

Town of Valley Brook, Oklahoma
Financial Statements and Auditor's Report
June 30, 2012

Table of Contents

Report of Independent Accountant1-2

Government Wide Financial Statements

Statement of Net Assets3

Statement of Activities4

Fund Financial Statements

Balance Sheet-Governmental Funds - Modified Cash Basis5

Statement of Revenues, Expenditures and Changes in
in Fund Balances-Governmental Funds - Modified Cash Basis.....6

Statement of Net Assets-Proprietary Funds - Modified Cash Basis7

Statement of Revenue over Expenditures and Changes in
Retained Earnings-Proprietary Funds - Modified Cash Basis8

Statement of Cash Flows - Modified Cash Basis.....9

Notes to the Basic Financial Statements10-12

Required Supplementary Information

Independent Auditor's Report on Compliance and on Internal
Control over Financial Reporting Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards13-14

Summary and Status of Prior Audit Findings and
Schedule of Current Findings and Responses15

Casey J. Russell CPA, Inc.

Casey J. Russell, C.P.A., M.B.A.
Autumn L. Williams, C.P.A., Esq.
Member AICPA & OSCP

2812 NW 57th, Ste. 102
Oklahoma City, Oklahoma 73112

Phone: (405) 607-8743
Fax: (405) 607-8744
Email: caseycpa@hotmail.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor,
Members of the Town Council
Town of Valley Brook, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Valley Brook, Oklahoma (the Town) as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

The Town prepares its annual financial statements and schedules on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, the business-type activities, and major funds of the Town as of June 30, 2012, and the respective changes in financial position - modified cash basis and cash flows, where applicable, thereof for the year then ended in conformity with the basis of accounting described in Note I.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2012 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management has elected to not present a management, discussion, and analysis, a budget to actual comparison and employee pension and retirement plan information as is required by generally accepted accounting principles in the United States of America.



Casey J. Russell CPA, Inc.
July 22, 2012

Town of Valley Brook, Oklahoma
Statement of Net Assets - Modified Cash Basis
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash in bank - unrestricted	1,269,458.98	133,897.84	1,403,356.82
Total current assets	1,269,458.98	133,897.84	1,403,356.82
Noncurrent assets:			
Net capital assets	18,457.30	270,978.14	289,435.44
Total noncurrent assets	18,457.30	270,978.14	289,435.44
Total assets	<u>\$ 1,287,916.28</u>	<u>\$ 404,875.98</u>	<u>\$ 1,692,792.26</u>
LIABILITIES			
Current liabilities:			
Payroll taxes payable	-	-	-
Bonds Held-in-Trust	24,113.00	-	24,113.00
Meter deposits	-	-	-
Total current liabilities	24,113.00	-	24,113.00
Noncurrent liabilities:			
Bonds and notes	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	24,113.00	-	24,113.00
NET ASSETS			
Invested in capital assets, net of related debt	18,457.30	270,978.14	289,435.44
Unrestricted	1,245,345.98	133,897.84	1,379,243.82
Total net assets	1,263,803.28	404,875.98	1,668,679.26
Total liabilities and net assets	<u>\$ 1,287,916.28</u>	<u>\$ 404,875.98</u>	<u>\$ 1,692,792.26</u>

Town of Valley Brook
Statement of Activities - Modified Cash Basis
For the Year Ending June 30, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government	
				Governmental Activities	Business-Type Activities
					Total
Primary government					
Governmental activities:					
General Government	295,913.54	42,029.10	-	(253,884.44)	(253,884.44)
Police Department	568,286.71	938,942.35	-	370,655.64	370,655.64
Fire Protection	28,000.00	-	-	(28,000.00)	(28,000.00)
Animal Welfare	670.00	-	-	(670.00)	(670.00)
Total governmental activities	892,870.25	980,971.45	-	88,101.20	88,101.20
Business-type activities					
Sewer department	120,630.70	34,755.13	-	(85,875.57)	(85,875.57)
Garbage department	57,579.14	65,881.15	-	8,302.01	8,302.01
Total business-type activities	178,209.84	100,636.28	-	(77,573.56)	(77,573.56)
Total primary government	\$ 1,071,080.09	\$ 1,081,607.73	\$ -	\$ 88,101.20	\$ 10,527.64
General revenues:					
Taxes:					
Sales tax				109,937.74	109,937.74
Other taxes				47,430.54	47,430.54
Interest income				318.77	403.09
Transfers in/out				(77,506.99)	-
Total general revenues				80,180.06	157,771.37
Change in net assets				168,281.26	168,299.01
Net assets - beginning				1,095,522.02	1,500,380.25
Net assets - ending				\$ 1,263,803.28	\$ 1,668,679.26

