

TOWN OF ULSTER, NEW YORK

Independent Accountants' Report
on Applying Agreed-Upon Procedures

Town Clerk/Receiver of Taxes

Year ended December 31, 2016

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Supervisor and Members
of the Town Board
Town of Ulster, New York:

We have performed the procedures listed in Attachment 1, which were agreed to by the Supervisor of the Town of Ulster, solely to assist the Town of Ulster (the Town), as required by Town law, in its oversight over the financial activities of the Town Clerk, as of and for the year ended December 31, 2016. The Town's management is responsible for the Town's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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.

Our procedures and findings are as follows:

- 1) We met with the Town Clerk and discussed and documented the internal controls of the Town Clerk/Receiver of Taxes relating to financial activity. It appears that the Town Clerk/Receiver of Taxes' internal controls relating to financial activity are sufficiently designed to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.
- 2) We reviewed the reconciliations of bank accounts maintained by the Town Clerk/Receiver of Taxes with the Town Clerk and verified that the bank accounts were reconciled in a timely fashion for the year ended December 31, 2016, without exception. Bank reconciliations, after properly accounting for timing differences between the bank statements and the accounting records, should properly reconcile to an "imprest" balance, in this case, zero. We noted that beginning in August, the Town was unable to reconcile balances to zero. We recommend that the Town Clerk review the transactions in August and subsequent months to correct this variance.
- 3) We reconciled and agreed total receipts for the year ended December 31, 2016, as reported by the Town Clerk to the Town Supervisor, to total bank deposits as reported by the monthly bank statements. We also agreed total receipts reported to documentation in Town Board minutes.

To the Supervisor and Members
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Town of Ulster, New York
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- 4) We compared total receipts and disbursements for the year ended December 31, 2016, with the year-end report from the Town Clerk/Receiver of Taxes' software system for reasonableness. All receipts were subsequently disbursed and appeared to be disbursed to the proper recipients.
- 5) We performed analytical procedures for the licenses and fees issued by the Town Clerk for the year ended December 31, 2016. We noted that overall receipts disbursed to the Town were up from the prior year by approximately 18.5 percent. The main categories that contributed to this increase were camp fees, business and occupancy licenses and planning board fees. The increase in camp fees is due to an increase in the total number of children participating in camps. The increase in business and occupancy license fees is due to an increase of the certification of occupancy for the building department. Planning board fees increased due to a large increase in site plan reviews and subdivision fees.
- 6) We reviewed the annual report prepared by the Town Clerk/Receiver of Taxes to the accounting records of the Town for the year ended December 31, 2016. All amounts reported by the Town Clerk/Receiver of Taxes appeared to be properly reflected in the accounting records of the Town.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records or on internal control. Accordingly, we do not express an opinion or conclusion. 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 information and use of Town of Ulster and is not intended to be and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York
July 13, 2017

TOWN OF ULSTER
TOWN CLERK/RECEIVER OF TAXES

AGREED-UPON PROCEDURES

- Review and document the internal controls of the Town Clerk/Receiver of Taxes relating to financial activity.
- Verify and recalculate bank reconciliations as of December 31, 2016.
- Agree total receipts to total bank deposits and documentation in Town Board minutes for the year ended December 31, 2016.
- Compare total receipts and disbursements from bank statements with the year-end report from the Town Clerk/Receiver of Taxes' software system for the year ended December 31, 2016.
- Perform analytical procedures for the licenses and fees issued by the Town Clerk for the year ended December 31, 2016.
- Review annual reports prepared by the Town Clerk/Receiver of Taxes to the accounting records for the year ended December 31, 2016.