

**TOWN OF PINESDALE, MONTANA
AGREED-UPON PROCEDURES
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JUNE 30, 2014

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Town Selectmen and
Town Advisors
Town of Pinesdale
Pinesdale, Montana

I have performed the procedures enumerated below, which were agreed to by the Town of Pinesdale, Montana, and the State of Montana, solely to perform a financial review of the Town as of and for the year ended June 30, 2014, as required by Section 2-7-503, MCA. The Town'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, I 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. I obtained the Town's annual financial report required to be prepared by State law (MCA 7-6-611), and I determined whether:
- The financial statements internally balance and reconcile, and agree to the Town's underlying accounting records, and
 - Beginning net asset and fund balance amounts reported on the government-wide and fund financial statements agree to related ending net asset and fund balance amounts on prior-year financial statements.

I found no exceptions as a result of this procedure.

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

I found no exceptions as a result of this procedure.

- c. I determined whether the Town has a policy requiring that its receipts be deposited on a timely (at least weekly) basis with a financial institution on an intact basis, 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 2014-1 in Schedule

C.

- d. I determined whether the Town 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 these procedures are disclosed in finding number 2014-2 in Schedule C.

- e. I determined whether the Town 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.

I found no exceptions as a result of these procedures.

- f. I examined all general journal entries prepared during the year, and verified that:
- All adjustments, 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)

I found no exceptions as a result of these procedures.

- g. Through inquiry of members of the governing body and through observation of supporting documentation, I 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.

Findings resulting from these procedures are disclosed in finding number 2014-3 in Schedule C.

- h. I 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 I determined whether the bidding process was documented in the minutes of governing body meetings.

The Town has no contract for purchase that met this criteria.

- i. I verified that:
- The final budget was adopted by resolution, as required by MCA 7-6-4030;
 - The "Tax Levy Summary Schedule" in the Town'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.

A finding resulting from these procedures is disclosed in finding number 2014-4 in Schedule C.

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

I obtained:

- Copies of the Town'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 Town (hereafter referred to as "**DOR Form**");
 - The Town's **Budget Resolutions** for FY2014;
 - For the County's agency fund for the Town, a detailed ledger query or other detailed trial balance report for the FY2014 period (hereafter referred to as "**County Report**").
1. I verified that all applicable elements from the DOR Form were transferred appropriately to the FY2014 Determination Worksheet(s).
 2. I 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. I 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, I 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 I verified that the Town had documentation to support these additional mills.
 5. Tax revenue verification: I multiplied the Town'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: I verified that total taxes receivable in the Town's accounting records agree to the total taxes receivable in the County Report.

I found no exceptions as a result of these procedures.

k. For any single source of revenue that the Town 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, I reviewed the terms/conditions of that revenue source and verified that the Town complied with those terms/conditions.

The Town had no single source of revenue that met this criteria.

Accompanying are the following schedules:

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

Schedules B.1 through B.7 present the Town's governmental, proprietary and fiduciary fund statements, as applicable, as of and for the fiscal year ended June 30, 2014, in the format required by generally accepted accounting principles.

Schedule C presents findings and managements responses resulting from performing the above agreed-upon procedures.

I was 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, I do not express such an opinion. Had I 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 the Town of Pinesdale, Montana, and the State of Montana, and is not intended to be and should not be used by anyone other than these specified parties.