Town of Valley Brook, Oklahoma
Balance Sheet
Governmental Funds - Modified Cash Basis
June 30, 2012

	General Fund	Municipal Court Fund	Street & Alley Fund	Total Governmental Funds
ASSETS				
Cash in bank	1,119,245.21	19,757.31	130,456.46	1,269,458.98
Total assets	<u>\$ 1,119,245.21</u>	<u>\$ 19,757.31</u>	<u>\$ 130,456.46</u>	<u>\$ 1,269,458.98</u>
LIABILITIES				
Bonds Held-in-Trust	-	24,113.00	-	24,113.00
Total liabilities	-	24,113.00	-	24,113.00
FUND BALANCES				
Unassigned	1,119,245.21	-	-	1,119,245.21
Restricted	-	(4,355.69)	130,456.46	126,100.77
Total net assets	<u>1,119,245.21</u>	<u>(4,355.69)</u>	<u>130,456.46</u>	<u>1,245,345.98</u>
Total liabilities and net assets	<u>\$ 1,119,245.21</u>	<u>\$ 19,757.31</u>	<u>\$ 130,456.46</u>	<u>\$ 1,269,458.98</u>

***Reconciliation of Total Governmental Fund Balance
to Net Assets of Governmental Activities
June 30, 2012***

Total Governmental Fund Balances \$ 1,245,345.98

*Amounts reported for governmental activities in the
statement of net assets are different because:*

*Capital assets used in governmental activities are
not financial resources and therefore are not
reported in the funds.*

18,457.30

Net Assets of Governmental Activities

\$ 1,263,803.28

Town of Valley Brook, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Modified Cash Basis
For the Year Ended June 30, 2012

	General Fund	Municipal Fund	Street & Alley Fund	Total Governmental Funds
Revenues:				
Sales Tax	109,937.74	-	-	109,937.74
Use Tax	7,564.87	-	-	7,564.87
Franchise Tax	25,318.94	-	-	25,318.94
Cigar Tax	1,655.75	-	-	1,655.75
Acohol Beverage Tax	1,078.35	-	-	1,078.35
Motor Vehicle Tax	-	-	5,233.63	5,233.63
Gas Tax	-	-	1,446.20	1,446.20
Weed Tax	-	-	5,132.80	5,132.80
Licenses & Permits	37,422.52	-	-	37,422.52
Rent	3,500.00	-	-	3,500.00
Fines & Foreitures	442,830.35	496,112.00	-	938,942.35
Interest	318.77	-	-	318.77
Other	1,106.58	-	-	1,106.58
Total revenues	<u>630,733.87</u>	<u>496,112.00</u>	<u>11,812.63</u>	<u>1,138,658.50</u>
Expenditures:				
General Government	294,522.59	-	-	294,522.59
Police Department	554,944.07	12,331.46	-	567,275.53
Fire Protection	28,000.00	-	-	28,000.00
Animal Welfare	670.00	-	-	670.00
Total expenditures	<u>878,136.66</u>	<u>12,331.46</u>	<u>-</u>	<u>890,468.12</u>
Excess revenues over (under) expenditures	(247,402.79)	483,780.54	11,812.63	248,190.38
Transfers In/Out	<u>415,023.61</u>	<u>(492,267.79)</u>	<u>(262.81)</u>	<u>(77,506.99)</u>
Excess revenues over (under) after transfers	<u>167,620.82</u>	<u>(8,487.25)</u>	<u>11,549.82</u>	<u>170,683.39</u>
Fund balances at beginning of year	951,624.39	4,131.56	118,906.64	1,074,662.59
Fund balances at end of year	<u>\$ 1,119,245.21</u>	<u>\$ (4,355.69)</u>	<u>\$ 130,456.46</u>	<u>\$ 1,245,345.98</u>

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmmnetal Funds to the Statement of Activities for the Year Ended June 30, 2012

<i>Net change in fund balances-total government funds</i>	\$ 170,683.39
<i>Purchase of fixed assets recorded as an expense in the fund financial statements but recorded as an addition to fixed assets in the government wide statements</i>	-
<i>Depreciation expense recorded in the government wide financial statements but not recorded in the individual fund financial statements</i>	<u>(2,402.13)</u>
<i>Change in net assets of governmental activities</i>	<u>\$ 168,281.26</u>

Town of Valley Brook, Oklahoma
Statement of Net Assets - Modified Cash Basis
Proprietary Funds
June 30, 2012

ASSETS

Current assets:

Cash in bank - unrestricted	133,897.84
Total current assets	133,897.84

Noncurrent assets:

Net capital assets	270,978.14
Total noncurrent assets	270,978.14
Total assets	\$ 404,875.98

