

ORLEANS COUNTY SHERIFF'S DEPARTMENT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2024



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

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INDEPENDENT AUDITORS' REPORT

Sheriff Jennifer Harlow
Orleans County Sheriff's Department
Newport, Vermont

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Orleans 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.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Department are intended to present the financial position, the changes in financial position, and cash flows of only that portion that is attributable to the transactions of the business-type activities of the Department. They do not purport to, and do not, present fairly the financial position of the State of Vermont or the County of Orleans, Vermont as of June 30, 2024, the respective changes in financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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.

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.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain pension plan information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted 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 opinions on the basic financial statements are not affected by this missing information.

Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 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
October 7, 2024

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

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS

Cash and Cash Equivalents	\$	855,171
Accounts Receivable		243,800
Prepaid Items		7,476
Total Current Assets		1,106,447

NONCURRENT ASSETS

Amount Held for Others		2,399
Capital Assets, Net of Accumulated Depreciation		495,822
Total Noncurrent Assets		498,221

Total Assets		1,604,668
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DEFERRED OUTFLOWS OF RESOURCES

Related to Pension		205,811
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LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

CURRENT LIABILITIES

Accounts Payable and Other Accrued Liabilities		890
Amount Held for Others		2,399
Accrued Payroll and Related Expenses		39,022
Compensated Absences		28,619
Notes Payable		84,945
Total Current Liabilities		155,875

NONCURRENT LIABILITIES

Notes Payable		210,816
Net Pension Liability		529,904
Total Noncurrent Liabilities		740,720

Total Liabilities		896,595
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DEFERRED INFLOWS OF RESOURCES

Related to Pension		23,686
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NET POSITION

Net Investment in Capital Assets		200,061
Unrestricted		690,137
Total Net Position		\$ 890,198

See accompanying Notes to Financial Statements.

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

OPERATING REVENUES	
Charges for Services	\$ 1,650,580
Operating Grants	161,419
Other Revenues	43,783
Total Operating Revenues	1,855,782
OPERATING EXPENSES	
Contracted Services	730,035
Process Services	17,961
Transportation	2,831
Grant Services	63,816
Administration and General	512,493
Communication Services	73,199
Automotive Services	96,783
Depreciation	130,760
Total Operating Expenses	1,627,878
OPERATING INCOME	227,904
NONOPERATING REVENUES (EXPENSES)	
Gain on Sale of Capital Assets	5,000
Interest Income	14,400
Interest Expense	(10,057)
Total Nonoperating Revenues (Expenses)	9,343
CHANGE IN NET POSITION	237,247
Net Position - Beginning of Year	652,951
NET POSITION - END OF YEAR	\$ 890,198

See accompanying Notes to Financial Statements.

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

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 1,630,906
Cash Payments to Suppliers for Goods and Services	(493,540)
Cash Payments to Employees for Services	(976,477)
Net Cash Provided by Operating Activities	160,889

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Grants Received	149,191
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Interest Payments on Long-Term Debt	(10,057)
Principal Payments on Long-Term Debt	(110,386)
Proceeds from Sale of Capital Assets	5,000
Acquisition of Capital Assets	(107,055)
Net Cash Used by Capital and Related Financing Activities	(222,498)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Income	14,400
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NET CHANGE IN CASH AND CASH EQUIVALENTS

101,982

Cash and Cash Equivalents - Beginning of Year

753,189

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 855,171

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income	\$ 227,904
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Operating Grants	(161,419)
Depreciation	130,760
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
(Increase) Decrease in:	
Prepaid Items	(30)
Deferred Outflows of Resources Related to Pension	58,017
Accounts Receivable, Net	(63,457)
Increase (Decrease) in:	
Accounts Payable and Other Accrued Liabilities	(58,252)
Compensated Absences	744
Accrued Payroll and Related Expenses	7,954
Net Pension Liability	23,614
Deferred Inflows of Resources Related to Pensions	(4,946)
Total Adjustments	(67,015)
Net Cash Provided by Operating Activities	\$ 160,889

See accompanying Notes to Financial Statements.

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

NOTE 1 REPORTING ENTITY

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

**ORLEANS COUNTY SHERIFF'S DEPARTMENT
NOTES TO 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:

Capital Asset Class	Lives (Years)
Office Furniture	5
Communication Equipment	3 to 7
Vehicles	5

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to pensions, which are more fully discussed in Note 6.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Department's deferred inflows of resources reported on the statement of net position relate to pension, which are more fully discussed in Note 6.

