



Village of Hoosick Falls

Transparency of Fiscal Activities

S9-24-16 | December 2024

Contents

- Report Highlights 1**

- Transparency of Fiscal Activities 2**
 - How Should Village Officials Provide Transparency of Fiscal Activities? 2
 - The Board Did Not Provide For an Annual Audit of the CFO’s Records and Reports 3
 - The Board Did Not Ensure the CFO Prepared and Filed the AFR. 4
 - What Do We Recommend? 5

- Appendix A – Response From Village Officials 6**

- Appendix B – General Recordkeeping and CFO Checklist 11**

- Appendix C – Audit Methodology and Standards 14**

- Appendix D – Resources and Services 15**

Report Highlights

Village of Hoosick Falls

Audit Objective

Determine whether the Village of Hoosick Falls (Village) Board of Trustees (Board):

- Conducted an annual audit of the Village Chief Fiscal Officer's (CFO) financial records and reports,
- Filed the required Annual Financial Report (AFR) with the Office of the State Comptroller (OSC), and
- Reported the results of the Village's fiscal activities to the public in a transparent manner.

Key Findings

The Board's ineffective oversight resulted in a lack of transparency with the public regarding the condition of the CFO's records and the Village's fiscal activities. As a result, taxpayers and interested parties could not assess the Village's financial operations to make informed decisions.

The Board did not:

- Conduct an annual audit, or cause to be audited, the CFO's 2022-23 fiscal year financial records and reports, as required by New York State Village Law (Village Law) Section 4-408.
- Ensure the AFR was prepared and filed with OSC, as required by New York State General Municipal Law (GML) Section 30. The last filed AFR was for the fiscal year ending May 31, 2022, filed on July 28, 2023; 363 days after the due date.
- Report the results of the Village's fiscal activities to the public, as required by GML Section 30 and Village Law Section 4-408.

In addition, timely accounting records and water, sewer and refuse collection services receivable accounts were not properly maintained and the Village's cash records were not properly reconciled.

Recommendations

The audit report includes eight recommendations to help the Board and Treasurer improve the transparency of their fiscal activities. Village officials generally agreed with our recommendations and indicated they have taken or will take corrective action.

Audit Period

June 1, 2022 – October 1, 2023

We extended our review of the last filed AFR to September 2024.

Background

The Village is located in the Town of Hoosick (Town) in Rensselaer County (County) and is governed by the elected Board, comprising a Village Mayor (Mayor), Deputy Mayor and five Trustees.

The appointed Treasurer is the Village's CFO and, in accordance with Village Law Section 4-408, is responsible for the custody of all Village funds, and must:

- Keep accounts of all receipts and expenditures,
- Deposit all funds received in a timely manner,
- Pay out all funds, and
- File a statement at the end of the fiscal year showing in detail all revenues and expenditures during the previous fiscal year and the outstanding indebtedness at fiscal year-end.

Quick Facts

2022-23 General Fund Appropriations	\$1.9 million
Population	3,216
As of September 30, 2024	
Unfiled AFR	Days Late
2023	367
2024	61

Transparency of Fiscal Activities

The public has a fundamental right to know how village officials spend tax dollars to provide various services to the public, including general government support, street maintenance and improvement, snow removal, police and fire protection, refuse collection, water and sewer services. To this end, village officials have a responsibility to ensure comprehensive financial information supporting a village board's actions and village operations is readily accessible and available to the public in a transparent manner.

How Should Village Officials Provide Transparency of Fiscal Activities?

A village board is responsible for overseeing the village's financial operations and safeguarding its resources and is required by Village Law Section 4-408 to annually audit, or cause to be audited, the village CFO's¹ books and records. These books and records include:

- Cash receipt and disbursement transactions,
- Cash reconciliations,
- Receivables,
- Investment records,
- Deposit protections,
- Indebtedness and property records,
- Payrolls, and
- Financial reports.

The audit of these records should be thorough and sufficiently detailed and helps to ensure that sufficient board oversight is being maintained over village operations. An audit of the CFO's records should determine that the following minimum concerns are met:

- Financial records are complete and up to date,
- Transactions are recorded properly,
- Reconciliations are performed monthly, and
- Required reports are made in a timely and accurate manner.