February 3, 2015

SCHEDULE A.1

**Town of Pinesdale
Statement of Net Position
June 30, 2014**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and investments	\$ 129,004.48	\$ 153,975.30	\$ 282,979.78
Taxes and assessments receivable, net	6,043.04	-	6,043.04
Accounts receivable - net	1,956.67	12,719.85	14,676.52
Total current assets	<u>\$ 137,004.19</u>	<u>\$ 166,695.15</u>	<u>\$ 303,699.34</u>
Noncurrent assets:			
Restricted cash and investments	\$ 1,683.33	\$ 128,732.51	\$ 130,415.84
Capital assets - construction in progress	-	16,648.26	16,648.26
Capital assets - net of depreciation	554,115.67	1,938,701.02	2,492,816.69
Total noncurrent assets	<u>\$ 555,799.00</u>	<u>\$ 2,084,081.79</u>	<u>\$ 2,639,880.79</u>
Total Assets	<u>\$ 692,803.19</u>	<u>\$ 2,250,776.94</u>	<u>\$ 2,943,580.13</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,634.02	9,333.66	11,967.68
Accrued payroll	(73.85)	-	(73.85)
Current portion of long-term capital liabilities	2,500.00	18,640.00	21,140.00
Total current liabilities	<u>\$ 5,060.17</u>	<u>\$ 27,973.66</u>	<u>\$ 33,033.83</u>
Noncurrent liabilities:			
Noncurrent portion of long-term capital liabilities	6,368.73	491,388.78	497,757.51
Total noncurrent liabilities	<u>\$ 6,368.73</u>	<u>\$ 491,388.78</u>	<u>\$ 497,757.51</u>
Total Liabilities	<u>\$ 11,428.90</u>	<u>\$ 519,362.44</u>	<u>\$ 530,791.34</u>
NET POSITION			
Net investment in capital assets	\$ 545,246.94	\$ 1,445,320.50	\$ 1,990,567.44
Restricted for:			
Replacement and depreciation	-	99,487.29	99,487.29
Capital projects	-	2,377.22	2,377.22
Debt service	-	26,868.00	26,868.00
Public works	30,013.45	-	30,013.45
Court trust	1,683.33	-	1,683.33
Unrestricted	104,430.57	157,361.49	261,792.06
Total net position	<u>\$ 681,374.29</u>	<u>\$ 1,731,414.50</u>	<u>\$ 2,412,788.79</u>

See accompanying notes to the financial statements

SCHEDULE A.2

Town of Pinesdale
Statement of Activities
For the Fiscal Year Ended
June 30, 2014

Functions/Programs Primary government:	Program Revenues					Net (Expenses) Revenues and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities:								
General government	\$ 64,031.46	\$ 10,900.00	\$ -	\$ -	(53,131.46)		\$ (53,131.46)	
Public safety	61,134.78	69,441.28	250.00	-	8,556.50		8,556.50	
Public works	18,972.48	1,200.00	21,105.10	-	3,332.62		3,332.62	
Culture and recreation	14,049.19	-	-	-	(14,049.19)		(14,049.19)	
Debt service - interest	445.32	-	-	-	(445.32)		(445.32)	
Total Governmental Activities	\$ 158,633.23	\$ 81,541.28	\$ 21,355.10	\$ -	\$ (55,736.85)		\$ (55,736.85)	
Business-type activities:								
Water	\$ 132,432.27	\$ 135,195.71	\$ -	\$ -		\$ 2,763.44	\$ 2,763.44	
Total business-type activities	\$ 132,432.27	\$ 135,195.71	\$ -	\$ -		\$ 2,763.44	\$ 2,763.44	
Total primary government	\$ 291,065.50	\$ 216,736.99	\$ 21,355.10	\$ -	\$ (55,736.85)	\$ 2,763.44	\$ (52,973.41)	
General Revenues:								
Property taxes for general purposes					43,180.20		43,180.20	
Local option tax					1,666.70		1,666.70	
Permits & Licenses					50.00		50.00	
Unrestricted Federal/State shared revenues					30,477.99		30,477.99	
Unrestricted investment earnings					455.49	116.71	572.20	
Miscellaneous					10,898.97	22.75	10,921.72	
Total general revenues, special items and transfers					\$ 86,729.35	\$ 139.46	\$ 86,868.81	
Change in net position					\$ 30,992.50	\$ 2,902.90	\$ 33,895.40	
Net position - beginning					644,503.00	1,728,563.60	2,373,066.60	
Restatements					5,878.79	(52.00)	5,826.79	
Net position - beginning - restated					\$ 650,381.79	\$ 1,728,511.60	\$ 2,378,893.39	
Net position - ending					\$ 681,374.29	\$ 1,731,414.50	\$ 2,412,788.79	

