

November 12, 2021

Kevin McLaughlin, Sheriff  
Chittenden County Sheriff's Department  
South Burlington, Vermont

We have audited the financial statements of the business-type activities of Chittenden County Sheriff's Department (the "Department") for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 18, 2021. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Department are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Department during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

##### *Difficulties Encountered in Performing the Audit*

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

##### *Corrected and Uncorrected Misstatements*

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

##### *Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 12, 2021.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

Restriction on Use

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

Very truly yours,



McSoley McCoy & Co.

Client: **Vermont Sheriff Departments**  
 Engagement: **AUDIT - Chittenden County Sheriff's Department**  
 Period Ending: **6/30/2021**  
 Trial Balance: **3000.05 - TB**  
 Workpaper: **3700.05 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>6000.05</b>		
To correct prepaid expenses.				
55343	Workers Comp		7,343.00	
13001	Prepaid Expense			7,343.00
<b>Total</b>			<b>7,343.00</b>	<b>7,343.00</b>
<b>Adjusting Journal Entries JE # 2</b>		<b>6500.05</b>		
To adjust expenses that should be capitalized in FY21.				
16010	Major Equipment		30,517.00	
16040	Vehicles Asset Acct		92,701.00	
55200	Equipment			6,228.00
57000	Vehicles			66,513.00
57261	Vehicle Parts & Supplies			26,188.00
57262	Vehicle Repairs & Maintenance			24,289.00
<b>Total</b>			<b>123,218.00</b>	<b>123,218.00</b>
<b>Adjusting Journal Entries JE # 3</b>		<b>6500.05</b>		
To record fixed asset disposals in FY21.				
16050	A/D - Vehicles		103,466.00	
7000	Gain/loss on disposal of assets		24,953.00	
16040	Vehicles Asset Acct			128,419.00
<b>Total</b>			<b>128,419.00</b>	<b>128,419.00</b>
<b>Adjusting Journal Entries JE # 4</b>		<b>6500.05</b>		
To record FY21 depreciation expense.				
55009	Depreciation		113,554.00	
16030	A/D - Equipment			24,473.00
16050	A/D - Vehicles			89,081.00
<b>Total</b>			<b>113,554.00</b>	<b>113,554.00</b>
<b>Adjusting Journal Entries JE # 5</b>				
To remove capitalized expense that is below the threshold.				
57261	Vehicle Parts & Supplies		61.00	
16040	Vehicles Asset Acct			61.00
<b>Total</b>			<b>61.00</b>	<b>61.00</b>
<b>Adjusting Journal Entries JE # 6</b>		<b>7000.10</b>		
To adjust dispatched service expenses to the proper year.				
13001	Prepaid Expense		5,000.00	
55310	Professional Services			5,000.00
<b>Total</b>			<b>5,000.00</b>	<b>5,000.00</b>
<b>Adjusting Journal Entries JE # 8</b>				
To move expense from retained earnings.				
43025	Equipment Grant		3,566.00	
30000	Opening Balance Equity			3,566.00
<b>Total</b>			<b>3,566.00</b>	<b>3,566.00</b>