Appendix B includes a checklist and OSC guidance on conducting an annual audit excerpted from our Local Government Management Guide publication *Fiscal Oversight Responsibilities of the Governing Board*.² At a minimum, audits provide the village board with the opportunity to assess the effectiveness of financial operations. An annual audit also provides an independent verification that transactions are properly recorded, that village money is properly accounted for and whether any significant fiscal concerns exist.

Furthermore, GML Section 30 requires the CFO to prepare and file an annual report of the village's financial position and results of operations, known as the AFR, with OSC within 60 days³ after the close of the fiscal year. The AFR provides detailed information about the village's finances and includes such items as revenues, expenditures, debt, cash reserves and fund balance.

¹ A village can appoint an individual to serve as both clerk and treasurer, or have separate individuals serving as Village Clerk, and as Village Treasurer. Generally, the clerk-treasurer position encompasses the main responsibilities of the treasurer's area of financial accountability and reporting.

² Available at <https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf>.

³ Villages with populations under 5,000 have 60 days to file, between 5,000 to 19,999 have 90 days, and populations with 20,000 or more have 120 days.

As part of its oversight responsibilities, a village board should ensure the CFO prepares and files the AFR as required. In addition, the AFR must be made available to the public in accordance with:

- Village Law Section 4-408 which requires the board to publish a notice in the village's official newspaper within 10 days that the AFR has been filed and is available to the public for inspection, and
- GML Section 30 which requires a village to make the AFR accessible to the public on its official website.

Gaps or delays in preparing records, completing annual audits and filing reports undermine transparency and create missed opportunities to identify fiscal concerns earlier when it might be more easily remedied.

The Board Did Not Provide For an Annual Audit of the CFO's Records and Reports

The Board did not audit, or cause to be audited, the CFO's records and reports for the fiscal year ending May 31, 2023. The Mayor and one Trustee told us they were unaware of the annual audit requirement.

Due to the Board's inaction, we performed an annual audit of the CFO's records for the fiscal year 2022-23, using OSC guidance available to, and for, Trustees of the Village. Overall, we determined the CFO's records were not properly maintained or recorded in a timely manner.

Bank Reconciliation and Trial Balance – We reviewed the Village's May 2023 bank reconciliation and trial balance and determined that they were inadequately prepared. While the Treasurer performed the bank reconciliation, the cash recorded in the accounting records was not reconciled to the cash in the Village's bank account. Although deposits in transit should clear the bank in the following month, the May 2023 reconciliation included deposits in transit as far back as July 2016. The Treasurer told us that she has been unable to perform a bank reconciliation adequately or in a timely manner because the Village has one bank account for all operating funds, including general, water and sewer funds. The Treasurer also told us that she was unable to correct entries because she focused her efforts on other daily priorities. Had the Board regularly reviewed the Treasurer's records, the inadequacy would have been identified.

Receivable Control Accounts – The Treasurer also did not properly maintain receivable control accounts⁴ for the Village's water, sewer and refuse collection services. Although the Village has control accounts established in the general ledgers, they were not reconciled in a timely manner to individual customer accounts and included as receivables a list of uncollected bills dated as far back as 1998. The Treasurer's May 31, 2023 trial balance for the Village's total receivables for its water, sewer and refuse collection services amounted to \$694,285. According to the Treasurer's records, the total amount included:

⁴ A receivable control account is an accounting record for recording and summarizing total billings, total collections, adjustments and the outstanding balance of billed receivables. A properly maintained receivable control account allows for the balance of billed receivables to be readily determined and reconciled to individual customer accounts.

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- \$191,688 for current receivables that the Village was actively collecting from its individual customers in 2023.
 - \$379,978 for receivables from 2022 that the Village was in the process of collecting by re-levy through the County in June 2024. However, the actual re-levy amount submitted to the County was \$433,074, an unrecorded difference of \$53,096 for fiscal year end.
 - The remaining amount, or \$122,619, were old receivables that the Village has not been able to collect from its customers since 1998. The Treasurer explained that some of the receivables resulted from a lack of collection procedures for individual non-Village residential customers from the Town.