F. Compensated Absences

The liability for compensated absences reported in the statement of net position consists of unpaid, accumulated annual leave balances.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. 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.

H. 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.

**ORLEANS COUNTY SHERIFF'S DEPARTMENT
NOTES TO 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 \$892,987 and \$392,987 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the Department's name.

The Department's bank balances are categorized below to give an indication of the level of risk assumed by the Department at June 30, 2024:

	Book Balance	Bank Balance
Insured Deposits*	\$ 500,000	\$ 500,000
Uninsured deposits	355,171	392,987
Total	\$ 855,171	\$ 892,987

*The FDIC currently insures amounts on deposit with each financial institution up to \$250,000.

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
Capital Assets Being Depreciated:				
Vehicles	\$ 471,077	\$ 87,517	\$ (54,384)	\$ 504,210
Equipment	873,027	153,994	-	1,027,021
Total Capital Assets, Being Depreciated	1,344,104	241,511	(54,384)	1,531,231
Less Accumulated Depreciation:				
Vehicles	(287,286)	(69,551)	54,384	(302,453)
Equipment	(671,747)	(61,209)	-	(732,956)
Total Accumulated Depreciation	(959,033)	(130,760)	54,384	(1,035,409)
Total Capital Assets, Net of Accumulated Depreciation	\$ 672,357	\$ 180,302	\$ (54,384)	\$ 495,822

NOTE 5 COST SHARING

Under Vermont law, the County and the State of Vermont are required to cover certain costs of the Orleans 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.

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

NOTE 6 DEFINED BENEFIT PENSION PLAN

Plan Description

The Department participates in the Vermont Municipal Employees' Retirement System (VMERS or the System), a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. The System does not issue stand-alone financial statements but is included as a pension trust fund in the State of Vermont's Annual Comprehensive Financial Report; which is publicly available and can be obtained:

<https://finance.vermont.gov/reports-and-publications/annual-comprehensive-financial-report>.

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund, and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contributions payable by employees. Employer and plan member contribution rates for the year ended June 30, 2023 for each group are as follows:

Employer

- Group A – 5.00% of gross salary
- Group B – 6.50% of gross salary
- Group C – 8.25% of gross salary
- Group D – 10.85% of gross salary

Plan Member

- Group A – 3.500% of gross salary
- Group B – 5.875% of gross salary
- Group C – 11.000% of gross salary
- Group D – 12.350% of gross salary

Benefits Provided

Benefit terms are established or amended in accordance with 24 V.S.A Chapter 125. Details of the pension benefits provided are as follows:

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

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

	Group A	Group B	Group C	Group D
Normal Retirement (No Reduction)	Age 65 with 5 years of service, or age 55 with 35 years of service	Age 62 with 5 years of service, or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit Formula	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service: 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service: 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service: 1.4% x Group A service x AFC; 1.7% x Group B service x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 65**	6% per year from age 62**	N/A	No reduction

Pension Liability

At June 30, 2024, the Department reported a liability of \$529,904 for its proportionate share of the VMERS' net pension liability. VMERS' pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 which was rolled forward to the measurement date. The Department's proportion of VMERS's liability was based on the Department's contributions received by VMERS during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of VMERS' participating employers.

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

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liability (Continued)

The Department's proportionate share was 0.1654% at the end of the measurement period and 0.1669% for the beginning of the period, which represents a decrease of 0.0015%.

Actuarial Assumptions

The total pension liability as of June 30, 2023 was determined by rolling forward the total pension liability as of June 30, 2022, to June 30, 2023, using the following actuarial assumptions:

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation

Inflation: 2.30%

Mortality

Pre-Retirement:

- Groups A/B – 60% PubG-2010 General Employee Amount-Weighted Below-Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using Scale MP-2021
- Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021
- Group D – PubS-2010 Public Safety Employee Amount-Weighted Below-Median, with generational projection using scale MP-2021

Healthy Post-Retirement - Retirees:

- Groups A/B - PubG-2010 General Healthy Retiree Amount-Weighted Below-Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021
- Group C – PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021
- Group D - PubS-2010 Public Safety Retiree Amount-Weighted Below-Median Table, with generational projection using scale MP-2021

Healthy Post-Retirement - Beneficiaries:

- Pub-2010 Contingent Survivor Amount-Weighted Below-Median Table, with generational projection using scale MP-2021

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

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Disabled Post-Retirement:

