



# Village of Dolgeville

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## Treasurer's Records and Reports

2024M-28 | July 2024

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# Report Highlights

## Village of Dolgeville

### Audit Objective

Determine whether the Village of Dolgeville (Village) Treasurer maintained adequate records and reports to allow the Board of Trustees (Board) to properly manage Village finances.

### Key Findings

The Treasurer did not record all financial activity using proper accounting procedures. As a result, inadequate records and reports were maintained and the Board lacked the financial information necessary to properly monitor and manage Village finances. The Treasurer did not:

- Properly account for fund balance within each Village fund or establish capital projects funds to separately account for the financial activity of projects undertaken.
- Periodically reconcile water and sewer receivable control account balances to the total of the individual customer account balances.
- Provide adequate budget status and balance sheet reports to the Board each month.
- Prepare and file the required annual financial report (AFR) with the New York State Office of the State Comptroller (OSC) for the 2019-20 through 2022-23 fiscal years.

### Key Recommendations

- Maintain complete, accurate and timely financial records.
- Periodically reconcile receivable control accounts.
- Provide monthly financial reports to the Board and file AFRs, as required.

Village officials agreed with our recommendations and indicated they have initiated or plan to initiate corrective action.

### Audit Period

June 1, 2021 – April 20, 2023

We extended our audit period forward to April 23, 2024 to review the AFR filing status.

### Background

The Village is located in the Town of Manheim in Herkimer County and the Town of Oppenheim in Fulton County. The Village provides various services including street maintenance and repair, police protection, general governmental support and water and sewer. These services are primarily funded by real property taxes, sales tax and user fees.

The Village is governed by the elected Board composed of a Mayor and four Trustees. The Board is responsible for the general management and control of the Village's financial affairs. The Board-appointed Treasurer is the chief fiscal officer and custodian of all funds, responsible for receiving and disbursing money, maintaining accounting records and preparing monthly and annual financial reports.

After our audit, a new Treasurer was appointed effective November 2023.

#### Quick Facts

|   |                  |
|---|------------------|
| <b>2022-23 Appropriations</b>               | \$2.7 million    |
| <b>Delinquent AFRs as of April 23, 2024</b> |                  |
| <b>Fiscal Year</b>                          | <b>Days Late</b> |
| 2019-20                                     | 1,361            |
| 2020-21                                     | 996              |
| 2021-22                                     | 631              |
| 2022-23                                     | 266              |

# Treasurer's Records and Reports

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## How Should a Treasurer Maintain Accurate Financial Records?

New York State Village Law Section 4-408 requires a treasurer to keep a complete and accurate account of all receipts and disbursements using proper accounting procedures. Such procedures dictate that financial records be organized by fund (e.g., general fund, water fund), with separate records to document each fund's assets, liabilities, fund balance and results of operations. Each fund is a fiscal accounting entity with a self-balancing set of books. It is also important to establish and maintain separate financial records for each capital project, because capital projects are budgeted on an individual project basis, and the legal and contractual requirements vary from one project to another.

All charges billed for water and sewer usage should be recorded in receivable control accounts. These accounts are a summary of total billing, collections and account adjustments, and should be equal to the total amount of unpaid water and sewer charges owed to the village. To ensure the accuracy of control account balances, they should be periodically reconciled to the total of the individual unpaid customer accounts in the water and sewer billing and collection system.

A treasurer should also prepare monthly bank reconciliations to verify bank account balances agree with the corresponding cash balances in the financial records. Any differences identified during the reconciliation process should be promptly investigated and resolved to ensure cash balances are accurate and financial transactions are properly recorded.

## The Treasurer Did Not Maintain Accurate Financial Records

The Treasurer did not record all financial activity using proper accounting procedures. Although separate funds were maintained within the financial records, not all accounts were assigned to a fund. In addition,

- Capital projects funds were not established to account for project-related financial activity.
- Water and sewer receivable control accounts were not reconciled to amounts in the customer accounts.
- Not all cash receipts were recorded in the financial records.
- Bank reconciliations were not completed in an accurate and timely manner.