The Mayor and one Trustee were unaware of the amount of these receivables until our fieldwork. The Mayor told us that the Village would begin investigating the nature of the receivables to either enforce the payment or write them off.

Additionally, the Treasurer did not provide monthly financial reports, such as a budget-to-actual report, trial balance or bank reconciliation, to the Board during the fiscal year 2022-23. The Mayor and one Trustee told us that they were not aware the Board needed to request financial statements from the Treasurer.

Without timely monthly financial reports, the Board cannot effectively monitor its available fund balance and actual results of operations against budget estimates. Furthermore, if accounting records include untimely entries, reports to the Board would be incomplete or delayed until completed. Therefore, had an annual audit commenced after the fiscal year's end, the audit could not have been completed because the accounting records were not up to date at the time.

The Board Did Not Ensure the CFO Prepared and Filed the AFR

As of September 30, 2024, the Treasurer has not prepared and filed the AFRs with OSC for the 2022-23 and 2023-24 fiscal years. As a result, the annual financial information for the last two fiscal years has not been available to the public. The last filed AFR was for the year ending May 31, 2022, filed on July 28, 2023; 363 days after the due date.

The Mayor, one Trustee and the Treasurer told us that they knew it was a requirement to file the AFR with OSC within 60 days after the close of the fiscal year. The Treasurer and the Mayor told us that the 2022-23 AFR was not filed because the Treasurer took on the duties of the Village Clerk during a period of personnel turnover, including training the replacements for the position. However, it is the Treasurer's responsibility, as the Village's CFO, to prepare and file the AFR with OSC within 60 days. Furthermore, as described in the previous section, the Village's untimely and inadequate financial records would have prevented the annual filing from being submitted by the due date.

Due to the Village's lack of transparency, taxpayers, residents and other interested parties were not able to properly assess the Village's financial operations and financial condition using Village records to make informed decisions. Furthermore, because the Village's general, water and sewer funds are commingled in a single bank account, we could not determine the bank ending balances to assess the

financial condition of the general fund. The Board's ineffective oversight of fiscal activities resulted in a lack of transparency with the public.

What Do We Recommend?

The Board should provide oversight and transparency by:

1. Conducting the annual audit of the CFO's records and reports or causing the audit to be performed.
2. Ensuring the CFO prepares and files the AFR.
3. Notifying the public that the AFR is available and posting the AFR to the Village's website.
4. Attending applicable and beneficial training sessions to obtain a better understanding of its duties. Training provided by OSC can be found at www.osc.ny.gov/localgov/academy/index.htm

The Treasurer, as the Village's CFO, should:

5. Properly prepare monthly bank reconciliations and periodically submit the bank reconciliations to the Board for its review.
6. Periodically reconcile billing, collections, account receivable and Board-approved write-offs related to water, sewer and refuse services, and provide these reconciliations to the Board for review.
7. Provide accurate, timely and complete financial reports to the Board.
8. Prepare and file the AFR with OSC as required.

Appendix A: Response From Village Officials



November 8th, 2024

Office of the State Comptroller
Division of Local Government & School Accountability

RE: Village of Hoosick Falls written response to the Draft Audit Report

I would like to start by thanking the Office of the State Comptroller for the professionalism, candor, and expertise demonstrated by the OSC employees involved in the Draft Audit Report covering Fiscal Year 22-23 (June 1st, 2022 to May 31st, 2023). This letter serves as the official response from the Village of Hoosick Falls.

Village's Overall Response

While an audit can be time consuming and place additional demands on the Village and its staff, we recognize its importance, value, and reasons for which the audit was initiated and conducted. This specific audit, with focuses including a review of the Village's approach to the Annual Financial Report (AFR), noted several important issues and shortcomings: the timeliness and procedures surrounding the AFR, the Board and Mayor's legal responsibilities to review it, and the ability to be proactive and transparent with it to the public.