- Groups A/B/C – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table with generational projection using scale MP-2021
- Group D – PubS-2010 Safety Disabled Retiree Amount-Weighted Table with generational projection using Scale MP-2021

The tables with the generational projection to the ages of the members as of the measurement date reasonably reflect the mortality experience of the System as of the measurement date. The mortality rates were based on historical and current demographic data, adjusted to reflect health characteristics of the underlying groups and estimated future experience and professional judgement. The mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equities	44.00 %	5.35 %
Private Equity	10.00	7.50
Emerging Market Debt	2.00	5.00
Private and Alternative Credit	10.00	5.50
Non-Core Real Estate	4.00	5.50
Core Fixed Income	19.00	1.50
Core Real Estate	4.00	3.25
U.S. TIPS	2.00	1.50
Infrastructure/Farmland	5.00	4.25
Total	100.00 %	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included.

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

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate (Continued)

Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease in Discount Rate 6.00%	Current Discount Rate 7.00%	1% Increase in Discount Rate 8.00%
Department's Proportionate Share of VMERS Net Pension Liability	\$ 797,588	\$ 529,904	\$ 309,879

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended June 30, 2024, the Department recognized pension expense of \$123,845 for the VMERS plan. At June 30, 2024, the Department reported its proportionate share of the VMERS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 33,233	\$ -
Changes of Assumptions	17,272	-
Changes in Proportion	30,764	23,686
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	60,287	-
Contributions Subsequent to the Measurement Date	64,255	-
Totals	\$ 205,811	\$ 23,686

Deferred outflows of resources of \$64,255 related to pensions resulting from the Department's contributions subsequent to the measurement date will be recognized as a reduction of its net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

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

NOTE 6 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2025	\$ 47,449
2026	24,134
2027	47,536
2028	(1,249)
Total	<u>\$ 117,870</u>

NOTE 7 NOTES PAYABLE

Direct Borrowings – Notes and Financed Purchases

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Maturities</u>
Direct Borrowings - Passumpsic Savings Bank:					
Cruiser - 1.54% Note Maturing May 14, 2024	\$ 19,082	\$ -	\$ (19,082)	\$ -	\$ -
Ford Interceptor - 1.46% Note Maturing March 5, 2025	17,925	-	(10,261)	7,664	7,662
Ford Interceptor - 4.10% Note Maturing April 21, 2027	65,639	-	(16,333)	49,306	17,015
Chevy Tahoe - 4.73% Note Maturing May 19, 2028	86,424	-	(15,862)	70,562	16,639
Chevy Tahoes - 5.40% Note Maturing January 20, 2028	-	87,517	(22,885)	64,632	16,940
Financed Purchases - Axon Enterprise, Inc.:					
Body Cameras - Maturing April 15, 2027	31,251	-	(7,813)	23,438	7,813
Cruisers Equipment - Maturing January 15, 2028	-	98,309	(18,150)	80,159	18,876
Total	<u>\$ 220,321</u>	<u>\$ 185,826</u>	<u>\$ (110,386)</u>	<u>\$ 295,761</u>	<u>\$ 84,945</u>

Upon default of the notes, 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. In the event of the termination of the financed purchase agreements due to default, the Department remains responsible for all fees incurred prior to the effective date of the termination.

The debt service requirements for the Departments notes and financed purchases are as follows:

<u>Year Ended June 30,</u>	<u>Direct Borrowings</u>	<u>Financed Purchases</u>	<u>Total</u>
2025	\$ 58,256	\$ 26,689	\$ 84,945
2026	53,043	27,445	80,488
2027	52,370	28,229	80,599
2028	28,496	21,233	49,729
Total	<u>\$ 192,165</u>	<u>\$ 103,596</u>	<u>\$ 295,761</u>

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

NOTE 8 RELATED PARTY TRANSACTIONS

During the year ended June 30, 2024, the Department sold two vehicles to employees of the sheriff's department totaling \$5,000. The Department's bookkeeper was also employed as the Treasurer of Orleans County, Vermont where total county funding received totaled approximately \$286,970.

NOTE 9 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 10 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.

