until 2012 - TO BE REVERSED			
61000	Auto Repairs and Gas Expense	1,313	
20001	Accounts Payable		1,313
To record meals expenses incurred in 2011 but expensed in 2012 - TO BE REVERSED			
79000	VLEC Expense	3,295	
20001	Accounts Payable		3,295
To reclass assets that were expensed and should have been capitalized			
16010	Equipment - 001	4,792	
16010	Equipment - 001	8,691	
65100	Equipment - 002		4,792
65100	Equipment - 002		8,691
To dispose of assets and record depreciation expense			
16050	Accum. Depreciation - Automobiles	10,400	
16050	Accum. Depreciation - Automobiles	11,285	
16050	Accum. Depreciation - Automobiles	14,000	
16050	Accum. Depreciation - Automobiles	18,906	
64000	Depreciation Expense	44,534	
90000	Gain/Loss on Sale of Assets	7,015	
16020	Accum. Depreciation - Furniture		17,146
16040	Automobiles		10,400
16040	Automobiles		14,000
16040	Automobiles		18,300
16040	Automobiles		18,906
16050	Accum. Depreciation - Automobiles		27,388
To record 2011 invoices to the correct period - TO BE REVERSED			
12100	Accounts Receivable	29,665	
41200	Contract Services		20,381
43000	Federal or State Grants		9,284
To reclass small equipment purchases			
65100	Equipment - 002	109	
65100	Equipment - 002	155	
65100	Equipment - 002	175	
65100	Equipment - 002	1,418	
16010	Equipment - 001		1,857

Bennington County Sheriff's Department  
Corrected Misstatements  
June 30, 2011

To reclass purchase of ATV and reclass an asset to the correct amount		
16010	Equipment - 001	1,900
16040	Automobiles	3,000
16010	Equipment - 001	3,000
89000	Other Expense	1,900
To record assets received through COPS grant		
16010	Equipment - 001	9,584
64000	Depreciation Expense	913
16020	Accum. Depreciation - Furniture	913
40003	Grants	9,584
To record accrued wages - TO BE REVERSED		
80000	Contract Payroll & Benefit Expense	6,029
80010	Grant Payroll & Benefit Expense	380
80020	Administrative Payroll & Benefit Expense	3,275
80030	Transportation Payroll & Benefit Expense	1,156
20110	Accrued Salaries	10,840
To record prepaid expenses		
67000	Insurance Expense	1,465
15050	Prepaid Expenses	1,465