Client: **Vermont Sheriff Departments**  
 Engagement: **AUDIT - Chittenden County Sheriff's Department**  
 Period Ending: **6/30/2021**  
 Trial Balance: **3000.05 - TB**  
 Workpaper: **3700.05 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 9</b>		<b>5000.30</b>		
To adjust beginning AP and AR balances to match compilation.				
46050	Miscellaneous Receipts		6,950.00	
46050	Miscellaneous Receipts		10,573.00	
32000	Retained Earnings			17,523.00
<b>Total</b>			<b>17,523.00</b>	<b>17,523.00</b>
<b>Adjusting Journal Entries JE # 10</b>		<b>6500.05</b>		
To record FY20 addition that should have been capitalized last year.				
16010	Major Equipment		19,825.00	
32000	Retained Earnings			19,825.00
<b>Total</b>			<b>19,825.00</b>	<b>19,825.00</b>
<b>Adjusting Journal Entries JE # 11</b>		<b>6500.05</b>		
To record disposal of assets the Department no longer has.				
16030	A/D - Equipment		225,589.00	
16050	A/D - Vehicles		14,898.00	
7000	Gain/loss on disposal of assets		10.00	
16010	Major Equipment			225,599.00
16040	Vehicles Asset Acct			14,898.00
<b>Total</b>			<b>240,497.00</b>	<b>240,497.00</b>
<b>Adjusting Journal Entries JE # 12</b>		<b>5000.50</b>		
To restate retained earnings for revenue cutoff.				
41100	Contracted Services		12,532.00	
32000	Retained Earnings			12,532.00
<b>Total</b>			<b>12,532.00</b>	<b>12,532.00</b>
<b>Adjusting Journal Entries JE # 13</b>		<b>7000.15</b>		
To record grant revenue in the correct period.				
32000	Retained Earnings		7,732.00	
43001	DUI Task Force			1,614.00
43019	OP Grant			6,118.00
<b>Total</b>			<b>7,732.00</b>	<b>7,732.00</b>

**Chittenden County Sheriff's Department**

Financial Statements  
(With Independent Auditors' Report)

June 30, 2021

**Chittenden County Sheriff's Department**

June 30, 2021

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Government Auditing Standards Report:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

## Independent Auditors' Report

Kevin McLaughlin, Sheriff  
Chittenden County Sheriff's Department  
South Burlington, Vermont

We have audited the accompanying financial statements of the business-type activities of the Chittenden County Sheriff's Department (the "Department"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Department as of June 30, 2021, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

Governmental Accounting Standards Board (GASB) 68 requires employers to present extensive note disclosures and other required supplementary information, including disclosing descriptive information about the types of benefits provided and how contributions are determined, and assumptions and methods used to calculate the liability. As discussed in Note 7, the Department participants in the Vermont Municipal Employees' Retirement System. The Department has not determined the impact of adopting GASB 68. Our opinion is not modified in respect to this matter.

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

South Burlington, Vermont  
November 12, 2021  
VT Reg. No. 92-349



**Chittenden County Sheriff's Department**

Statement of Net Position

June 30, 2021

**Assets:**

Current assets

Cash	\$	1,246,129
Accounts receivable		155,811
Prepaid expenses		<u>21,082</u>

Total current assets 1,423,022

Vehicles and equipment, net of accumulated depreciation 240,255

Total assets 1,663,277

**Liabilities:**

Current liabilities

Accounts payable		24,208
Accrued payroll and payroll items		<u>70,332</u>

Total current liabilities 94,540

**Net position:**

Unrestricted		1,328,482
Investment in capital assets		<u>240,255</u>

Total net position \$ 1,568,737

See accompanying notes to the financial statements.

**Chittenden County Sheriff's Department**  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2021

<b>Operating revenues:</b>	
Charges for services	\$ 1,248,978
Operating grants	432,442
Miscellaneous revenues	<u>9,743</u>
 Total operating revenues	 <u>1,691,163</u>
<b>Operating expenses:</b>	
Contracted services	651,402
Process services	52,381
Transportation services	59
Administration and general	668,496
Automotive services	120,344
Depreciation	<u>113,554</u>
 Total operating expenses	 <u>1,606,236</u>
 Net operating income	 <u>84,927</u>
<b>Non-operating income (expense):</b>	
Proceeds on sale of equipment	16,037
Interest income	<u>9,769</u>
 Total non-operating income	 <u>25,806</u>
 Net income	 110,733
 Net position, beginning of year, restated	 <u>1,458,004</u>
 Net position, end of year	 <u><u>\$ 1,568,737</u></u>

See accompanying notes to the financial statements.