**ORLEANS COUNTY SHERIFF'S DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NET PENSION LIABILITY AND RELATED RATIOS – LAST TEN YEARS (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Department's Proportion of the Net Pension Liability	0.1654%	0.1669%	0.1861%	0.1416%	0.1425%
Department's Proportionate Share of the Net Pension Liability	<u>\$ 529,904</u>	<u>\$ 506,290</u>	<u>\$ 273,873</u>	<u>\$ 358,144</u>	<u>\$ 247,225</u>
Department's Covered Payroll	\$ 419,349	\$ 427,212	\$ 400,191	\$ 394,085	\$ 335,799
Department's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	126.36%	118.51%	68.44%	90.88%	73.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.01 %	73.60 %	86.29 %	74.52 %	80.35 %
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Department's Proportion of the Net Pension Liability	0.1054%	0.0936%	0.0910 %	0.0845 %	0.0886 %
Department's Proportionate Share of the Net Pension Liability	<u>\$ 148,333</u>	<u>\$ 113,374</u>	<u>\$ 117,142</u>	<u>\$ 65,157</u>	<u>\$ 8,082</u>
Department's Covered Payroll	\$ 277,854	N/A (2)	N/A (2)	N/A (2)	N/A (2)
Department's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	53.39%	N/A (2)	N/A (2)	N/A (2)	N/A (2)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.60 %	83.64 %	80.95 %	87.42 %	98.32 %

(1) The amounts reported are as of June 30th of the previous fiscal year.

(2) Data not available. Data is being accumulated annually to present the required ten years of information.

**ORLEANS COUNTY SHERIFF'S DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

SCHEDULE OF EMPLOYER CONTRIBUTIONS – LAST TEN YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 41,755	\$ 41,371	\$ 29,342	\$ 27,379	\$ 18,469
Contributions in Relation to the Actuarially Determined Contribution	<u>41,755</u>	<u>41,371</u>	<u>29,342</u>	<u>27,379</u>	<u>18,469</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 419,349	\$ 427,212	\$ 400,191	\$ 394,085	\$ 335,799
Contributions as a Percentage of Covered Payroll	10.0 %	9.7 %	7.3 %	6.9 %	5.5 %
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 15,282	\$ 13,834	\$ 11,814	\$ 11,424	\$ 11,632
Contributions in Relation to the Actuarially Determined Contribution	<u>15,282</u>	<u>13,834</u>	<u>11,814</u>	<u>11,424</u>	<u>11,632</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 277,854	N/A (2)	N/A (2)	N/A (2)	N/A (2)
Contributions as a Percentage of Covered Payroll	5.5 %	N/A (2)	N/A (2)	N/A (2)	N/A (2)

(1) The amounts reported are from June 30th of the previous fiscal year.

(2) Data not available. Data is being accumulated annually to present the required ten years of information.

SCHEDULE OF INVESTMENT RETURNS – LAST TEN YEARS (1)

<u>Year Ended June 30,</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2024	7.69 %
2023	(7.88)
2022	24.32
2021	3.90
2020	5.80
2019	6.75
2018	10.88
2017	1.56
2016	(0.51)
2015	14.13



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ORLEANS COUNTY SHERIFF'S DEPARTMENT
GAO INTERNAL CONTROL REPORTS
JUNE 30, 2024



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**ORLEANS COUNTY SHERIFF'S DEPARTMENT
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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 Jennifer Harlow
Orleans County Sheriff's Department
Newport, 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 Orleans 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 Corporation's basic financial statements, and have issued our report thereon dated October 7, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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.

We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-001 and 2024-003 to be material weaknesses.

Sheriff Jennifer Harlow
Orleans County Sheriff's Department

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-002 to be a significant deficiency.

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*.

Orleans County Sheriff's Department's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Department's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Department's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
October 7, 2024

**ORLEANS COUNTY SHERIFF'S DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2024**

Financial Statement Audit Findings

2024-001 *Financial Reporting for Pensions*

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Criteria or Specific Requirement: Statement No. 68 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Pensions*, requires governmental employers participating in cost-sharing, multiple employer pension plans to recognize a liability for their proportionate share of the net pension liability of the plan as a whole. Such employers are also required to recognize their proportionate share of pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for their proportionate share of these collective amounts of the plan as well. This statement also expanded note disclosures in the financial statements to include descriptive information about the pension plans through which pensions are provided. Lastly, the statement also required the presentation of 10-year schedules of contributions and ratios as required supplementary information to the financial statements.

Statement No. 68 was first effective for the fiscal year ended June 30, 2015.

Condition: Employees of the Department participate in the Vermont Municipal Employees' Retirement System (VMERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Vermont State Treasurer and its Board of Trustees. The Department is required by statute to remit employer and employee contributions to VMERS based on the rates certified by the Board of Trustees.