NET ASSETS

Invested in capital assets, net of related debt	270,978.14
Unrestricted	133,897.84
Total net assets	404,875.98
Total liabilities and net assets	\$ 404,875.98

Town of Valley Brook, Oklahoma
Statement of Revenues Over Expenditures and Changes in Retained Earnings
Proprietary Fund Type - Modified Cash Basis
For the Year Ended June 30, 2012

Operating Revenues:	
Sewer Fees	\$ 34,755.13
Garbage Fees	<u>65,881.15</u>
Total operating revenues	100,636.28
Operating Expenses:	
Sewer department	120,630.70
Garbage department	<u>57,579.14</u>
Total operating expenses	<u>178,209.84</u>
Operating income (loss)	(77,573.56)
Non-operating revenues (expenses):	
Interest income	<u>84.32</u>
Net non-operating revenues (expenses)	<u>84.32</u>
Change in net assets before transfers	(77,489.24)
Transfers in/out	<u>77,506.99</u>
Change in net assets after transfers	17.75
Net assets at beginning of year	<u>404,858.23</u>
Net assets at end of year	<u><u>\$ 404,875.98</u></u>

Town of Valley Brook
Statement of Cash Flows - Proprietary Fund
Modified Cash Basis
For the Year Ending June 30, 2012

Cash flows from operating activities	
Cash received from customers	\$ 100,636.28
Cash received in interest on deposits	84.32
Cash paid to employees	(52,346.11)
Cash paid to suppliers	(112,376.52)
Transfers in/out	<u>77,506.99</u>
Net cash provided by operating activities	13,504.96
Cash flows from capital activities	
Increase (decrease) in meter deposit liability	<u>-</u>
Net cash provided (used) for capital activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	13,504.96
Cash and cash equivalents at beginning of year	<u>120,392.88</u>
Cash and cash equivalents at end of year	<u><u>\$ 133,897.84</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	17.75
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation expense	<u>13,487.21</u>
Net cash provided (used) by operating activities	<u><u>\$ 13,504.96</u></u>

Town of Valley Brook
Notes to Financial Statements
June 30, 2012

Note 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

The Town of Valley Brook, Oklahoma is a statutory town Government under Oklahoma Statutes. The Town provides the following services: public safety, streets and highways, sanitation, public improvements, utilities and general administrative services.

The criteria used to determine which accounting entities, agencies, commissions, boards and authorities are part of the Town's operations include how the budget is adopted, whether debt is secured by general obligation of the Town, the Town's duty to cover any deficits that may occur, and supervision over the accounting functions. Any separate accounting entities would be considered component units. There are no agencies, organizations or activities meeting any of the above criteria that are excluded from the Town's reporting entity. As of June 30, 2012, the Town had only one component unit, the Valley Brook Public Works Authority.

Basis of Presentation-Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The Town's funds are grouped into two governmental fund types - general funds and special revenue funds. Proprietary funds include enterprise funds. As of June 30, 2012, the Town had governmental funds of general fund, street & alley, and municipal court. The proprietary funds consisted of the Valley Brook Public Works Authority.

Basis of Accounting

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Town, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the modified cash basis of accounting. Revenues are recognized when collected and expenses are recognized when paid. This is the same approach used in the preparation of the proprietary fund financial statements. The fund financial statements also use the modified cash basis of accounting. The government-wide statements record fixed assets and long-term debt as assets and liabilities. The fund financial statements record fixed assets as expenditures. The fund financial statements record the proceeds of long term debt as revenues and the repayment of long term debt as expenditures. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect and program revenues for each segment of the business-type activities of the Town and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among programs, functions and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues

Town of Valley Brook
Notes to Financial Statements
June 30, 2012

include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the Town.

Fund Financial Statements

Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Proprietary Fund

The proprietary funds use standards issued by the Financial Accounting Standard Board whenever possible, if no FASB pronouncement is applicable, then Government Accounting Standards Board pronouncements are used

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less for the date of acquisition. The town had restricted cash of \$19,757 as of June 30, 2012 which represents bonds held-in-trust by the court department.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances are not recognized as the equivalent of expenditures; therefore, the reserve for encumbrances is reported as part of the fund balance on the balance sheet. However, it should be noted that the Town did not recognize any outstanding reserves as of June 30, 2012.

Budget

In accordance with Oklahoma Statutes, Title 68, Section 3002, the Town Council formally adopts annual budgets which include substantially all funds. These annual budgets are adopted on a basis consistent with the guidelines established by the Oklahoma Municipal Code.

Risk Management

Significant losses are covered by commercial insurance for all Town operations.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Town of Valley Brook
Notes to Financial Statements
June 30, 2012

Note 2 – Stewardship, Compliance and Accountability

Part A – Budgetary Noncompliance

For the year ended June 30, 2012, there was no budgetary noncompliance.