Fund Balances – The reported fund balances do not equal each fund's total assets and liabilities because the records include account codes that are not specific to any particular fund. For example, the records include generic cash and retained earnings accounts. We compared each fund's reported fund balance at the end of the 2021-22 fiscal year to the calculated fund balances (assets minus liabilities) and determined that there was a difference of \$574,708 (Figure 1).

**Figure 1: Reported Fund Balances Compared To Calculated Fund Balances as of May 31, 2022**

| Fund                 | Reported Fund Balance | Calculated Fund Balance (Assets Less Liabilities) | Difference         |
|----------------------|-----------------------|---|--------------------|
| <b>General</b>       | \$1,602,948           | \$1,175,524                                       | \$427,424          |
| <b>Sewer</b>         | 274,981               | 845,166   | (570,185)          |
| <b>Water</b>         | 88,249                | 363,140   | (274,891)          |
| <b>Special Grant</b> | 39,858                | 196,914   | (157,056)          |
| <b>Total</b>         | <b>\$2,006,036</b>    | <b>\$2,580,744</b>                                | <b>(\$574,708)</b> |

Individual funds were not balanced because the Treasurer did not ensure the financial records were properly closed at fiscal year-end 2021-22. When done correctly, the amount of fund balance for each fund will change each year based upon the fund’s operating results (i.e., surplus or deficit) for the fiscal year. However, the Treasurer told us that the software is configured to close out all operating results to a single, generic fund balance account (retained earnings), which had a balance of \$409,404. Also, the 2021-22 operating results of \$168,196 were not yet closed out to any fund balance account.

Additionally, the financial records include a combined water and sewer cash account (asset) that the Treasurer uses for water and sewer rents which are then transferred to the respective fund’s cash account. At the end of fiscal year 2021-22, the account had a \$2,892 balance that the Treasurer had not yet transferred to either the water or sewer fund.

The Treasurer was aware that fund balances were inaccurate and said that she did not know how to configure the financial software to properly close each fund’s revenues and expenditures to the appropriate fund balance account. When fund balances are incorrect, the Board and officials cannot properly monitor the financial position of each fund and their ability to make informed financial decisions is diminished.

Capital Projects – The Village was engaged in multiple capital projects during our audit period. However, the Treasurer did not establish capital projects funds within the financial records to separately account for each project’s financial activity.

We reviewed the financial records from June 1, 2021 through January 31, 2023 to determine how capital project transactions were recorded. The Treasurer recorded project activity in the operating funds. For example, the sewer fund contained the following transactions:

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- The receipt of project revenues and funding sources totaling \$748,569. These receipts were associated with three separate capital projects, and included:
    - Federal Emergency Management Agency reimbursement of \$462,270 for costs to repair the Village’s wastewater treatment plant (WWTP).
    - Bond anticipation note (BAN) proceeds of \$200,000 for emergency repairs to the Village’s sewer digester.
    - New York State Department of Environmental Conservation grant funds, totaling \$86,299, for an infiltration and inflow study of the sewer system.
  - Project expenditures totaling \$410,624 for consulting, engineering and construction costs associated with repairs and upgrades to the Village’s sewer system and WWTP.

Because the receipts and disbursements for each capital project were recorded in the sewer fund rather than in separate capital projects funds, individual project resources were not matched with associated expenditures and there was a greater risk that BAN or grant proceeds could be used for other purposes. In addition, the Treasurer and Board could not determine the financial standing of each capital project or the financial outcome of completed projects and the sewer fund’s results of operations were overstated by \$337,945.

The Treasurer stated she did not realize this financial activity should have been recorded in the capital projects fund and she did not know how to establish separate capital project funds within the financial software. During fieldwork we referred the Treasurer to our *Capital Projects Fund*<sup>1</sup> Local Government Management Guide to provide information on the fundamentals of accounting for capital projects.

Receivable Control Accounts – The Treasurer did not periodically reconcile water and sewer receivable control accounts to the total of the individual unpaid customer accounts in the water and sewer billing and collection software. Reconciling these accounts could detect differences, which would require further investigation. Differences could occur for multiple reasons, including data entry errors, adjustments to customer accounts or payments posted to customer accounts that were not deposited.