Beginning in 2015, VMERS has prepared a Schedule of Employer Allocations and Schedule of Pension Amounts by Employer on an annual basis to assist employers in Vermont in implementing the provisions of GASB Statement No. 68. The Department was historically allocated a proportionate share of VMERS' collective net pension liability but did not adopt the provisions of GASB Statement No. 68 until the fiscal year ended June 30, 2024. The adoption of GASB Statement No. 68 resulted the department recognizing a net pension liability of approximately \$530,000.

Cause: Procedures were not in place to implement the provisions of GASB Statement No. 68.

Effect: Material audit adjustments and expanded note disclosures were required to properly present the financial statements in accordance with U.S. GAAP.

Recommendation: We recommend the Department consider the provisions of GASB Statement No. 68 as well as upcoming statements issued by the GASB to enhance its financial reporting in accordance with U.S. GAAP.

Repeat Finding: No.

Views of Responsible Officials: A journal entry has been provided by CLA to record the Department's share of the net pension liability which will be posted as of June 30, 2024. As the amount changes annually, a journal entry will be posted to reflect the current liability per the required provision of GASB.

**ORLEANS COUNTY SHERIFF'S DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Financial Statement Audit Findings (Continued)

2024-002 *Compensated Absences*

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

Criteria or Specific Requirement: Management is responsible for the preparation and fair presentation of the financial statements. This responsibility includes the implementation of internal controls such as the periodic reconciliation of account balances and transactions to be reported on the financial statements.

Condition: During our testing of internal controls over payroll disbursements, we identified two (2) timesheet entries to paid leave were posted to the general ledger as regular time worked. While the functional expense coding and charges were correct, these entries were processed through regular time and did not properly reduce the Department's year-end vacation leave accrual.

Cause: While procedures are designed to review payroll posted to the general ledger, such procedures were not implemented effectively to detect the error.

Effect: The Department's year-end vacation liability compensated absence accrual was overstated by approximately \$465.

Recommendation: We recommend the Department strengthen its review of timesheets and corresponding posting of payroll expense to the general ledger to ensure necessary adjustments to paid leave accruals are properly posted.

Repeat Finding: No.

Views of Responsible Officials: To enhance the accuracy of payroll entries from timesheets to QuickBooks, employees accrued time will be highlighted to improve recognition, and then will be compared to reports printed from QuickBooks by others who are not inputting data.

**ORLEANS COUNTY SHERIFF'S DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Financial Statement Audit Findings (Continued)

2024-003 *Long-Term Obligations*

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Criteria or Specific Requirement: GASB Statement No. 87, *Leases*, requires the recognition of long-term obligations for contracts which (a) transfer ownership of underlying assets at the end of the contract and (b) do not contain termination options. Such contracts should be reported as financed purchases of the underlying assets by the lessee.

The Department utilizes the Vermont Sheriffs' Association Uniform Accounting Manual which indicates that notes and capital loans payable should be recorded on the Department's statement of net position as liabilities. Such guidance is consistent with generally accepted accounting principles.

Condition: We identified two (2) contracts with remaining payments totaling approximately \$104,000 as of June 30, 2024. Such contracts met the reporting criteria of financed purchases under GASB Statement No. 87. The Department did not report these liabilities and recorded the current year contractual payments as expenses.

Cause: Controls were not implemented effectively to ensure compliance with GASB Statement No. 87.

Effect: Material audit adjustments were required to present the contractual liabilities in accordance with generally accepted accounting principles.

Recommendation: We recommend the Department strengthen its year-end financial close and reporting review to ensure such obligations are reported in accordance with generally accepted accounting principles.

Repeat Finding: No.

Views of Responsible Officials: A greater review and understanding of leased equipment contracts will be required before entering into an agreement for a clear understanding of the transactions' intentions of the equipment, then posted accordingly.



Sheriff Jennifer Harlow
Orleans County Sheriff's Department
Newport, Vermont

We have audited the financial statements of the Orleans County Sheriff's Department (Department) as of and for the year ended June 30, 2024, and have issued our report thereon dated October 7, 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 23, 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.

As described in Note 7, the entity changed accounting policies related to accounting and financial reporting for pensions by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions*, in 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. The most sensitive estimate affecting the financial statements was: Management's estimate of the Net Pension Liability is based on an audit of the Vermont Municipal Employees' Retirement System (VMERS). The Net Pension Liability, among other things, was based on a certified actuarial valuation, which contains multiple assumptions regarding mortality, retirement, etc. We evaluated the key factors and assumptions used as part of evaluating the actuarial valuation in determining that they are reasonable in relation to the financial statements taken as a whole.

