

**TOWN OF WINIFRED**

**FERGUS COUNTY  
WINIFRED, MONTANA**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**Fiscal year Ended June 30, 2014**

**Strom & Associates, P. C.**

**PO BOX 1980  
Billings, Montana 59103**

Town Council  
Town of Winifred  
Fergus County  
Winifred, Montana 59489

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Town Council  
Town of Winifred  
Fergus County  
Winifred, Montana 59489

ORGANIZATION

CITY COUNCIL

Travis Willson

Mayor

Rich Baker

Councilperson

Steve Ehlert

Councilperson

Shirley Benes

Councilperson

Tom Philp

Councilperson

OFFICIALS

Kristin Carlstrom

Clerk/Treasurer

Kris Birdwell

Attorney

STROM & ASSOCIATES, PC  
Certified Public Accountants  
P.O. Box 1980  
Billings, Montana 59103

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Town of Winifred  
P. O. Box 181  
Winifred, Montana 59489

We have performed the procedures enumerated below, which were agreed to by the Town of Winifred Montana, (the Government) and the State of Montana, solely to perform a financial review of the Government as of and for the year ended June 30, 2014, as required by Section 2-7-503, MCA. The Government's management is responsible for the financial statements, compliance with the specified requirements and internal control over compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the State of Montana, as required by Section 2-7-503, MCA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We obtained the Government's annual financial report required to be prepared by State law (MCA 7-6-611), and we determined whether:
  - The financial statements internally balance and reconcile, and agree to the Government's underlying accounting records, and
  - Beginning net position and fund balance amounts reported on the government-wide and fund financial statements agree to related ending net position and fund balance amounts on prior-year financial statements.

**Findings resulting from these procedures are disclosed in finding number 1 in Schedule C.**

- b. We determined whether the Government performed reconciliations, on a monthly basis, of total cash and investments per the accounting records with deposits and investments held in financial institutions.

**We found no exceptions as a result of this procedure.**

- c. We determined whether the Government has a policy requiring that its cash receipts be deposited intact on a timely (at least weekly) basis with a financial institution, and verified that, for several selected weeks throughout the year, deposits were made per this policy.

**Findings resulting from this procedure are disclosed in finding number 2 in Schedule C.**

- d. We determined whether the Government maintained documentation of capital assets and related schedules of depreciation, and that this documentation supports the amount of net capital assets and depreciation expense recorded in the accounting records.

**Findings resulting from this procedure are disclosed in finding number 6 in Schedule C.**

- e. We determined whether the Government maintained documentation for all long-term liabilities recorded in the accounting records, including but not limited to bonds, notes and loans, capital leases, compensated absences, and judgments.

**Findings resulting from these procedures are disclosed in finding number 3 in Schedule C.**

- f. We examined general journal entries prepared during the year, and verified that:
- All adjustments to the fund balance and net position accounts, including prior period adjustments, were supported by explanatory documentation and approved by the governing body, and
  - All transfers made were allowable under State law. (MCA 7-6-613)

**We found no exceptions as a result of these procedures.**

- g. Through inquiry of members of the governing body and through observation of supporting documentation, we determined whether the governing body received and reviewed the following on a monthly basis:

- A report comparing budgeted revenues and budgeted appropriations with the year-to-date actual revenues and actual expenditures,
- A copy of the bank reconciliation for all deposits/investments,
- A report of cash balances, receipts and disbursements, as required by MCA 7-6-612,
- Supporting documentation for all expenditures/expenses, as required by MCA 7-6-4301.

**We found no exceptions as a result of these procedures.**

- h. We identified all claims in excess of \$80,000, and determined whether any contracts for the purchase of vehicles, machinery, equipment, supplies, construction, repair or maintenance in excess of that amount were let to the lowest responsible bidder after advertisement for bids, as required by MCA 7-5-4302, and we determined whether the bidding process was documented in the minutes of governing body meetings.

**The Government had no contract for purchase that met this criteria.**

- i. We verified that:

- The final budget was adopted by resolution, as required by MCA 7-6-4030;
- The "Tax Levy Requirements Schedule" in the Government's budget document was accurately prepared, and cash reserves were (1) within the statutory limitations (MCA 7-6-4034) and (2) not negative (MCA 7-6-4030(2));
- If applicable, any amendments to the final budget were adopted as required by MCA 7-6-4031; and
- Total expenditures for each governmental fund did not exceed the budgeted appropriations for the fund (i.e., final budget as legally amended), as required by MCA 7-6-4005 and 7-6-4033.