While our Village has had an unfortunate habit of missing the 90-day deadline to submit the AFR by a month or two, the 22-23 AFR is over a year late and remains unfiled (although we expect to file it within a week or two of this letter). Because of this, the 23-24 AFR is also well past the deadline (but with much work already completed on it, and with the previous AFR nearly done, we expect to have this one completed by the end of the calendar year).

Overall, the Village recognizes and agrees with nearly all of the findings and recommendations put forth in the draft (save for some clarification listed below). The Village Board has actively been working for many months to fully assess and incorporate strategies to get caught up with our finance-related operations, so the timing of this audit is well worth any extra demands it caused. The combination of the recommendations within this draft report along with our own assessment of Village systems provides the perfect opportunity for us to improve processes and outcomes in a timely manner.

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Once the final audit report is released, we will make sure that the Corrective Action Plan (CAP) is completed in a thorough and timely manner, and that it documents our changes already made along with our future plans and goals. We recognize and will use this opportunity to take positive action to improve our overall governance and transparency.

Points of Clarification to the Draft Audit Report

We offer a few minor points of clarification within the draft audit report.

- Page 6: the difference between the \$379,978 receivables from 2022 and the comparison to the \$433,074 re-levy submitted to the County. We did explain and provide documentation of the unrecorded amount of \$53,096. That being said, it does serve as a representation of how overly complex things are and confirmation that our current systems (including software programs used and allocated number of employees involved with finance) are not able to timely handle the various needs and demands placed upon them.
- Page 5, regarding the “Bank Reconciliation and Trial Balance” portion, specifically the following: *“Although deposits in transit should clear the bank in the following month, the May 2023 reconciliation included deposits in transit as far back as July 2016.”* The Treasurer did provide documentation and an explanation of these deposits in transit as having been deposited and cleared on the bank reconciliation. The deposits in transit were duplicate entries that had not yet been properly voided out of our software.
- Page 6, regarding *“the Mayor and one Trustee were unaware of the dollar amounts of these receivables until our fieldwork.”* This is a true statement, but to provide further context, the Trustee mentioned did not join the Board until the very end of the 22-23 fiscal year (April 1, 2023). This same Trustee has been a major driving force among the Board in reassessing our financial procedures and improving on our practices.

Adding context to the Village’s tardiness regarding the 22-23 FY AFR filing

We recognize that the purpose of the audit is to analyze and assess particular topics and goals, and not to summarize, explain, or postulate why these situations exist. As a community member myself, I can see the types of questions and concerns that will emerge from the draft audit report and its findings. With the goal of being as transparent and open with our community as I can, I would like to take this opportunity to explain in part why the Village finds itself in this current situation. We are very appreciative of the opportunity provided by this letter to speak directly to this.

Historically, the Village’s local government structure consisted of a handful of full-time department heads, overseen by an elected part-time Mayor and with six other elected part-time Trustees. Within the Village Office, the traditional situation has had a Treasurer, a Village Clerk,

and a Deputy Village Clerk. Prior to 2014, an argument could be made that this structure worked “well enough” to handle the responsibilities and challenges that faced our small Village.

Financially speaking, the Village (also prior to 2014), had debt in the form of two major infrastructure improvement projects from the early 2000’s: improvements at the Wastewater Treatment Facility and a new Water Treatment Facility. The Village has been slowly paying these off via bonds to all users of the Water/Sewer system, with payoff dates of 2037 and 2040 respectively. Finances have generally been tight but manageable, but with little wiggle room for long term savings and/or significant approaches at debt reduction.

Everything changed in 2014, beginning with the detection of the hazardous chemical PFOA in the Village’s water supply. This began a series of cascading challenges that derailed a lot of the Village’s forward momentum and demanded immediate attention.

