

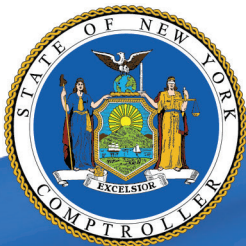
# Granville Hook and Ladder Volunteer Fire Company

## Financial Operations

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JANUARY 2018

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OFFICE OF THE NEW YORK STATE COMPTROLLER  
Thomas P. DiNapoli, State Comptroller

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# Report Highlights

## Granville Hook and Ladder Volunteer Fire Company

### Audit Objectives

Determine whether the Company's financial activities were properly recorded and reported.

Determine whether cash collections were deposited and cash disbursements were for appropriate Company purposes.

### Key Findings

- The former Treasurers did not maintain adequate records to account for all money received and disbursed by the Company.
- The Company's controls over cash receipts and disbursements were inadequate.

### Key Recommendations

- Maintain accurate, complete and up-to-date accounting records.
- Provide oversight of duties performed by the Treasurer, such as requiring written monthly financial reports and activity reports for fundraising events.

Except as specified in Appendix A, Company officials generally agreed with our recommendations and indicated they planned to take corrective action. Appendix B includes our comments on issues raised in the Company's response letter.

### Background

The Granville Hook and Ladder Volunteer Fire Company (Company) is located in the Village of Granville (Village) in Washington County.

The Company is operated in accordance with its bylaws and is governed by a member-elected Board of Trustees (Board) composed of the President, Fire Chief, Treasurer, Secretary and four Trustees. The President is the Company's chief administrative officer. The Treasurer is the chief fiscal officer and is responsible for receiving and maintaining custody of Company funds, disbursing and accounting for those funds and for preparing quarterly and annual financial reports for the Board.

#### Quick Facts

Members	16
2016 Revenue	\$56,425
2016 Disbursements	\$68,075

### Audit Period

January 1, 2015 - December 31, 2016

# Financial Operations

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The Company is one of two companies affiliated with the Village Fire Department that provides fire protection services for the Village. The Company's primary sources of revenue are Village funding, fundraising and foreign fire insurance.<sup>1</sup> The Company's President is elected annually by the members from the Board's membership at the October meeting. The Treasurer is elected annually by the members from the general Company membership. Three different Board members held the position of Treasurer during our audit period. The Treasurer elected in October 2014 resigned in June 2015. The Treasurer elected in October 2015 resigned in January 2016 and did not maintain the Company's accounting records. Therefore, from June 2015 through September 2016, the former President performed the duties of the Treasurer including record keeping, making disbursements, processing collections and making deposits. In October 2016, the Company elected a new President and Treasurer.

## **What is Adequate Financial Recording and Reporting?**

Company bylaws require the Treasurer to keep an accurate record of all money received and disbursed and to prepare written quarterly reports of the status of all accounts for the Board. The bylaws also require the Treasurer to prepare an annual summary of income and expenditures and the status of funds. The bylaws further state that, when asked, the Treasurer must present all records and documents to the President or Board for review. Adequate accounting records consist of financial documents that provide a record of all transactions and account balances in a timely manner. In addition, it is good business practice for the Treasurer to perform monthly bank statement reconciliations to ensure the timely identification and investigation of differences between cash balances recorded in the accounting records and reconciled bank balances. Additionally, since the Company receives foreign fire insurance proceeds, the Treasurer is required to file an annual report with the State Comptroller's Office (OSC).

## **Company Financial Records and Reports Are Not Adequate**

The former Treasurers and former President who assumed the duties of Treasurer (Treasurers) did not maintain adequate records to account for all Company money received and disbursed. The Company's accounting records consisted of only three incomplete manual check registers for the Company's three checking accounts (general, bell jar and bingo). We examined the three check registers

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<sup>1</sup> Foreign fire insurance funds represent a tax on the premium paid on insurance policies as provided for in New York State Insurance Law, which entitles fire companies protecting an eligible area to receive an appropriate share of the tax collected on insurance policies written by foreign insurers on policies within their area of protection.