**Findings resulting from these procedures are disclosed in finding number 4 in Schedule C.**

- j. We obtained the following documents and performed the following procedures related to property tax levies:

We obtained:

- Copies of the Government's worksheets for the "Determination of Tax Revenue and Mill Levy Limitations Under MCA 15-10-420" for the current (FY2014) and prior year (hereafter referred to as "**Determination Worksheets**");
  - A copy of the Department of Revenue's 2013 Certified Taxable Valuation Form for the Government (hereafter referred to as "**DOR Form**");
  - The Government's **Budget Resolution(s)** for FY2014;
  - For the County's agency fund for the Government, a detailed ledger query or other detailed trial balance report for the FY2014 period (hereafter referred to as "**County Report**").
1. We verified that all applicable elements from the DOR Form were transferred appropriately to the FY2014 Determination Worksheet(s).
  2. We verified that the first line (prior year authorized revenue) of the FY2014 Determination Worksheet(s) was equal to the last line of the prior year's Determination Worksheet (authorized tax revenue).
  3. We compared the "Authorized mill levy" from the FY2014 Determination Worksheet(s) to the actual mills levied per the Budget Resolution(s) and determined whether the mills actually levied were in compliance with the tax levy limitations of MCA 15-10-420.

4. If the actual mills levied exceeded the Determination Worksheets' authorized mill levy, we verified that the excess represented additional levies authorized by voters (MCA 15-10-425), mills exempted by statute (MCA 15-10-420(9)), and/or mill authority carried forward from previous years (MCA 15-10-420(1)(b)), and we verified that the Town had documentation to support these additional mills.
5. Tax revenue verification: We multiplied the Government's taxable valuation with the total mills levied, compared the results of this calculation with total property tax revenue recorded in the accounting records, and noted any variances of 5% or greater. (Note: Local vehicle option taxes and tax penalty/interest, if any, should be excluded from total property tax revenue for purposes of this comparison.)
6. Taxes receivable verification: We verified that total taxes receivable in the Government's accounting records agree to the total taxes receivable in the County Report.

**Findings resulting from this procedure are disclosed in finding number 5 in Schedule C.**

- k. For any single source of revenue that the Government received with specific terms/conditions for its receipt and use (e.g., grants, State allocations) and that represented 25% or greater of total revenues for the fiscal year, we reviewed the terms/conditions of that revenue source and verified that the Government complied with those terms/conditions.

**We found no exceptions as a result of these procedures.**

Accompanying are the following schedules:

**Schedules A.1. and A.2.** present the Government's government-wide Statement of Net Position and Statement of Activities as of and for the fiscal year ended June 30, 2014.

**Schedules B.1 through B.5.** present the Government's governmental, proprietary and fiduciary fund statements, as applicable, as of and for the fiscal year ended June 30, 2014.

**Schedule C** presents findings and recommendations resulting from performing the above agreed-upon procedures.

We were not engaged to, and did not conduct an examination or audit, the objective of which would be the expression of an opinion on the specified accounts and transactions, or on compliance or effectiveness of internal control over compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Town of Winifred, Montana, and the State of Montana, and is not intended to be and should not be used by anyone other than these specified parties.

*Strom & Associates, P.C.*

STROM & ASSOCIATES, PC  
Billings, Montana  
June 25, 2015

**Schedule A.1.**

Town of Winifred  
 Fergus County  
 Winifred, Montana 59489

STATEMENT OF NET POSITION  
 as of June 30, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 231,039	\$ 308,325	\$ 539,364
Taxes /Assessments Receivable	-	-	-
Accounts Receivable - Net	-	(504)	(504)
<b>Total Current Assets</b>	<u>231,039</u>	<u>307,821</u>	<u>538,860</u>
<b>Noncurrent Assets:</b>			
Restricted Cash and Cash Equivalents	-	-	-
<b>Capital Assets:</b>			
Land	4,675	500	5,175
Construction in Progress	-	-	-
Net Depreciable Assets	1,254,932	1,059,493	2,314,425
<b>Total Noncurrent Assets</b>	<u>1,259,607</u>	<u>1,059,993</u>	<u>2,319,600</u>
<b>Total Assets</b>	<u>\$ 1,490,646</u>	<u>\$ 1,367,814</u>	<u>\$ 2,858,460</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities</b>			
Current Portion Long-Term Capital Obligations	\$ -	\$ -	\$ -
<b>Total Current Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Noncurrent Liabilities:</b>			
Long-Term Capital Obligations	-	-	-
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>			
Net investment in capital assets	1,259,607	1,059,993	2,319,600
Restricted	-	-	-
Unrestricted (Deficit)	118,515	307,821	426,336
<b>Total Net Position</b>	<u>1,378,122</u>	<u>1,367,814</u>	<u>2,745,936</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 1,378,122</u>	<u>\$ 1,367,814</u>	<u>\$ 2,745,936</u>