See accompanying notes to the financial statements

SCHEDULE B.1

Town of Pinesdale
Balance Sheet
Governmental Funds
June 30, 2014

2110

	<u>General Fund</u>	<u>Road</u>	<u>Total Governmental Funds</u>
ASSETS			
Current Assets:			
Cash and investments	\$ 98,371.08	\$ 30,633.40	\$ 129,004.48
Taxes and assessments receivable, net	6,043.04	-	6,043.04
Accounts receivable - net	1,666.67	290.00	1,956.67
Total Current Assets	<u>\$ 106,080.79</u>	<u>\$ 30,923.40</u>	<u>\$ 137,004.19</u>
Noncurrent Assets:			
Restricted cash and investments	\$ 1,683.33	\$ -	\$ 1,683.33
Total Noncurrent Assets	<u>\$ 1,683.33</u>	<u>\$ -</u>	<u>\$ 1,683.33</u>
Total Assets	<u>\$ 107,764.12</u>	<u>\$ 30,923.40</u>	<u>\$ 138,687.52</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	1,724.07	909.95	2,634.02
Accrued payroll	(73.85)	-	(73.85)
Total Current Liabilities	<u>\$ 1,650.22</u>	<u>\$ 909.95</u>	<u>\$ 2,560.17</u>
Total Liabilities	<u>\$ 1,650.22</u>	<u>\$ 909.95</u>	<u>\$ 2,560.17</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax/special assessment revenue	6,043.04	-	6,043.04
Total Deferred Inflows of Resources	<u>\$ 6,043.04</u>	<u>\$ -</u>	<u>\$ 6,043.04</u>
Fund Balances			
Restricted for:			
Public works	-	30,013.45	30,013.45
Court trust	1,683.33	-	1,683.33
Unassigned	98,387.53	-	98,387.53
Total Fund Balance	<u>\$ 100,070.86</u>	<u>\$ 30,013.45</u>	<u>\$ 130,084.31</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 107,764.12</u>	<u>\$ 30,923.40</u>	<u>\$ 138,687.52</u>

See accompanying notes to the financial statements

SCHEDULE B.2

Town of Pinesdale
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2014

Total fund balances - governmental funds	\$	130,084.31
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		554,115.67
Other assets are not available for current-period expenditures and, therefore, are deferred inflows of resources in the funds		6,043.04
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(8,868.73)
Total net position - governmental activities	\$	<u><u>681,374.29</u></u>

See accompanying notes to the financial statements

SCHEDULE B.3

Town of Pinesdale
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended
June 30, 2014

	2110		Total
	General Fund	Road	Governmental Funds
REVENUES			
Taxes and assessments	\$ 44,440.21	\$ -	\$ 44,440.21
Licenses and permits	50.00	-	50.00
Intergovernmental	31,113.99	20,469.10	51,583.09
Charges for services	69,441.28	1,200.00	70,641.28
Miscellaneous	11,148.97	-	11,148.97
Investment earnings	441.43	14.06	455.49
Internal services	10,900.00	-	10,900.00
Total revenues	<u>\$ 167,535.88</u>	<u>\$ 21,683.16</u>	<u>\$ 189,219.04</u>
EXPENDITURES			
General government	\$ 64,031.46	\$ -	\$ 64,031.46
Public safety	61,134.78	-	61,134.78
Public works	-	18,972.48	18,972.48
Culture and recreation	14,049.19	-	14,049.19
Debt service - principal	2,554.68	-	2,554.68
Debt service - interest	445.32	-	445.32
Capital outlay	14,342.67	-	14,342.67
Total expenditures	<u>\$ 156,558.10</u>	<u>\$ 18,972.48</u>	<u>\$ 175,530.58</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 10,977.78</u>	<u>\$ 2,710.68</u>	<u>\$ 13,688.46</u>
Net change in fund balance	<u>\$ 10,977.78</u>	<u>\$ 2,710.68</u>	<u>\$ 13,688.46</u>
Fund balances - beginning	\$ 89,093.08	\$ 27,302.77	\$ 116,395.85
Fund balances - beginning restated	\$ 89,093.08	\$ 27,302.77	\$ 116,395.85
Fund balances - ending	<u>\$ 100,070.86</u>	<u>\$ 30,013.45</u>	<u>\$ 130,084.31</u>