We reviewed the water and sewer control account balances as of November 30, 2022 and compared them to the total of the individual customer account balances as of the same date. Both control account balances were negative and neither account matched the total balance of the unpaid customer accounts. Combined,

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<sup>1</sup> <https://www.osc.ny.gov/files/local-government/publications/pdf/capital-projects-fund.pdf>

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the control accounts were \$222,314 less than the customer account balances. This difference occurred, in part, because the Treasurer did not increase the water and sewer control account balances by the \$245,729 billed to water and sewer customers on November 1, 2022. Even if this amount had been recorded, there was a \$23,415 unexplained difference between the control accounts and customer account balances. We discussed this difference with the Treasurer, who could not provide an explanation for it. Because the Treasurer did not periodically reconcile the water and sewer receivable control accounts with the unpaid customer accounts, differences between these records went undetected and unresolved.

Receipts and Disbursements – Due to the poor condition of the financial records, we also performed testing of cash receipts and disbursements. We reviewed cash receipts totaling \$2.6 million to determine whether they were properly recorded and deposited, and disbursements totaling \$1.5 million to determine whether they were for an appropriate Village purpose, adequately supported and paid as authorized. We also verified that bank transfers totaling \$395,822 went to a valid payee or another Village bank account, and reviewed bank statements to identify any cash withdrawals, or other unusual activity.<sup>2</sup>

Our testing of disbursements, transfers and other bank activity disclosed no significant exceptions or discrepancies. Furthermore, all cash receipts we tested were deposited in full. However, the Treasurer did not properly record receipts totaling \$246,063 in the financial records. For example:

- American Rescue Plan Act (ARPA)<sup>3</sup> funds totaling \$212,204 were recorded as a revenue in the general fund when they should have been recorded as a liability until the Village met all eligibility requirements to recognize the revenue (including incurring eligible expenditures).
- New York State grant funds totaling \$33,859 that were received in January and February of 2023 had not been recorded within the financial records as of March 27, 2023. These funds included grants of \$4,000 and \$29,859 that remained unrecorded 32 and 75 days after receipt, respectively.

The Treasurer stated she was unaware of the requirements for recording ARPA funds. She also stated that time constraints caused by commitments outside of her Treasurer duties hindered her ability to record cash receipts in a timely manner. Cash receipts must be recorded properly and in a timely manner to ensure the accuracy of revenue account balances and to reduce the susceptibility of receipts being lost or misused.

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<sup>2</sup> Refer to Appendix B for information on our sampling methodology.

<sup>3</sup> <https://www.osc.ny.gov/files/local-government/publications/pdf/american-rescue-plan-and-crrsa-guidance.pdf>

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**Bank Reconciliations** – As of April 2023, the Treasurer was five months behind on completing bank reconciliations for the Village’s 16 bank accounts. We reviewed the most recent reconciliations (October 2022) and those prepared for May 2022 (the last month of the previous fiscal year).

The Treasurer prepared bank reconciliations for all 16 bank accounts for May 2022, but did not reconcile one bank account for October 2022. For all 31 reconciliations reviewed, adjusted bank account balances generally agreed with the corresponding cash balances in the financial records. However, nine reconciliations (29 percent) contained invalid or erroneous reconciling items. These items totaled \$41,364 and included:

- Invalid interbank transfers and deposits in transit (DITs) totaling \$30,239. These transfers and deposits did not occur in the month after the bank reconciliation, so should not have been included as outstanding or in-transit items. We traced \$26,545 of these items to transfers and deposits that occurred between two and three months after the bank reconciliation month. The remaining transactions totaling \$3,694 were still pending as of May 2023. These reconciling items showed as outstanding transfers out of one bank account and DITs for another.
- Erroneous interbank transfers and DITs totaling \$11,125. Most of this amount was attributable to an error made by the Treasurer when she deposited a \$10,605 receipt into one bank account at the end of May 2022, but recorded the receipt in a different account within the financial records. As a result, the DIT associated with this receipt was improperly included on one bank reconciliation for May 2022 when it should have been included on another.