Part B – Deposits and Investment Laws and Regulations

The accounts of the Town are required by state law to be secured by collateral pledged by the financial institution and/or FDIC insurance. The Town of Valley Brook is considered a separate entity from the Valley Brook Public Works Authority for FDIC deposit insurance.

In accordance with GASB No. 3, deposits are to be classified into the following three categories:

1. Insured or collateralized with securities held by the entity or by its agent or in the entity's name (Referred to as category 1)
2. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name. (Referred to as category 2)
3. Uncollateralized, including any bank balance that is collateralized with securities held by the pledging institution, or by its trust department or agent but not in the entity's name. (Referred to as category 3)

Type of Deposit	Total Bank Balance	Custody Credit Risk		
		1	2	3
Demand Deposits	\$ 1,403,357	\$ 886,083	\$ 498,773	\$ 18,501

All of the Town of Valley Brook's government and enterprise fund cash and investment accounts would be considered as category 1 up to its FDIC limits of \$250,000 for the governmental funds and \$250,000 for the Valley Brook Public Works Authority. The Town of Valley Brooks has pledged securities at its local bank in the amount of \$498,773. As of June 30, 2012, the Town had uncollateralized amounts of \$80,626.

Note 4 – Capital Assets

The changes in capital asset activity for the year ended June 30, 2012 were as follows:

Governmental Funds

	Beginning Balance	Increases	Decreases	Ending Balance
Vehicles	\$ 241,813	-	-	\$ 241,813
Equipment	78,760	-	-	78,760
Buildings & Improvements	267,479	-	-	267,479
Total	\$ 588,052			\$ 588,052
Accumulated Depreciation	567,192	2,402	-	569,594
Net Assets	\$ 20,860			\$ 18,458

Town of Valley Brook
Notes to Financial Statements
June 30, 2012

As of June 30, 2012, the governmental funds had no capitalized assets that were not being depreciated or had not been depreciated. Depreciation is computed using the straight line method of depreciation over the estimated useful lives of the assets. Assets are recorded at cost or their estimated fair market value for those assets where records were not available.

Public Works Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 4,350	-	-	\$ 4,350
Buildings	114,395	-	-	114,395
Sewer System	425,093	-	-	425,093
Total	\$ 543,838			\$ 543,838
Accumulated Depreciation	259,372	13,488	-	272,860
Net Assets	\$ 284,466			\$ 270,978

As of June 30, 2012, the Public Works Authority had no capitalized assets that were not being depreciated or had not been depreciated. Depreciation is computed using the straight line method of depreciation over the estimated useful lives of the assets. Assets are recorded at cost or their estimated fair market value for those assets where records were not available.

Depreciation was recorded as follows: General Government - \$1,391, Police Department - \$1,011, Street Department - \$-0-, and Public Works Authority - \$13,488.

Note 5 – Subsequent Events

Subsequent events have been evaluated through July 22, 2012, which is the date the financial statements were issued.

Casey J. Russell CPA, Inc.

Casey J. Russell, C.P.A., M.B.A.
Autumn L. Williams, C.P.A., Esq.
Member AICPA & OSCPA

2812 NW 57th, Ste. 102
Oklahoma City, Oklahoma 73112

Phone: (405) 607-8743
Fax: (405) 607-8744
Email: caseycpa@hotmail.com

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*

To the Board of Trustees
Town of Valley Brook, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Valley Brook, Oklahoma as of and for the year ended June 30, 2012, and have issued our report thereon dated July 22, 2012. The report on the Town of Valley Brook was qualified because the financial statements were prepared using the modified cash basis of accounting. Except as discussed in the preceding sentence, 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.

Internal Control Over Financial Reporting

Management of Town of Valley Brook, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Town of Valley Brook's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Valley Brook's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Valley Brook's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. 2012-1. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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 result of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Town's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Town's response and, accordingly, we express no opinion on it

This report is intended for the information and use of the Town Council and management of the Town and is not intended to be and should not be used by anyone other than these parties.



Casey J. Russell CPA, Inc.

July 22, 2012

Schedule of Current Findings and Responses

2012-1 Segregation of Duties (Repeat Finding)

- Condition: The Town does not have adequate segregation of duties over cash disbursements and cash receipts due to limited personnel.
- Criteria: To ensure all billings, collections, and adjustments are properly accounted for within the accounting system it is imperative to have segregation of duties.
- Effect: Because of the lack of segregation of duties the possibility of material errors and irregularities could occur in the receipting, depositing or accounting adjuring functions and not be detected on a timely basis. However, it is not cost effective to remedy this situation due to the limited financial resources of the Town at this time.
- Response: It is not cost effective to remedy this situation because the costs presently exceed the benefits at this time.