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and related bank statements and found that of the 122 deposits totaling \$117,444 and 371 disbursements totaling \$91,017 made from these accounts during our audit period, the Treasurers did not record 55 deposits totaling \$42,717 (36 percent) and 140 disbursements totaling \$27,186 (30 percent) in the manual check registers.

Also, the Treasurers did not maintain running cash balances in the manual check registers. Consequently, the Treasurers were unable to prepare monthly bank reconciliations.

The Company also maintained a truck savings account. However, the Treasurers did not maintain a bank book or ledger to record deposits and transfers made to this account, or for the \$1,160 monthly ladder truck debt payment automatically withdrawn from the account by the Company's bank. Further, the Treasurers did not maintain records to track the types of revenues received (e.g., Village support, foreign fire insurance and fundraising proceeds) and disbursed (e.g., debt payments, truck maintenance, utilities and fundraising) by the Company.

In addition, the Company received foreign fire insurance proceeds of \$3,946 in 2014 and \$3,831 in 2015. These proceeds are to be used for the benefit of the members of the Company. However, the former Treasurers did not maintain any accounting of how this money was used and did not file the related required annual report with OSC. The current and former Presidents told us that they were unaware of the filing requirement. Further, while the current and former Presidents told us that they were aware of how the money is required to be used, they allowed the proceeds to be deposited into the general checking account and used for operating expenditures.

Due to the inadequate records, the Treasurer was unable to provide the Board with written quarterly and annual financial reports as required by the Company's bylaws. As a result, the Board could not monitor the financial activity and make sound financial decisions on the financial operations for the Company. The former Treasurers and former President stated that they did not have the time and/or knowledge of how to properly maintain the accounting records, nor did they receive training and direction from the Board on how to maintain the accounting records. Further, Board members told us that they did not periodically review the records maintained by the Treasurers or require them to submit formal detailed quarterly and annual reports of the Company's financial activity.

Because the Treasurer did not maintain adequate records or prepare periodic and annual reports for the Board, there is no assurance that all receipts and disbursements were properly recorded and reported and that Foreign Fire Insurance proceeds were used appropriately, and the Board could not fulfill its responsibility for overseeing the financial operations of the Company.

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## What Do We Recommend?

The Treasurer should:

1. Maintain complete and adequate accounting records.
2. Periodically prepare and provide financial reports, including bank statements and bank reconciliations, to the Board.
3. Annually file the report of foreign fire insurance funds activity with OSC.

The Board should:

4. Provide oversight of duties performed by the Treasurer, such as requiring written monthly financial reports and activity reports for fundraising events and reviewing bank statements, canceled checks and bank account reconciliations.
5. Periodically request and examine the Treasurer's financial records in accordance with the bylaws.

# Collections and Disbursements

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## What Are Effective Procedures for Collections and Bank Deposits?

The Board should establish policies and procedures to ensure that all collections are properly recorded, supported and deposited and that adequate oversight is provided of all individuals who receive collections. The Company's bylaws require the Treasurer to make an accounting of all money received and to provide a receipt to individuals making payments to the Company. The bylaws also require the President to present a profit and loss report (event report) after the completion of the annual carnival.

Good business practices require that Company members remit all fundraising collections and records to the Treasurer. The event reports are to be maintained by the Treasurer and should include event names and dates, the amount collected, event expenses and the date and amount deposited. The Treasurer should compare collections to the corresponding records to ensure that all collections are accounted for and deposit the collections timely and intact (in the same amount and form as received). The longer money remains undeposited, the greater the risk that money loss or theft can occur.

The Treasurer should prepare duplicate deposit slips with enough detail to identify the deposit composition between cash and the individual checks.

Collections and deposit slips should then be retained in a safe (or other locked storage) until they are deposited into the bank. Access to the vault or safe should be restricted to prevent unauthorized access to collections. Further, the Board should periodically review these event reports and compare collections to detail deposit slips and bank statements to ensure that collections are recorded and deposited in a timely manner and intact.