The Treasurer cited time constraints as her reason for not completing transfers, deposits and bank reconciliations in a timely manner. However, when accurate and timely bank reconciliations are not completed, officials cannot be sure that the financial records are accurate or that all cash receipt and disbursement transactions have been captured and properly recorded.

## **What Reports Are Needed to Manage a Village’s Finances?**

A treasurer should provide monthly financial reports to the board to allow monitoring of village financial affairs throughout the year. These reports should include a budget-to-actual comparison of revenue and expenditure accounts for each fund (budget status report), that shows the original budget, any authorized amendments or approved transfers, actual transactions to date (i.e., revenues and expenditures) and differences between the amended budget and actual transactions (variances). A balance sheet report that includes reconciled cash balances and other assets and liabilities should also be available for each fund and provided to the board for review.



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New York State General Municipal Law Section 30 requires the treasurer to file an AFR with OSC within 60 days after the close of the fiscal year.<sup>4</sup> The AFR is a report of a village's financial position and results of operations, and provides the board, OSC, village taxpayers and other interested parties with a tool for monitoring financial activity.

## **The Treasurer Did Not Provide Adequate Monthly Reports to the Board**

The Treasurer produced both budget status and balance sheet reports to be reviewed by the Board during monthly meetings. However, these reports were inaccurate and not always provided to the Board each month.

Budget Status Reports – The Treasurer did not include important information such as original budget, the amount of budget adjustments, or the net results of operations for each fund (i.e., the difference between total revenues and total expenditures).

This process also allowed for errors as the Treasurer did not correctly copy all financial information into her spreadsheet. For example, various revenue and expenditure accounts were reported inaccurately, or not reported at all, on the May 2022 budget status report. These mistakes and omissions distorted revenues and expenditures on the budget status report, which when compared to the financial records, were understated by a total of \$271,352 and \$1,029,328, respectively.

The reports were also inaccurate because of improperly recorded items mentioned previously in this report (i.e., capital projects activity included in the sewer fund, water and sewer revenues not recorded). Finally, she did not provide this report to the Board each month. From June 2021 through February 2023, the Treasurer did not prepare a budget status report for six of the months (29 percent).

The Treasurer said that she created the budget status reports manually because she did not know how to input budget information into the financial system. Because the reports were time consuming to prepare, the Treasurer said she did not always have them available for the Board to review at each monthly meeting. Without accurate and timely budget status reports, the Board cannot effectively monitor actual results of operations against budget estimates.

Balance Sheet Reports – The Treasurer generated balance sheet reports from the financial system. However, these reports did not clearly present this information

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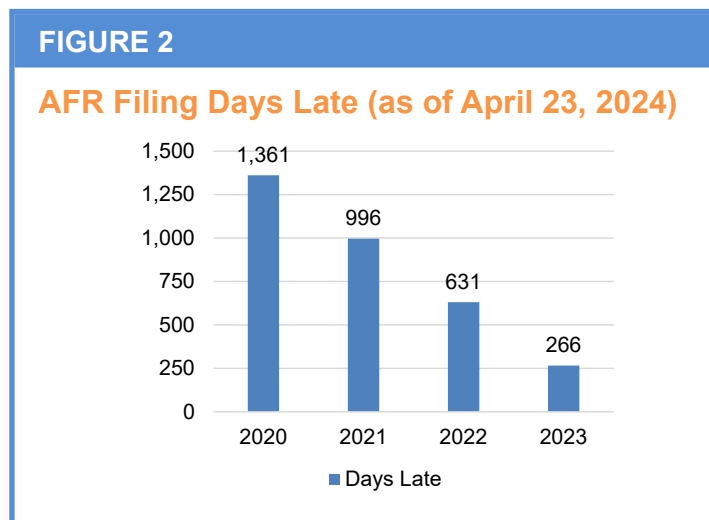
<sup>4</sup> The 60-day filing requirement applies to villages with populations below 5,000. The treasurer may request a 60-day extension from OSC.