**Chittenden County Sheriff's Department**

Statement of Cash Flows

For the Year Ended June 30, 2021

**Cash flows from operating activities:**

Cash received from customers	\$ 1,286,928
Cash received from operating grants	432,442
Cash payments to suppliers for goods and services	(317,263)
Cash payments to employees for services	<u>(1,172,772)</u>

Net cash provided by operating activities 229,335

**Cash flows from capital and related financing activities:**

Acquisition of vehicles and equipment	(123,218)
Proceeds on sale of vehicles	<u>41,000</u>

Net cash used by capital and related financing activities (82,218)

**Cash flows from investing activity:**

Interest income	<u>9,769</u>
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Net increase in cash 156,886

Cash, beginning of year 1,089,243

Cash, end of year \$ 1,246,129

**Reconciliation of operating income to net cash provided by operating activities:**

Net operating income \$ 84,927

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation 113,554

Changes in:

Accounts receivable 28,207

Prepaid expenses 2,343

Accounts payable (1,485)

Accrued payroll and payroll items 1,789

Total adjustments 144,408

Net cash provided by operating activities \$ 229,335

See accompanying notes to the financial statements.

# Chittenden County Sheriff's Department

## Notes to the Financial Statements

June 30, 2021

### (1) Summary of Significant Accounting Policies

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

#### (a) Basis of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. The Department's revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

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

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

#### (b) Basis of presentation

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

#### (c) Cash and cash equivalents

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

#### (d) Vehicles and equipment

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

Estimated useful lives by major classification are as follows:

Office furniture	5-7 years
Communication equipment	5-10 years
Vehicles	5 years

**Chittenden County Sheriff's Department**

Notes to the Financial Statements

June 30, 2021

Summary of Significant Accounting Policies (continued)

(e) Unrestricted net assets

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

(f) Use of estimates

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

(g) Accounts receivable

Significant receivables include amounts due from state, town, and contractor contracts. These receivables are due within one year. The Department has not recorded an allowance for uncollectible accounts at June 30, 2021, as all amounts are deemed collectible.

(h) Subsequent events

The Department evaluated subsequent events through November 12, 2021, the date the Department's financial statements were available to be used.

(2) Cash and Categories of Risk

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

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

The Department's bank balances are categorized below to give an indication of the level of risk assumed by the Department at June 30, 2021.

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured deposits	\$1,004,694	\$1,004,694
Uninsured funds	241,085	261,405
Undeposited funds	<u>350</u>	<u>-</u>
Total cash deposits	<u>\$1,246,129</u>	<u>\$ 1,266,099</u>

## Chittenden County Sheriff's Department

Notes to the Financial Statements

June 30, 2021

### (3) Vehicles and Equipment

Vehicles and equipment are summarized as of June 30, 2021 by major classifications as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Vehicles	\$ 685,330	\$ 92,701	\$ (143,317)	\$ 634,714
Equipment	<u>800,201</u>	<u>30,517</u>	<u>(225,599)</u>	<u>605,119</u>
Total vehicles and equipment	1,485,531	123,218	(368,916)	1,239,833
Less accumulated depreciation	<u>(1,229,977)</u>	<u>(113,554)</u>	<u>343,953</u>	<u>(999,578)</u>
Vehicles and equipment, net	<u>\$ 255,554</u>	<u>\$ 9,664</u>	<u>\$ (24,963)</u>	<u>\$ 240,255</u>

### (4) Cost Sharing

Under Vermont law, Chittenden County and the State of Vermont are required to cover certain costs of the Chittenden County Sheriff's Department. Such costs include the Sheriff's salary and benefits, administrative salary and benefits, office space, certain automotive expenses and others. The amount expended by the County and State during the year ended June 30, 2021 has not been determined.

### (5) Operating Grants

The Chittenden County Sheriff's Department received grants from the U.S. Government and other grantors. Entitlements to the resources are generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditures of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowance as a result of these audits becomes a liability of the Department. As of June 30, 2021, management believes that no material liabilities will result from such audits.

### (6) 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.

### (7) Retirement Plan

The Department participates in the Vermont Municipal Employees Retirement System (VMERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Vermont.

