

CALEDONIA COUNTY SHERIFF'S DEPARTMENT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024



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**CALEDONIA COUNTY SHERIFF'S DEPARTMENT
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YEAR ENDED JUNE 30, 2024**

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INDEPENDENT AUDITORS' REPORT

Sheriff James Hemond
Caledonia County Sheriff's Department
St. Johnsbury, Vermont

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Caledonia County Sheriff's Department (Department), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt the Department's ability to continue as a going concern for a reasonable period of time.

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

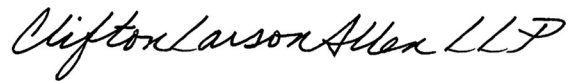
Sheriff James Hemond
Caledonia County Sheriff's Department

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, 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 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 the Department'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 Department's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Andover, Massachusetts
December 4, 2024

**CALEDONIA COUNTY SHERIFF'S DEPARTMENT
STATEMENT OF NET POSITION
JUNE 30, 2024**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	169,405
Accounts Receivable		37,277
Due from Other Governments		23,138
Prepaid Items		12,232
Total Current Assets		242,052

NONCURRENT ASSETS

Capital Assets, Net of Accumulated Depreciation		846,422
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Total Assets		1,088,474
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LIABILITIES

CURRENT LIABILITIES

Accounts Payable and Other Accrued Liabilities		31,378
Accrued Payroll and Related Expenses		24,730
Notes Payable		32,413
Total Current Liabilities		88,521

NONCURRENT LIABILITIES

Notes Payable		268,126
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Total Liabilities		356,647
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NET POSITION

Net Investment in Capital Assets		527,863
Unrestricted		203,964
Total Net Position		\$ 731,827

See accompanying Notes to Basic Financial Statements.

**CALEDONIA COUNTY SHERIFF'S DEPARTMENT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024**

OPERATING REVENUES	
Charges for Services	\$ 534,344
Process Services	56,295
Transportation	12,166
County Reimbursements	198,000
Grant Revenues	29,273
Total Operating Revenues	830,078
 OPERATING EXPENSES	
Contracted Services	267,586
Process Services	10,289
Administration and General	349,033
Communication Services	4,713
Automotive Services	54,360
Depreciation	54,911
Total Operating Expenses	740,892
 OPERATING INCOME	 89,186
 NONOPERATING REVENUES (EXPENSES)	
Gain on Sale of Capital Assets	2,137
Interest Income	629
Interest Expense	(8,916)
Total Nonoperating Expenses	(6,150)
 CHANGE IN NET POSITION	 83,036
Net Position - Beginning of Year	648,791
 NET POSITION - END OF YEAR	 \$ 731,827

See accompanying Notes to Basic Financial Statements.

**CALEDONIA COUNTY SHERIFF'S DEPARTMENT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received From Customers	\$ 626,382
County Reimbursements	198,000
Cash Payments to Suppliers for Goods and Services	(222,776)
Cash Payments to Employees for Services	(458,825)
Net Cash Provided by Operating Activities	142,781

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Interest Income	629
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Grants Received	6,135
Interest Payments on Long-Term Debt	(8,916)
Proceeds from Issuance of Long-Term Debt	151,248
Principal Payments on Long-Term Debt	(24,128)
Proceeds from Sale of Capital Assets	2,137
Acquisition of Capital Assets	(467,087)
Net Cash Used by Capital and Related Financing Activities	(340,611)

NET CHANGE IN CASH AND CASH EQUIVALENTS

(196,572)

Cash and Cash Equivalents - Beginning of Year

365,977

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 169,405

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income	\$ 89,186
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Grants Received	(6,135)
Depreciation	54,911
Changes in Assets and Liabilities	
(Increase) Decrease in:	
Prepaid Items	13,538
Accounts Receivable	23,577
Grants Receivable	(23,138)
Increase (Decrease) in:	
Accounts Payable and Other Accrued Liabilities	10,793
Accrued Payroll and Related Expenses	(19,951)
Total Adjustments	53,595

Net Cash Provided by Operating Activities

\$ 142,781

SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND FINANCING ACTIVITIES

Capital Related Accounts Payable	\$ 18,020
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See accompanying Notes to Basic Financial Statements.

CALEDONIA COUNTY SHERIFF'S DEPARTMENT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 REPORTING ENTITY

The Caledonia County Sheriff's Department (Department) is a governmental entity operating under Title 24 Vermont Statutes Annotated (VSA) Section 290 located in the Caledonia County, Vermont (County). Funding is provided by the State of Vermont and the County. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Department have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Department's significant accounting policies are described below.

A. Measurement Focus and Basis of Accounting

The Department accounts for ongoing operations and activities using proprietary fund accounting; which is similar to accounting methods used in the private sector.