A decade of challenges

Without going into too much detail, below is a condensed sampling of what the Village has endured over the last decade:

- The entire PFOA crisis. While the early years thrust deep uncertainty over Hoosick Falls and brought us into national discussion about drinking water quality and PFAS contaminants, there have been a lot of important milestones that have required a great deal of time and energy and also reflect major and profound progress. These include the installation of the temporary GAC water filtration system; the design, installation, and upkeep frustrations regarding the permanent GAC filtration system; the various draft and final state agency reports that the Village would be reviewing, commenting on, or advocating for; the pursuit of a new water source through the Municipal Water Supply Study and Record of Decision; and the inclusion of a handful of current and former industrial sites within the Village as Federal, State, or potential superfund sites.¹ We are on schedule for the new water source to go online in early February of 2025.
- The June 2017 flood that damaged dozens of structures in the Village (not to mention washed out a road and damaged part of the train track that goes through the Village). Along with many residential houses, significant damage occurred with important and historic buildings in the Village, including the Rensselaer County Senior Center, the Hoosick Armory, and the Immaculate Conception Church (which just last week celebrated their full re-opening). The Village advocated for and received money for a property buy-out program from the state, allowing the Village to take down buildings and make significant flood mitigation improvements. Additionally, the Village worked with the Town of Hoosick on a separate grant that providing upstream mitigation improvements.

¹ For a full list of sites and the various documents connected with each location, NYS DEC maintains a site specific to the Hoosick Falls area: <https://dec.ny.gov/environmental-protection/site-cleanup/regional-remediation-project-information/region-4/hoosick-falls-area>

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- A massive Sewer Infrastructure Improvement project that spanned from 2016 to 2021. Not only did it include a redesign and second bid process (which led to a significant savings for the Village on the total project cost), but it ran into problems when construction unearthed a massive amount of VOC sludge (in close proximity to a previously mentioned Superfund site). This led not just to project delays, but to more legal discussions and negotiations with the responsible parties to work out a solution. It also unfortunately led to another bond payment placed on Village residents.
 - The Covid-19 pandemic, which we all know presented massive and unprecedented challenges to people, institutions, and all levels of government. On top of the various adjustments made to working from home and the various pandemic prevention measures that entered the workforce, additional demands were placed on our Village, including the postponement of paying water bills via Executive Order (the effects of which were still felt in the 22-23 FY).
 - In late 2021, the Police Chief at the time was placed on administrative leave pending an active investigation that we being handled by the New York State Police. After 6 months on paid administrative, the matter concluded with the acceptance of a plea deal for Official Misconduct (in lieu of the 2 felonies and 2 misdemeanors he faced). His retirement date was in May of 2022, just before the start of the 22-23 FY.

Undue burdens on the Village Treasurer

On top of all of this, there have been numerous hardships that our (lone) Village Treasurer has endured personally and professionally that have placed massive demands on her. First and foremost is the tragedy that befell her and her entire family in early 2021: her husband's cancer diagnosis in February that eventually took his life in December. Even in the midst of her own mourning, she continued to do her best to stay on top of payroll and her Village Treasurer duties.

Professionally speaking, due to her long history of working various roles within the Village Office, she ended up with the additional task of training up new clerks. We have had the good fortune to have great and capable people in the Village Clerk role, but the timeline of these transitions lined up with the same timeline where our Treasurer began falling behind on her "normal" Treasurer duties. During the 22-23 FY, two separate and unfortunate accidents sidelined our wonderful previous Village Clerk for many months. Upon her retirement near the end in May of 2023, the Village found itself beginning the next fiscal year without a clerk. In July of 2023, a new clerk began working for the Village, doing really great work. However, a different job opportunity came up, and she departed the Village Office in early 2024. Once again, our Treasurer became the day-to-day point person to train up our 3rd Village Clerk in 3 years.

The Village Board has been actively working to relieve the already overburdened role of Village Treasurer while trying to address our own shortcomings. We are currently transitioning to a payroll service, and once the transition is complete, there will be one less major item the Treasurer is responsible for. Additionally, the Village budgeted to bring in an independent audit

for this fiscal year, and are working to make that happen. We look forward to going into further detail with our changes, improvements, and future plans when we complete the CAP.