**Schedule A.2.**

Town of Winifred  
 Fergus County  
 Winifred, Montana 59489

**STATEMENT OF ACTIVITIES**  
 For the Fiscal Year Ended June 30, 2014

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charge for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
<b>GOVERNMENT OPERATIONS</b>						
General government	\$ 43,981	\$ -	\$ -	\$ (43,981)		\$ (43,981)
Public safety	3,353	-	-	(3,353)		(3,353)
Public works	40,931	21,017	8,280	(11,634)		(11,634)
Public health	-	4,040	-	4,040		4,040
Culture and recreation	90,827	3,264	-	(87,563)		(87,563)
Interest on long-term debt	-	728	-	728		728
Miscellaneous	3,131	-	-	(3,131)		(3,131)
<b>Total Governmental Activities</b>	<u>182,223</u>	<u>29,049</u>	<u>8,280</u>	<u>(144,894)</u>		<u>(144,894)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Water	\$ 14,516	\$ 30,244	\$ -		\$ 15,728	15,728
Sewer	31,895	35,556	-		3,661	3,661
<b>Total Business-type activities</b>	<u>46,411</u>	<u>65,800</u>	<u>-</u>		<u>19,389</u>	<u>19,389</u>
<b>Total Primary Government</b>	<u>\$ 228,634</u>	<u>\$ 94,849</u>	<u>\$ 8,280</u>	<u>\$ (144,894)</u>	<u>\$ 19,389</u>	<u>\$ (125,505)</u>
<b>GENERAL REVENUES</b>						
Taxes/assessments				14,872	-	14,872
Local Options Tax				4,124	-	4,124
Intergovernmental revenues				13,163	15,391	28,554
Miscellaneous				137,589	-	137,589
Investment and royalty earnings				-	770	770
<b>Total General Revenues</b>				<u>169,748</u>	<u>16,161</u>	<u>185,909</u>
<b>Change in Net Position</b>				<u>24,854</u>	<u>35,550</u>	<u>60,404</u>
<b>Net Position</b>						
Beginning of the Year				1,465,793	1,370,264	2,836,057
Prior Period Adjustments				-	(12,000)	(12,000)
End of the Year				<u>\$ 1,490,647</u>	<u>\$ 1,393,814</u>	<u>\$ 2,884,461</u>

**Schedule B.1.**

Town of Winifred  
 Fergus County  
 Winifred, Montana 59489

**BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 as of June 30, 2014**

	<u>MAJOR</u>				
	General	Airport	Gas Apportionment Tax	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 49,317	\$ 21,029	\$ 91,495	\$ 69,198	\$ 231,039
Taxes /Assessments Receivable	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 49,317</u>	<u>\$ 21,029</u>	<u>\$ 91,495</u>	<u>\$ 69,198</u>	<u>\$ 231,039</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Property Taxes Receivable	-	-	-	-	-
<b>Total Deferred Inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE:</b>					
<b>Fund Balances:</b>					
Restricted	-	21,029	91,495	-	112,524
Unassigned:	49,317	-	-	69,198	118,515
<b>Total Fund Balance</b>	<u>49,317</u>	<u>21,029</u>	<u>91,495</u>	<u>69,198</u>	<u>231,039</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>\$ 49,317</u>	<u>\$ 21,029</u>	<u>\$ 91,495</u>	<u>\$ 69,198</u>	<u>\$ 231,039</u>

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total fund balance reported above	\$ 231,039
Governmental Capital Assets	1,259,607
Unavailable Property Taxes Receivable	<u>-</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 1,490,646</u>