for each fund. For example, the May 2022 report listed various fund balance accounts that comprised the Village's total fund balance, for all funds combined. The various fund balance accounts listed had nondescript names that made it difficult to associate with any particular individual Village fund. For example, there was one retained earnings account, five accounts labeled as fund balance and three accounts labeled as encumbrances, but the report did not indicate which Village funds they represent. Furthermore, the fund balance accounts did not identify the various components of fund balance (e.g., indicating amounts that may be in reserves and restricted).<sup>5</sup>

In addition, similar to the budget status reports, the Treasurer did not provide a balance sheet report to the Board for six out of 21 months from June 2021 through February 2023. The Treasurer said that the balance sheet report can only be generated for the Village as a whole and that she does not know how to generate it for each individual Village fund. Without adequate and timely balance sheet reports, the Board was unable to properly evaluate each fund's financial position and make informed financial decisions.

### The Treasurer Did Not File Required Annual Financial Reports

The Treasurer did not submit the Village's AFRs for the 2019-20 through 2022-23 fiscal years to OSC as required or provide them to the Board. As of April 23, 2024, these reports ranged from 1,361 to 266 days overdue (Figure 2). The Treasurer stated she started preparing the AFR for fiscal year 2019-20 but did not complete and submit it because of errors she encountered due to including capital projects related transactions in the sewer fund.



<sup>5</sup> Information on fund balance classifications is available at <https://www.osc.ny.gov/files/local-government/publications/pdf/gasb54.pdf>

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When AFRs are not filed in a timely manner, the Board, taxpayers, OSC and other interested parties are denied the ability to assess the Village's financial standing and the transparency of operations is diminished.

The poor records and reporting occurred, at least in part, because the Board did not effectively oversee the Treasurer. It did not audit, or provide for an audit of, the Treasurer's records and reports. Had the Board taken a more active role in its oversight responsibility and conducted an annual audit, it may have identified the Treasurer's recordkeeping and report deficiencies and could have implemented corrective action. We referred Board members to our publication *Fiscal Oversight Responsibilities of the Governing Board*<sup>6</sup> to improve their understanding of the Board's oversight role and to provide them with guidance on conducting annual audits of the Treasurer's records.

## What Do We Recommend?

The Treasurer should:

1. Maintain complete, accurate and timely financial records that properly account for the assets, liabilities, fund balance and results of operations (revenues and expenditures) for each Village fund. Each account should be associated with a specific Village fund.
2. Properly close the accounting records after each fiscal year to update fund balance for each fund.
3. Establish capital projects funds within the financial records to separately account for the financial activity of each project.
4. Periodically reconcile the water and sewer receivable control accounts to the total of the individual customer account balances and investigate and correct any differences in a timely manner.
5. Ensure bank reconciliations are completed in a timely manner and include only actual outstanding and in-transit reconciling items. Any differences should be promptly investigated, documented and resolved.
6. Ensure budgetary accounts are properly recorded in the financial system to track the original budget and any budget transfers and amendments approved by the Board.

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<sup>6</sup> <https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf>

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7. Provide adequate and complete monthly reports to the Board, including budget-to-actual comparisons of revenues and expenditures, and balance sheet reports that accurately display assets, liabilities and fund balance for each fund.
  8. File the delinquent AFRs with OSC and ensure future AFRs are filed within 60 days after the close of the fiscal year.

The Board should:

9. Ensure the Treasurer submits AFRs in a timely manner to OSC and provides budget status and balance sheet reports to the Board each month.
10. Conduct or arrange for an audit of the Treasurer's records and reports on an annual basis.

# Appendix A: Response From Village Officials

6/17/24

## VILLAGE OF DOLGEVILLE

INCORPORATED 1891

Mary E. Puznowski, MAYOR

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Village Clerk  
AMBER KRASZEWSKI  
Village Treasurer  
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Board of Trustees  
CRAIG EGGLESTON  
Deputy Mayor  
ROBERT P. DYER  
LAURA MADORE  
MARILYN WILLIAMS

June 17, 2024

Unit Name: Village of Dolgeville  
Audit Report Title: Treasurer's Records and Reports  
Audit Report Number: 2024M-28

For each recommendation included in the audit report, the following is our corrective action(s) taken or proposed. For recommendations where corrective action has not been taken or proposed, we have included the following explanations.