See accompanying notes to the financial statements

SCHEDULE B.4

Town of Pinesdale
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 change in fund balances - total governmental funds	\$	13,688.46
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
- Capital assets purchased		14,342.67
Tax and assessment revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
- Tax and assessment receivables (change in deferred revenues)		406.69
Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:		
- Long-term debt principal payments		2,554.68
Change in net position - Statement of Activities	\$	<u><u>30,992.50</u></u>

See accompanying notes to the financial statements

SCHEDULE B.5

Town of Pinesdale
Statement of Net Position
Proprietary Funds
June 30, 2014

Business-Type Activities
Enterprise Funds

	5210	
	<u>Water</u>	<u>Totals</u>
ASSETS		
Current Assets		
Cash and investments	\$ 153,975.30	\$ 153,975.30
Accounts receivable - net	12,719.85	12,719.85
Total Current Assets	<u>\$ 166,695.15</u>	<u>\$ 166,695.15</u>
Noncurrent Assets		
Restricted cash and investments	\$ 128,732.51	\$ 128,732.51
Capital assets - construction in progress	16,648.26	16,648.26
Capital assets - net of depreciation	1,938,701.02	1,938,701.02
Total Noncurrent Assets	<u>\$ 2,084,081.79</u>	<u>\$ 2,084,081.79</u>
Total Assets	<u>\$ 2,250,776.94</u>	<u>\$ 2,250,776.94</u>
LIABILITIES		
Current Liabilities		
Accounts payable	9,333.66	9,333.66
Current portion of long-term capital liabilities	18,640.00	18,640.00
Total Current Liabilities	<u>\$ 27,973.66</u>	<u>\$ 27,973.66</u>
Noncurrent Liabilities		
Noncurrent portion of long-term capital liabilities	491,388.78	491,388.78
Total Noncurrent Liabilities	<u>\$ 491,388.78</u>	<u>\$ 491,388.78</u>
Total Liabilities	<u>\$ 519,362.44</u>	<u>\$ 519,362.44</u>
NET POSITION		
Government Wide Format:		
Net investment in capital assets	\$ 1,445,320.50	\$ 1,445,320.50
Restricted for replacement and depreciation	99,487.29	99,487.29
Restricted for capital projects	2,377.22	2,377.22
Restricted for debt service	26,868.00	26,868.00
Unrestricted	157,361.49	157,361.49
Total Net Position	<u>\$ 1,731,414.50</u>	<u>\$ 1,731,414.50</u>

See accompanying notes to the financial statements

SCHEDULE B.6

Town of Pinesdale
 Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 For the Fiscal Year Ended
 June 30, 2014
 Business-Type Activities
 Enterprise Funds

	5210	
	Water	Totals
OPERATING REVENUES		
Charges for services	\$ 135,195.71	\$ 135,195.71
Miscellaneous revenues	22.75	22.75
Total Operating Revenues	\$ 135,218.46	\$ 135,218.46
OPERATING EXPENSES		
Personal services	\$ 20,000.04	\$ 20,000.04
Supplies	35,078.86	35,078.86
Purchased services	15,628.29	15,628.29
Depreciation	40,389.60	40,389.60
Total Operating Expenses	\$ 111,096.79	\$ 111,096.79
Operating Income (Loss)	\$ 24,121.67	\$ 24,121.67
NON-OPERATING REVENUES (EXPENSES)		
Interest revenue	116.71	116.71
Debt service interest expense	(21,335.48)	(21,335.48)
Total Non-Operating Revenues (Expenses)	\$ (21,218.77)	\$ (21,218.77)
Income (loss) before contributions, transfers, special & extraordinary items	\$ 2,902.90	\$ 2,902.90
Change in net position	\$ 2,902.90	\$ 2,902.90
Net Position - Beginning of the year	1,728,563.60	1,728,563.60
Restatements	(52.00)	(52.00)
Net Position - Beginning of the year - Restated	\$ 1,728,511.60	\$ 1,728,511.60
Net Position - End of the year	\$ 1,731,414.50	\$ 1,731,414.50