Concluding Thoughts

To conclude, I offer all of this context not as excuses, but as the reality we have faced and as some of the reasons we find ourselves in the present situation. Throughout the unpredictability of past decade, two common threads have emerged:

1. Village Government, at a fundamental level and in our current structure, is not equipped/robust enough to handle all of our responsibilities in a timely manner. This is why we are discussing significant large-scale changes to what we do, including the possibility of making the Mayor position full-time, the hiring of a 2nd full time person to assist with finances, and a switch away from our two separate finance software programs [REDACTED] to a single software solution that does everything (addressing the fact that every water/sewer/solid waste bill requires separate entry in both software programs, doubling both the work involved and the risk of a simple mistake being made).
2. In spite of all of the adversity we have experienced, we have still managed to make substantial progress and improvements to many aspects of Village government. From improved policies and procedures (such as the FOIL process, the Procurement Policy, our Organizational Meeting approach, and a forthcoming Employee handbook) to restructuring our Police Department (moving away from the part-time officer model to a full-time officer model with specific administrative roles) to transparency (meeting recordings online, more availability to Village documents online), we have shows we are able to evolve and improve.

We are approaching this situation knowing that we have items to address and have begun the process already. This draft audit report will be a major tool as we look to evolve our practices and policies, so that we are in compliance with deadlines and best practices. Between the CAP, the fundamental changes we are considering for Village government, and the future 24-25 FY Budget, we are looking to demonstrate our commitment to evolving and adjusting to provide better, more accessible, and more transparent local government to our community.

Sincerely,

Robert J. Allen
Mayor

Appendix B: General Recordkeeping and CFO Checklist

Determine the types of funds in use, and whether separate cash receipts and disbursements books are maintained for the various funds or whether a single cash receipts and single cash disbursements book is maintained. The following checklist can be used for each fund maintained and is excerpted from pages 26-28 of our publication Local Government Management Guide publication *Fiscal Oversight Responsibilities of the Governing Board* available at: <https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf>

Cash Receipts	YES	NO
Is the cash receipts journal up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>
Is the cash receipts journal maintained in a manner that identifies the date received, payer, purpose and the amount either individually or totals referenced to subsidiary receipt records (e.g., water rents receipts register)?	<input type="checkbox"/>	<input type="checkbox"/>
Are un-deposited cash receipts safeguarded?	<input type="checkbox"/>	<input type="checkbox"/>
Are duplicate deposit slips kept?	<input type="checkbox"/>	<input type="checkbox"/>
Do deposit amounts agree with cash receipt amounts?	<input type="checkbox"/>	<input type="checkbox"/>
Are deposits made timely and recorded up-to-date? <i>Last Recorded Deposit: Date _____ Amount _____</i>	<input type="checkbox"/>	<input type="checkbox"/>
Is the cash receipts journal totaled and summarized monthly?	<input type="checkbox"/>	<input type="checkbox"/>

Cash Disbursements	YES	NO
Is the cash disbursements journal up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>
Is the cash disbursements journal maintained in a manner to identify amounts disbursed either individually or totals referenced to abstracts or payrolls?	<input type="checkbox"/>	<input type="checkbox"/>
Are pre-numbered checks used for all disbursements (other than petty cash)?	<input type="checkbox"/>	<input type="checkbox"/>
Are all checks signed by the chief fiscal officer and co-signed if required?	<input type="checkbox"/>	<input type="checkbox"/>
If checks are signed electronically, is the signature stamp or software in the custody and control of the chief fiscal officer?	<input type="checkbox"/>	<input type="checkbox"/>
Are canceled checks or check images returned with bank statements and maintained on file?	<input type="checkbox"/>	<input type="checkbox"/>
Are all unused checks properly controlled (blank check stock)?	<input type="checkbox"/>	<input type="checkbox"/>
Are checks recorded up-to-date? <i>Last Recorded Check: # _____ Date _____ Amount _____</i>	<input type="checkbox"/>	<input type="checkbox"/>
Is the cash disbursements journal totaled and summarized monthly?	<input type="checkbox"/>	<input type="checkbox"/>
Are payments supported by appropriate documentation? Consider comparing a sample of disbursements with supporting documentation.	<input type="checkbox"/>	<input type="checkbox"/>