### **Audit Recommendation & Implementation Plan of Action(s):**

The Treasurer should:

1. Maintain complete, accurate and timely financial records that properly account for the assets, liabilities, fund balance and results of operations (revenues and expenditures) for each Village fund. Each account should be associated with a specific Village fund.
  - a. ***Since the audit, the Village of Dolgeville Treasurer has implemented a new software program called [REDACTED]. This is a municipal accounting system which allows for the separation and tracking of funds. The Village now has separate accounts for General (A), Water (F), Sewer (G), Capital (H), Trust & Agency (TA) and Community Development (CD). We started using this program in March 1, 2024 and have since stopped using [REDACTED]. As of November 2023 the previous part time Treasurer resigned. In February 2024, the Village has also acquired a full time Treasurer to maintain the account records in a timely manner.***
2. Properly close the accounting records after each fiscal year to update fund balance for each fund.
  - a. ***Since the Village of Dolgeville Treasurer is now using municipal accounting software as of March 1, 2024, we are able to input our budget into the new software program. This allows the tracking of each GL account and will in real time update the balances. This program also offers end of fiscal year reports and closing.***



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3. Establish capital projects funds within the financial records to separately account for the financial activity of each project.
    - a. *The Village of Dolgeville Treasurer has created new Capital bank account for each capital project. We have also created new Capital (H) GL codes to properly track receivables and expenditures. These accounts were created at our bank in January 2024. Once we were live with the [REDACTED] we created the new GL codes as of March 2024.*
  4. Periodically reconcile the water and sewer receivable control accounts to the total of the individual customer account balances and investigate and correct any differences in a timely manner.
    - a. *The Village Clerk and Village Treasurer will work closely together to reconcile the water and sewer receivable accounts each month. If there is a difference that is recognized we will take corrective action immediately. This will occur on June 2024.*
  5. Ensure bank reconciliations are completed in a timely manner and include only actual outstanding and in-transit reconciling items. Any differences should be promptly investigated, documented and resolved.
    - a. *Since the audit, The Village of Dolgeville is current on the majority of our bank reconciliations. These bank reconciliations have been completed through the months of April and May 2024 by the Deputy Treasurer. We have a few accounts to catch up on and plan to have those up to date shortly. After speaking with our auditor, he suggested if we were unable to reconcile those accounts that we would start fresh with "cash on hand" approach. Our new software system has a Cash Management module that reconciles bank statements. We will start using that module in June 2024.*
  6. Ensure budgetary accounts are properly recorded in the financial system to track the original budget and any budget transfers and amendments approved by the Board.
    - a. *To ensure that proper budgetary transfers are done correctly, the Treasurer will provide a monthly statement of revenues and expenditures to the board and each department head. This report will show a real time balance of what has been spent from each budget line. We have a budgetary transfer form in place that will be filled out for each transfer and sent to the board for approval each month. The first monthly statements will be presented to the Village Board on June 17, 2024.*
  7. Provide adequate and complete monthly reports to the Board, including budget-to-actual comparisons of revenues and expenditures, and balance sheet reports that accurately display assets, liabilities and fund balance for each fund.
    - a. *The Treasurer will provide the board a monthly report showing budget to actual revenue and expenditure report and a balance sheet for each fund. Again, our municipal software [REDACTED] has the ability to run each of these custom reports. This report has been presented to the board as early as May 2024.*
  8. File the delinquent AFRs with OSC and ensure future AFRs are filed within 60 days after the close of the fiscal year.
    - a. *The Village of Dolgeville has contracted with [REDACTED] CPA firm to assist us in completing our delinquent AFR's. To date, fiscal year 2020 is just about complete. The Village of Dolgeville Mayor signed a contract with [REDACTED] CPA on April 26, 2024 for completing our past due AFR's.*

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The Board should:

9. Ensure the Treasurer submits AFRs in a timely manner to OSC and provides budget status and balance sheet reports to the Board each month.
  - a. ***The Village of Dolgeville Board will ensure the Village Treasurer submit monthly the required reports to show the Statement of Revenues and Expenditures, Balance Sheet, and the AFR's annually to the OSC. The Village Board will also conduct an annual internal audit that is provided by the State Comptrollers office.***