## Collection and Deposit Procedures Are Not Adequate

During our audit period, the former President, while acting in place of the Treasurer, handled the collection and deposit of all collections received by mail and from members handling fundraising activities. The Company members handling fundraising events prepared event reports to document the date of the event and the amount of money collected. The members remitted the event reports and collections to the President the night of the events or placed them in the Company safe<sup>2</sup> until deposited by the President. However, the former President did not maintain any cash receipt records to document the date,

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<sup>2</sup> The safe is located in the President's office and the combination is known by a Board member who handles the kitchen (currently, the new Treasurer), the President, Chief and the former President (who is currently a Board member).

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amount and source of money received and the corresponding deposits. There is also no system in place to establish accountability for money collected. Further, no one is charged with periodically reviewing the reports prepared by the members and comparing them to deposits made by the President to ensure all event collections are deposited. As a result, Officials have no way to determine whether all money generated by fundraising efforts were properly accounted for and deposited.

We examined all Company bank statements and record of deposits<sup>3</sup> and found that 126 deposits totaling \$121,124<sup>4</sup> were made during our audit period. Using available supporting documentation, including copies of checks deposited and event reports, we were able to identify the source and verify the amount of eight deposits for payments of \$36,986<sup>5</sup> from the Village and one deposit for payment of \$3,821 from foreign fire insurance.<sup>6</sup> In addition, we verified a total of \$59,463 from fundraising activities and donations that were included in 102 deposits. However, we could not trace the remaining \$20,854 included in 98 deposits to any event report or other collection support.

The Company conducts a number of fundraising activities throughout the year, including an annual Carnival, holiday parties, teen dances, bingo games, bell jar ticket sales and food sales. Officials told us that money collected at the various fundraising events is placed in the safe or remitted directly to the President for deposit. We were told by the current President that only the current and former Treasurer, the current and former President and the Chief had access to the safe. However, due to the lack of records, Officials are unable to determine if all money collected at these events was turned over and deposited. For example, the Treasurer did not maintain an inventory records of bell jar tickets<sup>7</sup> purchased, sold and on hand or a record of bell jar tickets sold at events. Further, the Treasurer did not maintain records necessary to report to the Board how much money was collected for Company fundraising events during the audit period or detailed deposit slips to trace these collections to a deposit.

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3 A record of deposit has two parts, the Treasurer records the amount of the deposit on one part, which is retained in the check book, and the remaining part is remitted to the bank with the deposit. Detailed duplicate deposit tickets are not used by the Company.

4 This includes four deposits totaling \$3,680 that were made into the truck savings account.

5 In 2016, the annual insurance premium and truck repairs not covered by insurance, totaling \$15,946, were paid directly by the Village and Fire Department, resulting in the Village paying only \$8,422 to the Company in 2016 for Village support.

6 The foreign fire insurance proceeds for 2016 of \$3,234 were not distributed to the Company until late December 2016 and deposited in January 2017.

7 Lottery style pull tab tickets sold for 25 and 50 cents each.



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We examined the various event reports available and noted the following additional concerns:

- Weekly Teen Dances - The Company developed an event sign-in sheet which indicates the number of teens that attended the dances and the amount of money collected at the door. However, the sign-in sheets do not indicate who received the collections and when and who they were turned over to for deposit. Also, the sheets list the total amount collected in the kitchen from food sales during the dances. However, there is no separate kitchen event report detailing what was sold, how much was collected or who collected and turned over the collections for deposit.
- Holiday Parties (New Years, Halloween and Christmas) - The Company uses a standard event report to document the collections for these events. While the event sheet identifies the total amount collected for attendance fees, the sheets do not provide detailed information related to the entrance fees charged, the number of participants or who collected the fees and when the fees were remitted to the Treasurer or President for deposit.
- Annual Carnival – For the 2016 Annual Carnival (held June 15 through June 18, 2016), the President prepared an event report documenting the amounts collected each day at the Carnival booths (e.g., dime pitch, darts, fish pond), the daily expenses and profit. While the President prepared and issued duplicate receipts to members when cash was remitted to him each night from each carnival booth, no one reconciled the daily collections to the respective deposits. We examined the 2016 Carnival event report and traced the daily collections reported with the duplicate remittance receipts issued by the President to members remitting cash, the bank statements and deposit record to verify collections were deposited timely and intact. While three daily deposits totaling \$4,350 were made for collections received during the first three days of the Carnival, these deposits were \$711 less than the daily collections reported on the carnival event report and supporting duplicate remittance receipts.