**Schedule B.2.**

Town of Winifred  
 Fergus County  
 Winifred, Montana 59489

STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended June 30, 2014

	MAJOR				Total Governmental Funds
	General	Airport	Gas Apportionment Tax	Other Governmental Funds	
<b>REVENUES:</b>					
Taxes/assessments	\$ 18,996	\$ -	\$ -	\$ -	\$ 18,996
Intergovernmental revenues	13,163	-	8,280	3,264	24,707
Charges for services	5,641	19,417	-	-	25,058
Fines and forfeitures	-	-	-	-	-
Miscellaneous	33,984	-	-	103,604	137,588
Investment and royalty earnings	569	-	-	159	728
<b>Total Revenues</b>	<u>72,353</u>	<u>19,417</u>	<u>8,280</u>	<u>107,027</u>	<u>207,077</u>
<b>EXPENDITURES:</b>					
<b>Current</b>					
General government	24,522	-	-	-	24,522
Public safety	478	-	-	-	478
Public works	5,220	17,303	6,742	-	29,265
Culture and recreation	25,621	-	-	59,056	84,677
Miscellaneous	3,131	-	-	-	3,131
Capital Outlay	-	-	-	37,212	37,212
<b>Total Expenditures</b>	<u>58,972</u>	<u>17,303</u>	<u>6,742</u>	<u>96,268</u>	<u>179,285</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>13,381</u>	<u>2,114</u>	<u>1,538</u>	<u>10,759</u>	<u>27,792</u>
<b>FUND BALANCE:</b>					
Beginning of the Year	<u>35,936</u>	<u>18,915</u>	<u>89,957</u>	<u>58,439</u>	<u>203,247</u>
End of the Year	<u>\$ 49,317</u>	<u>\$ 21,029</u>	<u>\$ 91,495</u>	<u>\$ 69,198</u>	<u>\$ 231,039</u>

**Schedule B.3.**

Town of Winifred  
Fergus County  
Winifred, Montana 59489

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2014

Net Changes in Fund Balance	\$ 27,792
Revenues on the Statement of Activity not included in governmental funds statement:	
Increase (decrease) in taxes receivable	-
Expenses on the Statement of Activity not included in the governmental funds statement:	
Depreciation Expense	(40,150)
Expenditures reported in the governmental funds statement not included in the Statement of Activity	
Capital outlays	<u>37,212</u>
Change in net position reported on the Statement of Activity	<u>\$ 24,854</u>

**Schedule B.4.**

Town of Winifred  
 Fergus County  
 Winifred, Montana 59489

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 as of June 30, 2014

	MAJOR		Total Enterprise Funds
	Water	Sewer	
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 123,299	\$ 185,026	\$ 308,325
Accounts Receivable - Net	(1,428)	924	(504)
Total Current Assets	<u>121,871</u>	<u>185,950</u>	<u>307,821</u>
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	-	-	-
Capital Assets:			
Land	400	100	500
Construction in Progress	-	-	-
Net Depreciable Assets	<u>19,232</u>	<u>1,040,261</u>	<u>1,059,493</u>
Total Noncurrent Assets	<u>19,632</u>	<u>1,040,361</u>	<u>1,059,993</u>
Total Assets	<u>\$ 141,503</u>	<u>\$ 1,226,311</u>	<u>\$ 1,367,814</u>
<b>LIABILITIES:</b>			
Current Liabilities			
Current Portion Long-Term Capital Obligations	\$ -	\$ -	\$ -
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities:			
Long-Term Capital Obligations	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>			
Net investment in capital assets	19,632	1,040,361	1,059,993
Unrestricted (Deficit)	<u>121,871</u>	<u>185,950</u>	<u>307,821</u>
Total Net Position	<u>141,503</u>	<u>1,226,311</u>	<u>1,367,814</u>
Total Liabilities and Net Position	<u>\$ 141,503</u>	<u>\$ 1,226,311</u>	<u>\$ 1,367,814</u>

**Schedule B.5.**

Town of Winifred  
 Fergus County  
 Winifred, Montana 59489

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 For the Fiscal Year Ended June 30, 2014

	MAJOR		Total Enterprise Funds
	Water	Sewer	
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 30,244	\$ 35,556	\$ 65,800
Total Operating Revenues	<u>30,244</u>	<u>35,556</u>	<u>65,800</u>
<b>OPERATING EXPENSES:</b>			
Personal services	3,078	3,596	6,674
Supplies	780	248	1,028
Purchased services	9,539	2,743	12,282
Fixed charges	150	-	150
Depreciation	969	23,680	24,649
Total Operating Expense	<u>14,516</u>	<u>30,267</u>	<u>44,783</u>
OPERATING INCOME (LOSS)	<u>15,728</u>	<u>5,289</u>	<u>21,017</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenue	-	15,391	15,391
Interest revenue	344	426	770
Debt service interest expense	-	(1,628)	(1,628)
Special Items	(26,000)	-	(26,000)
Total nonoperating revenue (expenses)	<u>(25,656)</u>	<u>14,189</u>	<u>(11,467)</u>
CHANGE IN NET POSITION	<u>(9,928)</u>	<u>19,478</u>	<u>9,550</u>
<b>NET POSITION:</b>			
Beginning of the Year	151,431	1,218,833	1,370,264
Prior Period Adjustments	-	(12,000)	(12,000)
End of the Year	<u>\$ 141,503</u>	<u>\$ 1,226,311</u>	<u>\$ 1,367,814</u>