Respectfully submitted,

Mary E. Puźnowski  
Mayor

## Appendix B: Audit Methodology and Standards

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We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed Village officials and reviewed financial records and reports to obtain an understanding of controls over the Treasurer's financial recording and reporting process.
- We obtained the filing status of the Village's 2019-20 through 2022-23 fiscal year AFRs to determine whether the reports were submitted within the required deadlines.
- We reviewed bank reconciliations as of May 31, 2022 and October 31, 2022 to determine whether they were accurately completed, adjusted bank balances agreed with recorded cash balances and to identify and assess reconciling items.
- We reviewed Board meeting minutes and available budget status and balance sheet reports for June 2021 through February 2023 to determine whether reports were prepared each month and provided to the Board.
- We reviewed the Treasurer's May 31, 2022 monthly reports to the Board and compared reported information to accounting records and bank balances to determine whether the reports were accurate and contained the detail necessary for the Board to properly monitor and manage Village finances.
- We compared water and sewer receivable control account balances as of November 30, 2022 to the total of the individual customer account balances as of the same date to determine whether they agreed.
- We interviewed the Treasurer and reviewed general ledger activity from June 2021 through January 2023 to determine how capital project transactions were recorded in the financial system and whether separate funds were established to account for the financial activity of each project.
- We examined cash receipts totaling \$2.6 million to determine whether they were properly recorded and deposited. Our testing included the following receipts:
  - Payments from New York State totaling \$1,020,249 received from June 1, 2021 through February 22, 2023.
  - Real property tax payments totaling \$981,493 received during the 2022-23 tax collection season. We also ensured the taxes collected plus



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unpaid amounts returned to Herkimer and Fulton Counties equaled the 2022-23 levy amount on the Treasurer's warrant.

- Payments from Herkimer and Fulton Counties totaling \$408,346 received from June 1, 2021 through January 31, 2023.
- Water and sewer rents totaling \$210,659 received during the two randomly selected sample months of August 2021 and June 2022. We chose this random sample by assigning each month a number and used a software program to select the two months.
- We used a computerized random number generator to select a sample of two months of payroll and non-payroll disbursements, which amounted to 167 payments totaling \$500,771 in May and November 2022. Using our professional judgment, we identified an additional 20 non-payroll disbursements during our audit period totaling \$1,028,623 that we considered to pose a higher risk of being improper (i.e., unusually large payments considering the vendor, even dollar payments, and payments to Village officials, credit card vendors, utility vendors and unrecognized vendors). We reviewed these disbursements to determine whether they were for proper Village purposes, paid as authorized and adequately supported.
- We used a computerized random number generator to select a sample of two months of bank transfers, which amounted to 57 transfers totaling \$395,822 in May and October 2022. We reviewed these transfers to determine whether they went to another Village account or an appropriate Village vendor or third party (i.e., payroll taxes remitted to the Internal Revenue Service or New York State).

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

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The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Village Clerk's office.

## Appendix C: Resources and Services

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### **Regional Office Directory**

[www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf](http://www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf)

**Cost-Saving Ideas** – Resources, advice and assistance on cost-saving ideas

[www.osc.ny.gov/local-government/publications](http://www.osc.ny.gov/local-government/publications)

**Fiscal Stress Monitoring** – Resources for local government officials experiencing fiscal problems

[www.osc.ny.gov/local-government/fiscal-monitoring](http://www.osc.ny.gov/local-government/fiscal-monitoring)

**Local Government Management Guides** – Series of publications that include technical information and suggested practices for local government management

[www.osc.ny.gov/local-government/publications](http://www.osc.ny.gov/local-government/publications)

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**Protecting Sensitive Data and Other Local Government Assets** – A non-technical cybersecurity guide for local government leaders

[www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf](http://www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf)

**Required Reporting** – Information and resources for reports and forms that are filed with the Office of the State Comptroller

[www.osc.ny.gov/local-government/required-reporting](http://www.osc.ny.gov/local-government/required-reporting)

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**Training** – Resources for local government officials on in-person and online training opportunities on a wide range of topics

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## Contact

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