According to the former President, this variance is from the loose change collected each day that he did not have the time to count and roll. He told us that on the last night of the carnival he placed the loose change, collections of \$3,946 from the last night of the carnival and the \$2,000 start up cash in the Company safe until the money was deposited by the former President on July 6, 2017. However, the July 6, 2016 deposit was for \$7,292 or \$636 more than the carnival event report indicated was collected, including the start-up cash and \$711 not previously deposited. According to the former President, he thought the additional cash in the deposit may have been from loose change collected at the carnival booths that was not reported on the event report.

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## **What Are Effective Procedures for Cash Disbursements?**

The Company bylaws require the Treasurer to pay all claims as approved by the Board. Prior to granting approval, it is important for the Board to conduct a thorough and deliberate review of each claim to determine whether it contains enough supporting documentation and is properly itemized, and whether the Company actually received the goods or services described in each claim. It is also important to determine whether the proposed payments are for actual and necessary Company expenditures and are in accordance with Company policies.

### **Cash Disbursement Procedures Are Inadequate**

The Board meets once a month, but did not provide any oversight over Company disbursements. Neither the Board nor any other Company official reviewed and approved the claims prior to the former Treasurers making payment. The former President told us that after the former Treasurer resigned in June 2015, he prepared and made all check and electronic disbursements from the Company's three bank accounts through September 2016. In October 2016, a new President and Treasurer were elected. The new President told us that he and the current Treasurer review the claims together and the Treasurer prepares, signs and mails the checks.

We reviewed all 384 Company disbursements totaling \$118,886 made during our audit period to determine if they were adequately supported and for appropriate Company purposes. We found 91 disbursements totaling \$12,534 were not adequately supported by a receipt or invoice. These payments were made to vendors from which the Company typically made purchases. For example, these disbursements included \$3,020 to local stores where the Company purchases food, beverages and supplies for its fundraising activities and \$5,048 to vendors where the Company purchases fire equipment and truck maintenance services. We reviewed these disbursements with the current and former Presidents who were able to explain the Company purpose for these purchases. However, without supporting receipts or fundraising activity reports corresponding to fundraising activities that occurred requiring the items purchased, Officials have no assurance that they were appropriate.

We also examined all nine cash withdrawals made during the audit period totaling \$6,120 and found that none of them had supporting documentation showing that they were for an appropriate Company purpose. The current and former Presidents told us that six of these withdrawals totaling \$5,805 were for fundraising event start-up cash and two totaling \$70 were for the purchase of a filing cabinet and supplies for the annual carnival. The former President could not recall the purpose of the remaining \$245 withdrawal. The former President and current President also told us that \$5,405 of the start-up cash were re-deposited with event collections and \$400 is maintained in the safe for start-up cash for weekly bingo, bell jar sales and the kitchen.

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We verified that the withdrawals for start-up cash were made during the time of the Company's annual carnivals and the other events, and that \$400 in cash is maintained in the Company safe. We also observed that deposits made after fundraising events were made in excess of the collections reported on the event collection reports, which would appear to be the re-deposit of the start-up cash. However, there are no records to support the composition of these deposits to enable Officials to ensure these funds were re-deposited.

Without adequate disbursement controls, inappropriate and unauthorized disbursements and withdrawals can be made from Company accounts. Further, because no one independent of the Treasurer and the President reviews bank statements, reconciliations or check images, the Company is at increased risk that unauthorized checks could be issued or cash withdrawals and/or inappropriate electronic fund transfers could occur without being detected.