Cash Reconciliations			YES	NO
Are bank accounts reconciled?			<input type="checkbox"/>	<input type="checkbox"/>
<i>By Whom?</i> _____				
<i>How Often?</i> _____				
<i>Who Reviews/Verifies Them?</i> _____				
Is the bank reconciliation performed by a person whose job duties do not include maintaining either the cash receipts or disbursements journals or receiving or disbursing cash?			<input type="checkbox"/>	<input type="checkbox"/>
Is the bank reconciliation performed in a timely manner after the bank statement is received?			<input type="checkbox"/>	<input type="checkbox"/>
Last Bank Reconciliation for Each Bank Account				
Bank Account	Date Performed	Month Ending		
Are reconciliations documented and available for review?			<input type="checkbox"/>	<input type="checkbox"/>
Does the reconciled bank balance agree with the cash balance recorded in the accounting records?			<input type="checkbox"/>	<input type="checkbox"/>

Receivables	YES	NO
Are receivable control accounts maintained?	<input type="checkbox"/>	<input type="checkbox"/>
Is there indication that the receivable control accounts are reconciled to the detail subsidiary records?	<input type="checkbox"/>	<input type="checkbox"/>

Investment Records	YES	NO
Is an investment record maintained?	<input type="checkbox"/>	<input type="checkbox"/>
Is the record complete and up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>

Deposit Protection	YES	NO
Has the bank pledged adequate, eligible securities to protect deposits and investments (under the custody of the chief fiscal officer) that exceed FDIC insurance protection?	<input type="checkbox"/>	<input type="checkbox"/>

Indebtedness Records <i>(This record is maintained by the clerk in certain local governments)</i>	YES	NO
Is an indebtedness register maintained?	<input type="checkbox"/>	<input type="checkbox"/>
Is the register complete and up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>

Property Records	YES	NO
Are property records maintained?	<input type="checkbox"/>	<input type="checkbox"/>
Are the records up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>
Are all fixed assets included in the records?	<input type="checkbox"/>	<input type="checkbox"/>
Are physical inventories taken and compared to the records?	<input type="checkbox"/>	<input type="checkbox"/>

Financial Reporting	YES	NO
Are interim reports (budget/actual; trial balances; etc.) prepared?	<input type="checkbox"/>	<input type="checkbox"/>
Are the reports distributed to the governing board and department heads?	<input type="checkbox"/>	<input type="checkbox"/>
Does total year-end recorded cash agree with that reported in the annual financial report?	<input type="checkbox"/>	<input type="checkbox"/>

Payrolls	YES	NO
Are payrolls certified/approved by the appropriate official?	<input type="checkbox"/>	<input type="checkbox"/>
Are pay rates in accordance with collective bargaining agreements and other lawful employment contracts, or board resolutions?	<input type="checkbox"/>	<input type="checkbox"/>
Is leave time accounted for?	<input type="checkbox"/>	<input type="checkbox"/>

Appendix C: Audit Methodology and Standards

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 reviewed Board meeting minutes and interviewed the Mayor, Treasurer and a Trustee to gain an understanding of the Village's operations and the Board's oversight regarding annual audits, filing of the AFR and review of financial reports.
- We performed an annual audit of the Treasurer's records for the fiscal year ended May 31, 2023, using OSC guidance available to Board members.
- We reviewed the trial balance as of May 31, 2023, and the supporting documentation for accounts receivables to determine whether the CFO properly maintained receivable control accounts for the Village's water, sewer and refuse collection services.
- We assessed whether the Village has experienced any significant fiscal concerns by reviewing the CFO's records and reports showing composition of fund balance, operating results, and budgeted appropriations.

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.

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 Clerk's office.

Appendix D: Resources and Services

Regional Office Directory

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

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

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

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.ny.gov/local-government/resources/planning-resources

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

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

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.ny.gov/local-government/publications

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

www.osc.ny.gov/local-government/academy

Contact

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Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

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<https://www.osc.ny.gov/local-government>

Local Government and School Accountability Help Line: (866) 321-8503

STATEWIDE AUDITS – Dina M.L. Thompson, Chief of Municipal Audits

State Office Building, Suite 1702 • 44 Hawley Street • Binghamton, New York 13901-4417

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