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.

Circumstances that affect the form and content of the auditors' report

As previously communicated to you, the report was modified to include an emphasis-of-matter paragraph to indicate the financial statements of the Department are intended to present the financial position, the changes in financial position, and, cash flows attributable to the transactions of Department and that they do not purport to, and do not, present fairly the financial position of the State of Vermont or Orleans County, Vermont as of June 30, 2024, the respective changes in financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 7, 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

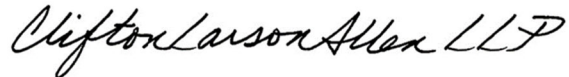
We have provided a separate communication to you dated October 7, 2024, communicating internal control related matters identified during the audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

* * *

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



CliftonLarsonAllen LLP

Andover, Massachusetts
October 7, 2024

Client: **B119360 - Orleans County Sheriff's Department**
Engagement: **FY24 Audit - Orleans 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			
To record beginning balance adjustment for 2023 depreciation expense not reflected in accounting records			
30020	Retained Earnings	69,260.00	
16030	Allowance for Dep.- Equipment		69,260.00
Total		69,260.00	69,260.00
Adjusting Journal Entries JE # 101			
To record current year disposals.			
16050	Allowance for Dep.- Vehicles	54,384.00	
16040	Vehicles		54,384.00
Total		54,384.00	54,384.00
Adjusting Journal Entries JE # 102			
To record current year depreciation expense.			
55510	Depreciation Exp.- Equipment	130,760.00	
16030	Allowance for Dep.- Equipment		130,760.00
Total		130,760.00	130,760.00
Adjusting Journal Entries JE # 103			
CLIENT TO BOOK - To capitalize labor costs associated with installing equipment on new police cruisers.			
16020	Equipment	4,000.00	
57260	Vehicle Parts & Supplies		4,000.00
Total		4,000.00	4,000.00
Adjusting Journal Entries JE # 104			
To record beginning balance of financed purchases of body cameras. To also reclassify current year equipment expense to reduction of long-term liability.			
16020	Equipment	34,723.00	
25501	LT - Financed Purchases Liability GAAP	7,144.00	
25500	ST- Financed Purchases Liability GAAP		7,813.00
25501	LT - Financed Purchases Liability GAAP		23,438.00
30020	Retained Earnings		3,472.00
55255	Dept. Equip. & Supplies		7,144.00
Total		41,867.00	41,867.00
Adjusting Journal Entries JE # 105			
To record current year financed purchases.			
16020	Equipment	98,309.00	
25500	ST- Financed Purchases Liability GAAP		18,876.00
25501	LT - Financed Purchases Liability GAAP		61,282.00
55255	Dept. Equip. & Supplies		18,151.00
Total		98,309.00	98,309.00
Total Adjusting Journal Entries		398,580.00	398,580.00
Reclassifying Journal Entries			
Reclassifying Journal Entries JE # 200			
To reclassify current portion of long-term debt.			
23014	2023 Tahoes (September)	58,256.00	
23000	Current Portion of LT Debt - GAAP		58,256.00
Total		58,256.00	58,256.00
Reclassifying Journal Entries JE # 201			
To record beginning balance and CY Activity of Net Pension Liability - GAAP purposes only.			
29100	GAAP Deferred Outflows Pension	141,556.00	
29100	GAAP Deferred Outflows Pension	64,255.00	
29300	GAAP Pension Expense	76,685.00	
30020	Retained Earnings	335,349.00	
29000	GAAP Net Pension Liability		529,904.00
29200	GAAP Deferred Inflows Pension		23,686.00
29300	GAAP Pension Expense		64,255.00
Total		617,845.00	617,845.00
Reclassifying Journal Entries JE # 203			

To reclassify insurance proceeds recieved from gain on sale of assets to miscellaneous revenues.

49999	Gain/Loss on Sale of Assets	11,176.00	11,176.00
44900	Other Misc.		
Total		<u>11,176.00</u>	<u>11,176.00</u>
	Total Reclassifying Journal Entries	<u>687,277.00</u>	<u>687,277.00</u>
	Total All Journal Entries	<u>1,085,857.00</u>	<u>1,085,857.00</u>