The Department's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Department's financial statements distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Department's principal ongoing operations. The operating revenues of the Department are charges for services to customers and operating grants. Operating expenses for the Department are the costs of providing services and include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

B. Cash and Cash Equivalents

The Department's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**CALEDONIA COUNTY SHERIFF'S DEPARTMENT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Accounts Receivable

Significant receivables include contract-based amounts due from state, town, and other contractors. These receivables are due within one year. The Department has not recorded an allowance for uncollectible accounts at June 30, 2024, as the Department believes all accounts will be collected.

D. Capital Assets

Capital assets include vehicles and equipment. Capital assets are defined by the Department as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year.

Capital assets are capitalized and reported at cost or estimated historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized. Donated capital assets are recorded at acquisition value at the date of donation.

Vehicles and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Capital Asset Class</u>	<u>Lives (Years)</u>
Office and departmental equipment	5 to 10
Vehicles	4
Building and improvements	39

**CALEDONIA COUNTY SHERIFF'S DEPARTMENT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Net Position

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – Is reported when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grants, laws or regulations of other governments.

Unrestricted Net Position – Is the amount of net position that does not meet the definition of the two preceding categories.

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 they are needed.

F. Use of Estimates

The preparation of financial statements in accordance 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, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**CALEDONIA COUNTY SHERIFF'S DEPARTMENT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS

Custodial Credit Risk

In the case of deposits, this is the risk that, in the event of a bank's failure, the Department's deposits may not be returned to it. The Department does not have a deposit policy for custodial credit risk. As of June 30, 2024, the Department's bank balance was \$207,463; none of which was exposed to custodial credit risk as the balance was insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 4 CAPITAL ASSETS

The Department's capital assets activities for the year ended June 30, 2024 are as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 61,972	\$ -	\$ -	\$ 61,972
Capital Assets, Being Depreciated				
Vehicles	310,516	114,458	(38,192)	386,782
Equipment	210,559	45,769	(15,822)	240,506
Buildings	185,916	-	-	185,916
Building Improvements	123,856	327,090	-	450,946
Total Capital Assets, Being Depreciated	830,847	487,317	(54,014)	1,264,150
Less: Accumulated Depreciation				
Vehicles	(231,788)	(41,794)	38,192	(235,390)
Equipment	(208,382)	(5,102)	15,822	(197,662)
Buildings	(24,233)	(4,767)	-	(29,000)
Building Improvements	(14,400)	(3,248)	-	(17,648)
Total Accumulated Depreciation	(478,803)	(54,911)	54,014	(479,700)
Total Capital Assets, Being Depreciated, Net	352,044	432,406	-	784,450
Total Capital Assets, Net of Accumulated Depreciation	\$ 414,016	\$ 432,406	\$ -	\$ 846,422

NOTE 5 COST SHARING

Under Vermont law, the County and the State of Vermont are required to cover certain costs of the Caledonia 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 of Vermont during the year ended June 30, 2024 has not been fully determined.

**CALEDONIA COUNTY SHERIFF'S DEPARTMENT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 NOTES PAYABLE

Direct Borrowings – Notes and Financed Purchases

The Department executes several direct borrowings for the purchase of public safety building improvements, vehicles and equipment. The details of these transactions are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Maturities
Direct Borrowings - Passumpsic Savings Bank:					
Mortgage - 3.65% Maturing April 2039	\$ 173,419	\$ -	\$ (21,845)	\$ 151,574	\$ 22,674
Finger Printing Machine - 5.12% Note Maturing March 2029	-	21,306	(940)	20,366	3,888
Building Improvement - 5.37% Note Maturing July 2030	-	129,942	(1,343)	128,599	5,851
Total	<u>\$ 173,419</u>	<u>\$ 151,248</u>	<u>\$ (24,128)</u>	<u>\$ 300,539</u>	<u>\$ 32,413</u>

Upon default of the notes or mortgage, the Passumpsic Savings Bank may declare the entire unpaid principal balance and all accrued unpaid interest immediately due; at which point the Department would be responsible for payment of such amounts.

The debt service requirements for the Department's long-term debt are as follows:

<u>Year Ended June 30,</u>	Notes from Direct Borrowings
2025	\$ 32,413
2026	33,760
2027	35,186
2028	36,662
2029	36,793
Thereafter	125,725
Total	<u>\$ 300,539</u>

**CALEDONIA COUNTY SHERIFF'S DEPARTMENT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 OPERATING GRANTS

The Department participates in various federal and state grant programs, which are subject to program compliance audits. Accordingly, the Department's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Department anticipates such amounts, if any, will be immaterial.

NOTE 8 RISK MANAGEMENT

The 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 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.



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Sheriff James Hemond
Caledonia County Sheriff's Department
St. Johnsbury, Vermont

We have audited the financial statements of the Caledonia County Sheriff's Department (Department) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 4, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our Statement of Work dated September 13, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Department are described in Note 2 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2024.

We noted no transactions entered into by the entity 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

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 accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify, and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 4, 2024.

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 entity's financial statements or a determination of the type of auditors' 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.

