



# Village of Lisle

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## Transparency of Fiscal Activities

**S9-24-13 | December 2024**

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# Report Highlights

## Village of Lisle

### Audit Objective

Determine whether the Village of Lisle (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 did not:

- Conduct an annual audit, or cause to be audited, the CFO’s 2022-23 financial records and reports, as required by New York State Village Law (Village Law) Section 4-408.
- Ensure the past four fiscal year AFRs were prepared and filed as required by New York State General Municipal Law (GML) Section 30, or
- Report the results of the Village’s fiscal activities to the public, as required by GML Section 30 and Village Law Section 4-408.

Although our review did not identify any significant fiscal concerns with the Village’s general fund for the fiscal year 2022-23, 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.

### Recommendations

The audit report includes seven recommendations to help the Board and CFO 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 include September 2024.

### Background

The Village is located in the Town of Lisle in Broome County and is governed by the elected Board, comprising a Village Mayor (Mayor), Deputy Mayor and one Trustee. In June 2024, the former Mayor passed away and a Trustee was appointed as Mayor.

During our audit period there were two appointed individuals who served as the Village’s CFO: the former Treasurer, who served until he left the Village in December 2023, and the Village Clerk, who was then appointed as the Village Clerk-Treasurer (Clerk-Treasurer) when the positions were combined.

The CFO, 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 of all revenues and expenditures during the previous fiscal year and the outstanding indebtedness at year-end.

### Quick Facts

2022-23 General Fund Appropriations	\$193,500
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Population	348
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#### As of September 30, 2024

	Unfiled AFRs	Days Late
2021		1,157
2022		792
2023		427
2024		61

# Transparency of Fiscal Activities

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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, fire protection, and refuse collection. 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's<sup>1</sup> 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*.<sup>2</sup> 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 a 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 days<sup>3</sup> 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.

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<sup>1</sup> 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.

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

<sup>3</sup> 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.

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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 Deputy Mayor told us that 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 year ending May 31, 2023, using OSC guidance available to, and for, Trustees of the Village. Overall, we determined the records were generally adequate. However, we could not determine whether all collections were deposited in a timely manner during the 2022-23 fiscal year, totaling \$169,078. For example,

- Non-property tax deposits, such as sales, utility and mortgage tax, totaling \$138,705 had no recorded date of collection in the records.
- Property tax payment deposits, totaling \$30,373 could not be traced directly from a taxpayer payment collected to a Village deposit because there was no documented support in the records for these deposits.

Without adequate support showing the date collected for non-property taxes, or the composition of receipts included in each deposit, the Board would be unable to determine whether deposits were made in a timely manner. The Clerk-Treasurer, who was the Village Clerk at the time and collected and deposited property taxes, explained it was an oversight that adequate documentation was not maintained showing date of collection and the detail of each deposit.

In addition, two deposits totaling \$15,679 were not recorded as revenue in the accounting records, which we were told was as an oversight by the former Treasurer. If accounting records do not reflect all activity, reports to the Board would be incomplete. Had the Board conducted an annual audit, the collection and deposit processes in need of improvement would have been identified that would ensure accounting records were up to date at the time.

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## **The Board Did Not Ensure the CFOs Prepared and Filed the AFR**

The former Treasurer did not, and as of September 30, 2024, the current Clerk-Treasurer had not, filed the AFR for the 2020-21 through 2022-23 fiscal years, with OSC. Furthermore, the 2023-24 fiscal year AFR is also delinquent. The last filed AFR was for the 2019-20 fiscal year. As a result, there was no notification to the public of available annual financial information.

The former Treasurer, CFO at the time, and former Mayor were unavailable to tell us the reason for not filing the 2022-23 AFR, or the AFRs for the 2020-21 and 2021-22 fiscal years. The Clerk-Treasurer explained that since becoming the CFO she had not yet filed the 2022-23 AFR, or the AFRs for the two prior fiscal years, because she needed technical assistance accessing the online reporting program to file. Although we provided contact information for our technical assistance during our fieldwork, which the Clerk-Treasurer used to gain access to the online reporting program, as of September 30, 2024, none of the delinquent AFR reports were filed.

The current Mayor told us that he was unaware of the requirement to annually file the AFR until the Board's May 2024 monthly meeting when the Clerk-Treasurer updated the Board that she requested assistance to gain access to the online reporting program. The Deputy Mayor told us that he was aware of the requirement to annually file the AFR but was unaware that the Village was delinquent in filing until the same monthly Board meeting in May 2024.

Due to the Village's lack of transparency, taxpayers 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.

Because of the lack of reporting, we reviewed the Village's bank ending balances and compared them to the following year's budget for the Village's general fund for the fiscal year 2022-23. Although we did not identify any significant fiscal concerns, 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](http://www.osc.ny.gov/localgov/academy/index.htm)

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The Clerk-Treasurer, as the Village's current CFO, should:

5. Maintain adequate support showing the collection date of receipts and the composition of the receipts in deposits.
6. Ensure that deposits are properly recorded as revenue in the accounting records.
7. Prepare and file the AFR with OSC as required.

## Appendix A: Response From Village Officials

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**VILLAGE OF LISLE  
P O BOX 365  
LISLE NY 13797  
607-692-2137**

**Please see the attached.**

**I am mailing the original tomorrow for the file.**

**If you have any questions, please give me a call**





**The Village of Lisle**  
P.O. Box 365  
Lisle, NY 13797-0365

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**November 6, 2024**

**Gentlemen:**

**Thank you for the audit that was completed for our Village. We are planning to incorporate any corrections that were suggested to us.**

**Sincerely**

**Eric Hughes,  
Mayor Village of Lisle**

# 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"/>

<b>Indebtedness Records</b> <i>(This record is maintained by the clerk in certain local governments)</i>	<b>YES</b>	<b>NO</b>
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"/>

<b>Property Records</b>	<b>YES</b>	<b>NO</b>
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"/>

<b>Financial Reporting</b>	<b>YES</b>	<b>NO</b>
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"/>

<b>Payrolls</b>	<b>YES</b>	<b>NO</b>
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

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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 reviewed Board meeting minutes and interviewed the Mayor and Deputy Mayor 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 assessed whether the Village experienced any significant fiscal concerns by reviewing the bank ending balances and compared them to the following year's budget for the general fund for the fiscal year 2022-23.

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.

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-Treasurer's office.

## Appendix D: 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)

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

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

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

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

## Contact

Office of the New York State Comptroller  
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

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Tel (607) 721-8306 • Fax (607) 721-8313 • Email: [Muni-Statewide@osc.ny.gov](mailto:Muni-Statewide@osc.ny.gov)

[osc.ny.gov](https://www.osc.ny.gov)