### **What Do We Recommend?**

The Board should:

6. Amend the Company's bylaws or adopt other financial policies and procedures to provide specific guidance for issuing cash receipts and adequately documenting fund-raising activities including bell jar ticket sales and inventory.
7. Ensure all money is accounted for and deposited in a timely manner.
8. Audit and approve claims prior to the Treasurer making payment and document the approval in the Company's meeting minutes. As part of the approval process, the Board should ensure that all disbursements are properly supported.

The Treasurer should:

9. Maintain detailed financial records for each fundraising event indicating, at a minimum, the start-up money provided, the receipts from each event activity, amounts disbursed with supporting documentation and the proceeds deposited.
10. Prepare detail deposit slips for all deposits.

# Appendix A: Response From Company Officials

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GRANVILLE HOOK & LADDER FIRE COMPANY, INC.  
42 Quaker Street  
Granville, NY 12832  
518-642-2401

January 10, 2018

TO: Jeff Leonard, Chief Examiner  
Glens Falls Regional Office, OSC  
One Broad Street Plaza  
Glens Falls, NY 12801

Dear Mr. Leonard [REDACTED]

The trustees of the fire company have received the written draft of the audit your office completed for the period from January 2015 through December 2016 and have reviewed it preliminarily with you this December. Our expectations of the results of the audit fall in line with what we expected. We expected that you find the recordkeeping processes and paperwork were in horrible and/or nonexistent condition. BUT we also were confident that the audit would turn up no embezzlement or misappropriation of funds, as local newspaper headlines often imply to the public. We are grateful for that.

A history of the company since 1980 helps explain how we got to this state of affairs. For the past 10 years or more, we have had a steadily revolving door of officers, including that of President, Secretary and most importantly, Treasurer. Many years ago, in the 1975-1995 time frame we had a member firefighter who served admirably as treasurer. More importantly, he was a skilled CPA and a certified school business manager. Our recordkeeping was impeccable at that time. We also had to "cap" membership at 36 because there was much interest in being a firefighter. A second factor was our weekly Bingo game was sufficient to provide all the additional funding necessary to run a fire company, in addition to the meager village funding we received annually. We were able to "live within our means".

As years went by and membership dwindled, a concurrent problem was that Bingo also declined. Regular bingo players aged and/or died, moved away, or moved on to casinos and other spare time activities. Whereas we used to host 150 bingo players, we now average 25 regulars for our weekly bingo, and appreciate their loyalty very much. With fewer members and no experienced bookkeepers, our recordkeeping became haphazard.

We have maintained for many years that the annual village funding of (est) \$26,000 is not adequate to properly fund a fire company when a new or used truck often costs \$400,000 or higher. However, we know the village appropriates what it believes it can afford due to a

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shrinking tax base and limited funds themselves. Thus we have been forced to do a constant variety of fundraising and have not been able to keep a regular, organized system of recordkeeping. We often survive paying our bills “from fundraiser to fundraiser” and as we got further into debt paying the necessary bills of providing fire protection, we were forced to refinance and remortgage our 2 existing loans – the truck loan and the building mortgage.

We acknowledge the audit’s findings that recordkeeping and board supervision of the financial records was minimal and often inadequate. However, the trustees and firefighters were never concerned that money was being misappropriated or missing. Otherwise, there would have been more intense supervision. We became lackadaisical.

As Treasurers came and went, they did their best, but no one since the 90s was ever an experienced bookkeeper. We welcome the state auditor’s findings that pointed out in detail what we knew existed - poor recordkeeping and poor oversight.

Once the audit was complete and we had some informal discussions with the auditor about his findings and our biggest areas in need of improvement, we initiated the following:

- (1). Any moneys received from any fundraising event would be receipted with 2 members initials.
- (2). Deposits made to the bank of any event receipts would clearly delineate the amount, the date deposited and the reason for the deposit.
- (3). Bank reconciliations for all accounts would be made monthly and reported to the Trustees and membership at quarterly meetings.
- (4). Special events such as concerts, musical variety shows, carnivals, country music fests would have a separate report compiled and reviewed at quarterly meetings.
- (5). Individual members took on the responsibility to start looking for alternative financing options than what we currently have through banks, credit unions and municipal financing.
- (6). Established the position of Audit Trustee to provide a summary supervision of Treasurer activities, monitoring deposits, reviewing bills to be paid, and quarterly financial status.