**Schedule B.6.**

Town of Winifred  
 Fergus County  
 Winifred, Montana 59489

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	MAJOR			Total
	Water Utility	Sewer Utility		Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 30,244	\$ 35,556	\$ -	\$ 65,800
Payments to Suppliers	(10,469)	(2,991)	-	(13,460)
Payments to Employees	(3,078)	(3,596)	-	(6,674)
Net Cash Provided (Used) by Operating Activities	16,697	28,969	-	45,666
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Subsidies from Taxes and Other Governments	-	15,391	-	15,391
Net Cash Provided (Used) By Noncapital Financing Activities	-	15,391	-	15,391
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal Paid on Capital Debt	-	(208,000)	-	(208,000)
Interest Paid on Capital Debt	-	(1,628)	-	(1,628)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(209,628)	-	(209,628)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and Dividends	344	426	-	770
Net Cash Provided (Used) by Investing Activities	344	426	-	770
Net Increase (Decrease) In Cash and Cash Equivalents	17,041	(164,842)	-	(147,801)
<b>BALANCE:</b>				
Beginning of the Year	151,431	1,218,833	15,391	1,385,655
End of the Year	\$ 168,472	\$ 1,053,991	\$ 15,391	\$ 1,237,854
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ 15,728	\$ 5,289	\$ -	\$ 21,017
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	969	23,680	-	24,649
Net Cash Provided (Used) by Operating Activities	\$ 16,697	\$ 28,969	\$ -	\$ 45,666

## SCHEDULE C

Town of Winifred  
Fergus County  
Winifred, Montana

### REPORT OF FINDINGS AND RECOMMENDATIONS RESULTING FROM PERFORMING THE ABOVE AGREED-UPON PROCEDURES for the Fiscal Year Ended June 30, 2014

#### FINDING NUMBER 1 BEGINNING NET POSITION 2014:

Condition: The following opinion units/funds reported beginning balances that did not agree to the prior year ending balances:

- The governmental activities beginning balance understated by \$38,236;
- The business-type activities beginning balance overstated by \$200,791;
- The general fund beginning fund balance understated by \$1,024;
- The water fund beginning fund balance overstated by \$1,089; and
- The sewer fund beginning fund balance overstated by \$199,702.

Recommendation: We recommend that the Town verify prior-year ending fund balances with current year beginning fund balances on its annual financial report.

#### FINDING NUMBER 2 TIMELY DEPOSITS 2014:

Condition: The Town is a 45 miles one way drive to the nearest financial institution so the Town makes deposits at least monthly.

Recommendation: We recommend the Town contact the Local Government Services Bureau of the Montana Department of Administration for a waiver on the weekly deposit requirement.

#### FINDING NUMBER 3 LONG-TERM LIABILITIES 2014:

Condition: The Town reports no amounts for long-term liabilities. The Town does have revenue bond relating to sewer fund activity that is not reported. At fiscal year ended June 30, 2014 the outstanding balance was \$208,000.

Recommendation: We recommend the Town identify all it's long-term debt and appropriately report it in the accounting records and financial statements.

FINDING NUMBER 4 BUDGETED CASH RESERVES 2014:

Condition: The Town's general fund appropriation were \$64,240 and the budgeted cash reserves were \$37,159. For appropriations of \$64,240 the maximum budgeted cash reserves would be \$32,120.

Recommendation: We recommend the Town comply with MCA 7-6-4034.

FINDING NUMBER 5 TAXES RECEIVABLE 2014:

Condition: No amounts were reported in the annual financial report for taxes receivable. From review of the Fergus County report the Town's taxes receivable should have been \$3,143 at year end.

Recommendation: We recommend the Town report its taxes receivable at year-end on its annual financial report and in the accounting records.

FINDING NUMBER 6 CAPITAL ASSETS 2014:

Condition: Current year capital outlay was not added to general capital assets.

Recommendation: We recommend the Town update its capital assets listing for capital purchases.