**Chittenden County Sheriff's Department**  
Notes to the Financial Statements  
June 30, 2021

Retirement Plan (continued)

VMERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Retirement System Division of the Vermont State Treasurer's Office issues a publicly available financial report that includes financial statements and required supplementary information for VMERS. That report may be obtained by writing to Retirement System Division, Vermont State Treasurer's Office, 133 State Street, Montpelier, Vermont 05602.

Plan members (Department employees) are required to contribute 10.5% of their annual covered compensation and the Department is required to contribute at an actuarially determined rate. The current rate is 7.75% of annual covered payroll. The contribution requirements of plan members and the Department are established and may be amended by the Retirement Board, Vermont Municipal Employees Retirement System.

GASB 68 requires employers to present extensive note disclosures and other required supplementary information, including disclosing descriptive information about the types of benefits provided, how contributions to the pension plan are determined, and assumptions and methods used to calculate the liability. The Department has not determined the impact of adopting GASB 68.

Contributions made to VMERS by the Department for the year ended June 30, 2021 amounted to \$50,003.

(8) Prior Period Adjustments

During the year ended June 30, 2021, it was discovered that the Department overstated expenses in Fiscal Year 2020 due to a machine that was purchased and not capitalized. An adjustment has been made to the accompanying financial statements to increase fixed assets and net position by \$19,825 as of July 1, 2020.

In addition, it was discovered that expenses and revenue relating to Fiscal Year 2020 were recorded in Fiscal Year 2021. An adjustment has been made to the accompanying financial statements to increase revenue by \$12,532, expenses by \$7,732, and net position by \$4,800 as of July 1, 2020.

**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***

Kevin McLaughlin, Sheriff  
Chittenden County Sheriff's Department  
South Burlington, 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 Chittenden County Sheriff's Department (the "Department"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated November 12, 2021.

**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) to determine the 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 discussed below, we identified certain deficiencies in internal control that we consider to be 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 did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 deficiencies described in the accompanying schedule of findings and questioned cost as items 2021-001 and 2021-002 to be significant deficiencies.



### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The Chittenden County Sheriff's Department's Response to Findings**

The Department's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion on it.

### **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.



South Burlington, Vermont  
November 12, 2021  
VT Reg. No. 92-349

**Chittenden County Sheriff's Department**  
Schedule of Findings and Questioned Costs  
June 30, 2021

**Finding 2021-001: Proper Approval**

**Condition:**

During our audit, it was noted that several disbursements made using credit cards were not properly approved by the Sheriff.

**Recommendation:**

We recommend the Department adhere to their policy regarding the proper approval of disbursements.

**Finding 2021-002: Financial Reporting**

**Condition:**

During our audit, we proposed several adjusting journal entries. In addition, the Department had trouble producing accurate grant reports to submit to the State of Vermont. The magnitude and scope of these adjustments makes it difficult to produce timely and accurate internal financial information on which management can rely. We also believe it hinders management to properly perform its financial role and properly operate the Department, and increases the Department's exposure to fraud and irregularities.

**Recommendation:**

We recommend the Department place more emphasis on the importance of the accounting function and accuracy of financial reporting, especially with grant reporting, capitalization of fixed assets, prepaids, accruals, and revenue cut-off.

**Management's Views and Corrective Action Plan:**

Management's views and corrective action plan is included at the end of this report.

CHITTENDEN COUNTY SHERIFF'S OFFICE



Tel: (802) 863-4341  
Fax: (802) 863-7445

STATE OF VERMONT  
KEVIN M. MCLAUGHLIN, SHERIFF  
P.O. BOX 1426  
Burlington, VT 05402

**Chittenden County Sheriff's Department**  
Management's Corrective Action Plan  
For the Year Ended June 30, 2021

**2021-001: Proper Approval**

The Department will adhere to their policy to ensure approval is obtained prior to processing transactions.

**2021-002: Financial Reporting**

The Department will implement a system to ensure all grant reporting, capitalization of fixed assets, prepaids, and revenue are properly recorded in the accounting function. In addition, the Department will ensure timely remittance of all grant reports.