Since October 2017, there has been another change in the Presidency, with the Treasurer position remaining static. The internal auditor has been working on new accounting forms and a process to supervise the recordkeeping. The Board of Trustees voted in January 2018 to meet with Village Mayor Brian Larose and Village Clerk Rick Roberts to explore the feasibility and advantages of pursuing municipal financing to assist the company in bringing down the overall debt load and interest charges.

The results of the state audit will do nothing to bring down the current debt incurred, but hopefully savings can be realized from lower interest and monthly payments. The company currently carries a truck loan of less than \$90,000 with a monthly payment of \$1159.92 monthly and a building mortgage of less than \$80,000 with monthly payments of \$1094.81. The

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company does want to stress that no monthly payments on both loans have been late or in default for at least the past 5 years.

The state auditor did stress that we “must” explore the municipal financing option as an immediate way to lower costs and save money and the company plans to do that.

See Note 1 Page 15
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The Board of Trustees offers the following responses and corrective actions to address the recommendations in the Report:

RECOMMENDATIONS:

1. The Treasurer should maintain complete and adequate accounting records.

**Corrective action:** the internal audit trustee has provided recordkeeping forms for deposits and monthly warrants of bills to be paid and will review these with the Treasurer.

2. The Treasurer should periodically prepare and provide financial reports including bank statement and reconciliations to the Board.

**Corrective action:** The treasurer will submit monthly bank reconciliations to the Trustees and audit trustee at monthly board meetings.

3. Annually file the report of foreign fire insurance funds activity with the OSC.

**Corrective action:** the Treasurer will secure the proper reporting forms to report how the foreign fire insurance is used on an annual basis to OSC. The approval of the use of the funds will also be reported in the minutes of the company meeting.

4. The Board will provide oversight of duties performed by the Treasurer such as requiring monthly written financial reports and activity reports for fundraising events and reviewing bank statements, cancelled checks and bank account reconciliations.

**Corrective action:** The Board will review the records stated above at its monthly meetings and record approval, questions or concerns in its meeting minutes.

5. The Board should periodically request and examine the Treasurer’s financial records in accordance with the bylaws.

**Corrective action:** The Board will review the Treasurer’s records as necessary at its quarterly meetings and note approval or concerns in the meeting minutes.



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6. The Board should amend the company's bylaws or adopt other financial policies and procedures to provide specific guidance for issuing cash receipts and adequately documenting fund raising activities including Bell Jar sales and inventory.

**Corrective action:** the Board has undertaken to amend the existing bylaws to reflect not only the necessary changes with the declining membership levels as well as new recordkeeping and financial reporting policies.

7. The Board shall ensure all money is accounted for and deposited in a timely manner.

**Corrective action:** all current of receipts for any reason, or from any event will be signed as received by two members, secured in the company safe, and deposited within 72 hours. The company will always be able to trace money received, for what purpose, and the date deposited. The Treasurer will use duplicate bank deposit slips, and attach the bank receipt of monies to the duplicate deposit slip.

8. The Board shall audit and approve claims prior to the Treasurer making payment and document the approval of monthly warrants of bills to be paid in meeting minutes. As part of the approval process, the Board should ensure that all disbursements are properly supported.

**Corrective action:** the Treasurer is currently authorized to pay the regular monthly bills such as telephone, internet, electricity, heating fuel, truck payment and building mortgage. Copies of these bills should be presented with other bills for payment in the monthly warrant of bills for Board approval. Any bills submitted for payment must have an invoice or receipt attached delineating the purpose. The President currently has the authority to approve emergency expenses up to \$500, also with proper documentation.

9. The Treasurer should maintain detailed financial records for each fundraising event indicating, at a minimum, the start up money provided, the receipts from each event activity, amounts disbursed with supporting documentation and the proceeds deposited.