Significant issues discussed with management prior to engagement

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

Other audit findings or issues

We have provided a separate communication to you dated December 4, 2024, communicating internal control related matters identified during the audit.

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Sheriff James Hemond
Caledonia County Sheriff's Department
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This communication is intended solely for the information and use of the State of Vermont Office of the State Auditor and management of the Caledonia County Sheriff's Department and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Andover, Massachusetts
December 4, 2024

Client: **B119352 - Caledonia County Sheriff's Department**
Engagement: **FY24 Audit - Caledonia County Sheriff's Department**
Period Ending: **6/30/2024**
Trial Balance: **0900 - TB**
Workpaper: **0921.00 - Combined Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 100			
Client to book - to reverse payable accrual related to financing agreement executed in August 2024. To also reverse the capitalization of related assets.			
20001	ACCOUNTS PAYABLE	10,000.00	
12024	OFFICE EQUIP. LIST B		10,000.00
Total		10,000.00	10,000.00
Adjusting Journal Entries JE # 101			
To record June 30, 2023 depreciation in compilation report; not in client trial balance.			
30020	RETAINED EARNINGS	20,144.00	
16020	A/D VEHICLES GROUP D		20,144.00
Total		20,144.00	20,144.00
Adjusting Journal Entries JE # 102			
To record 2024 depreciation on capital assets.			
69999	Depreciation Expense	54,911.00	
16002	A/D BUILDING PURCHASE GROUP E		7,548.00
16003	A/D BUILDING IMPROVE GROUP G		5,631.00
16018	A/D DEPARTMENT EQUIP GROUP C		5,974.00
16020	A/D VEHICLES GROUP D		30,871.00
85500	Sale of Equip/Vehicle		4,887.00
Total		54,911.00	54,911.00
Adjusting Journal Entries JE # 103			
To accrue accounts payable and related capital assets identified in the Search for Unrecorded Liabilities.			
12303	BLDG. IMPROVEMENTS GROUP G	18,020.00	
20001	ACCOUNTS PAYABLE		18,020.00
Total		18,020.00	18,020.00
Adjusting Journal Entries JE # 104			
To accrue grant receivable as of June 30, 2024.			
12000	ACCOUNTS RECEIVABLE	23,138.00	
45620	GHSP GRANT INCOME		23,138.00
Total		23,138.00	23,138.00
Total Adjusting Journal Entries		126,213.00	126,213.00
Reclassifying Journal Entries			
Reclassifying Journal Entries JE # 200			
GAAP purposes only - to reclassify current portion of long-term debt.			
21112	EQP PSB loan	32,413.00	
21199	GAAP Long-Term Debt		32,413.00
Total		32,413.00	32,413.00
Total Reclassifying Journal Entries		32,413.00	32,413.00
Total All Journal Entries		158,626.00	158,626.00



Sheriff James Hemond
Caledonia County Sheriff's Department
St. Johnsbury, Vermont

In planning and performing our audit of the financial statements of the Caledonia County Sheriff's Department as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of a deficiency in internal control other than a significant deficiency or material weakness which is an opportunity to strengthen your internal control and improve the efficiency of your operations. Our comment and suggestion regarding this matter are summarized below. This letter does not affect our report on the financial statements dated December 4, 2024, nor our internal control communication dated December 4, 2024.

Contracting to Provide Services

The Vermont Sheriff's Association Uniform Accounting Manual prescribes that an agreement or contract for services between a Sheriff's department and governmental entity shall be in writing if (a) the total cost of the contract or agreement exceeds \$2,000.00 or (b) if the duration of the services provided exceeds ten working days, in accordance with 24 V.S.A § 291a (d). During our testing of the Department's invoicing for contractual services, we noted the Department did not maintain a current contract for one of the governmental entities meeting the eligible criteria and invoiced for services performed during the fiscal year.

Recommendation

We recommend the Department strengthen its internal controls to ensure current contracts are maintained with governmental and nongovernmental entities meeting the criteria of 24 V.S.A § 291a (d) for written contracts.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

* * *

Sheriff James Hemond
Caledonia County Sheriff's Department
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This communication is intended solely for the information and use of the State of Vermont Office of the State Auditor and management of the Caledonia County Sheriff's Department and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Andover, Massachusetts
December 4, 2024



**INDEPENDENT AUDITORS' 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**

Sheriff James Hemond
Caledonia County Sheriff's Department
St. Johnsbury, Vermont

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 the business-type activities of the Caledonia County Sheriff's Department (Department), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated December 4, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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 entity'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 or significant deficiencies may exist that were not identified.

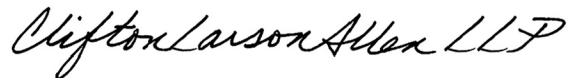
Sheriff James Hemond
Caledonia County Sheriff's Department

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department'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 are 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.



CliftonLarsonAllen LLP

Andover, Massachusetts
December 4, 2024