See accompanying notes to the financial statements

SCHEDULE B.7

Town of Pinesdale
STATEMENT OF CASH FLOWS
MAJOR PROPRIETARY FUNDS
FISCAL YEAR ENDED
June 30, 2014
Business-type Activities

Description	5210 Water	Total Major Business-Type Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	134,086.57	134,086.57
Cash paid to suppliers	(42,098.74)	(42,098.74)
Cash paid to employees	(20,000.04)	(20,000.04)
Net cash provided (used) by operating activities	<u>71,987.79</u>	<u>71,987.79</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases/acquisition/construction of capital assets	(16,648.26)	(16,648.26)
Principal on debt	(5,862.11)	(5,862.11)
Interest paid on debt	(21,335.48)	(21,335.48)
Net cash provided (used) by capital and related financing activities	<u>(43,845.85)</u>	<u>(43,845.85)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	116.71	116.71
Net cash provided (used) by investing activities	<u>116.71</u>	<u>116.71</u>
Net increase (decrease) in cash and cash equivalents	<u>28,258.65</u>	<u>28,258.65</u>
Cash and cash equivalents as of:		
June 29, 2013	<u>254,449.16</u>	<u>254,449.16</u>
June 30, 2014	<u>282,707.81</u>	<u>282,707.81</u>
Operating income (loss)	24,121.67	24,121.67
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	40,389.60	40,389.60
(Increase) Decrease in accounts receivable	(1,131.89)	(1,131.89)
Increase (decrease) in warrants/accounts payable	8,660.41	8,660.41
Increase (decrease) in accrued payables	(52.00)	(52.00)
Total adjustments	<u>47,866.12</u>	<u>47,866.12</u>
Net cash provided (used) by operating activities	<u>71,987.79</u>	<u>71,987.79</u>

SCHEDULE C

FINDINGS AND MANAGEMENT RESPONSES

Finding 2014-1

Condition – The Town of Pinesdale has no written policy for depositing items on a timely basis.

Recommendation – I recommend the Town develop and follow a policy requiring that its receipts be deposited on a timely (at least weekly) basis with a financial institution.

Management Response – Although not a written policy, the Town's practice is to make a concerted effort to ensure deposits are made on a timely basis. However, the Town is working on an overall Policy and procedures which will include a deposit policy.

Finding 2014-2

Condition – The Town has not maintained adequate records for the capital assets. In addition, the Town has not recorded depreciation. Complete and accurate capital asset accounting is necessary to effectively safeguard the assets owned by the Town, to provide accountability for movable assets, and to ensure that the Town is adequately insured.

Recommendation – In response to a prior audit recommendation, the Town completed a physical inventory of all capital assets owned by the Town. I recommend the Town perform reconciliations of capital assets additions and disposals with capital outlay as reported in the financial statements, complete the updating and maintaining of the capital asset records on a timely basis to reflect changes, periodically check inventory list for accuracy, and review for adequacy of insurance coverage. In addition, the schedule of depreciation should be prepared and maintained.

Management Response – The Town will make a concerted effort to ensure that adequate records for the capital assets are maintained. The Town had all the capital assets assessed and is working on getting them set up for a depreciation schedule.

Finding 2014-3

Condition – The Town Selectmen do not always receive bank reconciliations and cash reports on a monthly basis.

Recommendation – I recommend Town Selectmen receive 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.

Management Response – The Town Selectmen will receive cash reconciliations and cash reports monthly.

Finding 2014-4

Condition – The 2014 budget was exceeded by \$62,793. However, it appears that the Town passed a resolution to cover the budget over-expenditure, although dated September of 2014.

Recommendation – I recommend the Town ensure total expenditures for each fund do not exceed the budgeted appropriations for the fund as per State Law.

Management Response – The Town will ensure total expenditures for each fund do not exceed the budgeted appropriations for the fund as per State Law.