**Corrective action:** a new Fundraising Event report has been developed and implemented starting with January 2018.

10. The Treasurer should prepare detailed deposit slips for all deposits.

**Corrective action:** the Treasurer has ordered duplicate deposit slips for all deposits effective December 2017.

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In summary, the members of the Granville Hook & Ladder Fire company, Inc. and the current Board of Trustees are committed to improving the financial recordkeeping of the pursuant to the state auditor's recommendations. In addition, we will be doing the following related activities:

- (1) Revising the existing bylaws to reflect the lack of manpower and the need for clear financial policies and recordkeeping.
- (2) Pursuing municipal financing with the Village of Granville administration to enable the company to lower indebtedness costs.
- (3) Initiate discussions with the Granville Engine & Hose Company to see if consolidating the two companies into a single operational unit can improve the financial solidity of both companies.
- (4) The audit Trustee will take on greater responsibility to insure adequate, sound, and accurate recordkeeping, and already has set up a meeting with an experienced bookkeeper from another larger fire company.

In addition we would welcome any further recommendations based on your review of our planned corrective actions.

Respectfully submitted,

Raymond Bogart, President



## Appendix B: OSC Comments on the Company's Response

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### Note 1

This statement is addressing a verbal finding that was communicated to Company officials, but not included in the written report. Good business practices dictate that local governments explore financing options to ensure associated costs are minimized.

## 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. To achieve the audit objective and obtain valid audit evidence, we performed the following audit procedures:

- We determined if the Board adopted relevant financial policies and written procedures.
- We assessed the adequacy of the Company's accounting system and records.
- We determined if the Treasurer performs monthly bank reconciliations, if the bank reconciliations are presented to the Board, and if someone other than the Treasurer reviews the bank statements. We determined the frequency and extent of any bank statement reviews by discussing this topic with select Board members.
- We determined if the Treasurer submits monthly financial reports to the Board. We verified, by reviewing Board minutes and discussing this topic with select Board members, the extent of any review of the reports.
- We determined if the Board audited claims, how often the claims were audited and the evidence of this audit. We discussed with Board members the extent of their audit of claims.
- We analyzed the Company's financial condition by reviewing the Company's operating results and cash balances for the last completed years.
- We accounted for all bank accounts and bank statements for the last two completed fiscal years and to date. We reviewed bank account activity for unusual transactions, withdrawals and open and closed accounts. Where there were multiple bank accounts, we tested interbank account activity.
- We determined what revenues the Company receives (Village funding, foreign fire insurance proceeds and fund-raising activity money) and reviewed documentation and requested further information from Officials, as needed.
- We examined funds held in the Company's safe and interviewed Officials regarding fund-raising activities and recordkeeping for these activities.
- Reviewed all bank account activity from January 2015 through December 2016.
- Reviewed all cash disbursements reflected on bank statements to determine whether supporting documentation was available to ascertain their propriety.
- We reviewed all deposits made during 2015 and 2015 to determine if they were adequately supported and recorded.

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We conducted this performance audit in accordance with GAGAS, generally accepted government auditing standards. 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. We encourage the Board to prepare a plan of action that addresses the recommendations in this report and forward the plan to our office within 90 days.

## Appendix D: Resources and Services

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### **Regional Office Directory**

[www.osc.state.ny.us/localgov/regional\\_directory.pdf](http://www.osc.state.ny.us/localgov/regional_directory.pdf)

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

[www.osc.state.ny.us/localgov/costsavings/index.htm](http://www.osc.state.ny.us/localgov/costsavings/index.htm)

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

[www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm](http://www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm)

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

[www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm](http://www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm)

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

[www.osc.state.ny.us/localgov/planbudget/index.htm](http://www.osc.state.ny.us/localgov/planbudget/index.htm)

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

[www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.pdf](http://www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.pdf)

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

[www.osc.state.ny.us/localgov/finreporting/index.htm](http://www.osc.state.ny.us/localgov/finreporting/index.htm)

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

[www.osc.state.ny.us/localgov/researchpubs/index.htm](http://www.osc.state.ny.us/localgov/researchpubs/index.htm)

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

[www.osc.state.ny.us/localgov/academy/index.htm](http://www.osc.state.ny.us/localgov/academy/index.htm)

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