



Village of Clayville

Board Oversight

Report of Examination

Period Covered:

June 1, 2013 — December 31, 2014

2015M-115



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

October 2015

Dear Village Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and Village Board governance. Audits also can identify strategies to reduce costs and strengthen controls intended to safeguard local government assets.

Following is a report of our audit of the Village of Clayville, entitled Board Oversight. This audit was conducted 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.

This audit's results and recommendations are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

The Village of Clayville (Village) is located in the Town of Paris in Oneida County and has a population of approximately 350 residents. The Village is governed by an elected five-member Village Board (Board), which includes the Village Mayor (Mayor) and four trustees. The Board is responsible for the general oversight and control of the Village's operations and finances. The Mayor serves as the chief executive officer and appoints the Clerk-Treasurer who serves as the chief fiscal officer. The Clerk-Treasurer is responsible for maintaining custody of Village moneys, receiving and disbursing funds, maintaining the accounting records and preparing monthly and annual financial reports. The Village's 2014-15 budgeted appropriations totaled \$491,436, which were funded primarily with real property taxes, user fees, contracts for services and sales taxes.

Scope and Objective

The objective of our audit was to review the Board's oversight of Village financial operations for the period June 1, 2013 through December 31, 2014. Our audit addressed the following related question:

- Does the Board provide adequate oversight of the Clerk-Treasurer's financial duties to safeguard Village assets?

Audit Results

The Board needs to improve its oversight of the Clerk-Treasurer's financial duties. This oversight becomes more important in an environment such as the Village where one person, the Clerk-Treasurer, performs nearly all of the key functions related to processing financial transactions. We found that the Clerk-Treasurer performed incompatible cash receipt and disbursement duties, including collecting and depositing taxes and payments, recording them in the accounting records and depositing them in the bank. Also, the Clerk-Treasurer did not make deposits on a timely basis. For example, we found that the Clerk-Treasurer deposited cash receipts totaling \$76,913 more than 20 days after she had collected them.

The Board did not provide adequate oversight of the Clerk-Treasurer's cash receipt and disbursement duties, such as auditing claims prior to approving them. The Board reviews and approves abstracts (lists of claims) prepared by the Clerk-Treasurer but does not examine the underlying supporting documentation to determine whether they are legitimate Village expenditures. Because the Board does not implement sufficient compensating controls to properly oversee the Clerk-Treasurer's work and does not audit claims prior to payment, the Village has an increased risk that it could make incorrect or inappropriate payments.

Although the Clerk-Treasurer provided monthly reports to the Board, the budget-to-actual reports did not include all expenditure accounts or any revenue accounts. Consequently, the Board does not have all necessary financial information to properly monitor the Village's finances.

In addition, the Board did not provide instructions or deadlines for the Clerk-Treasurer to prepare and file the annual financial report with the Office of the State Comptroller. We found that the Clerk-Treasurer has not submitted the required annual financial report for the 2011-12 through 2013-14 years. The Board also did not audit the Clerk-Treasurer's reports or supporting documents or cause them to be audited. Because the Board did not conduct an annual audit or cause an audit to be performed, it is limited in its ability to effectively monitor the Village's financial operations.

Comments of Village Officials

The results of our audit and recommendations have been discussed with Village officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Village officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

Introduction

Background

The Village of Clayville (Village) is located in the Town of Paris (Town) in Oneida County (County) and has a population of approximately 350 residents. The Village provides various services to its residents, including water, sewer,¹ solid waste disposal (refuse), fire protection,² snow removal and general governmental support. The Village's 2014-15 budgeted appropriations totaled \$491,436, which were funded primarily with real property taxes, user fees, contracts for services and sales taxes.

The Village is governed by an elected five-member Village Board (Board), which includes the Village Mayor (Mayor) and four trustees. The Board is responsible for the general oversight and control of the Village's operations and finances. The Mayor serves as the chief executive officer and appoints the Clerk-Treasurer who serves as the chief fiscal officer. The Clerk-Treasurer is responsible for maintaining custody of Village moneys, receiving and disbursing funds, maintaining the accounting records and preparing monthly and annual financial reports.

Objective

The objective of our audit was to review the Board's oversight of Village financial operations. Our audit addressed the following related question:

- Does the Board provide adequate oversight of the Clerk-Treasurer's financial duties to safeguard Village assets?

Scope and Methodology

We examined the Village's financial records for the period June 1, 2013 through December 31, 2014.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix B of this report. 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.

¹ The Village has sewer service, but the infrastructure is owned and maintained by the County. The Village performs minimal repairs on the system and collects and remits all sewer rents to the County. The County pays a small service fee to the Village for this service.

² The Village has its own fire department, and it contracts with the Town to provide fire protection services to Town residents and businesses.

**Comments of
Village Officials and
Corrective Action**

The results of our audit and recommendations have been discussed with Village officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Village officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

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 forwarded 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 this plan available for public review in the Clerk-Treasurer's office.

Board Oversight

The Board is responsible for overseeing and managing the Village's financial operations and ensuring that policies and procedures are in place to safeguard financial resources. When incompatible financial duties cannot be segregated, the Board should establish compensating controls to adequately safeguard Village assets. The Board must ensure that the Clerk-Treasurer provides it with sufficient financial information to monitor operations, deposits cash collected in a timely manner and files the Village's financial reports on a timely basis. In addition, the Board must annually audit the Clerk-Treasurer's records to help ensure Village moneys are properly accounted for.

The Board needs to improve its oversight of the Clerk-Treasurer's financial duties. The Board did not adequately segregate the Clerk-Treasurer's duties or implement compensating controls to properly oversee her work. Also, the Clerk-Treasurer did not provide the Board with comprehensive financial reports so that it could properly oversee the Village's financial activities. In addition, the Board did not ensure that the Clerk-Treasurer filed the Village's annual financial reports in a timely manner. Lastly, the Board did not annually audit the Clerk-Treasurer's records. Although our audit testing did not disclose any instances of fraud, these deficiencies increase the risk that inappropriate payments or errors could be made and remain undetected.

Segregation of Duties

An effective system of internal controls provides for the segregation of duties so that no one individual controls all phases of a transaction. The same person should not have the ability to authorize, execute and record a transaction or control the entire cash receipt and disbursement process. If it is not feasible to segregate duties, the Board must implement compensating controls such as providing oversight of the work performed by the individual who has incompatible duties.

The Clerk-Treasurer had incompatible duties related to collecting cash receipts, recording transactions, depositing cash receipts and disbursing funds. The Board did not mitigate the risk inherent in the Clerk-Treasurer's inadequately segregated financial duties by providing adequate oversight of her work and duties performed.

Cash Receipts – To ensure that all real property taxes and water, refuse and sewer payments are collected, the Clerk-Treasurer should establish control accounts³ for these receivables that show total

³ A control account is a summary account that reflects the activity in all customer accounts. The balance in a control account should be equal to the total of all customer accounts.

amounts to be collected and a history of all payments and adjustments. Control accounts are useful tools that help Village officials monitor the amount of revenue collected and determine whether there are any amounts remaining unpaid and overdue. To provide adequate oversight of the Clerk-Treasurer's work, a Village official who is independent of the cash receipts process should reconcile these control accounts to the total of the individual taxpayer or customer account balances and resolve any differences.⁴ Also, according to New York State Village Law, all moneys collected must be deposited within 10 days of receipt.

The Clerk-Treasurer collects and deposits real property taxes; water, refuse and sewer payments; and general Village receipts and records them in the accounting records. No one performs an effective review of the Clerk-Treasurer's work to help ensure all receipts are properly accounted for and deposited. In addition, the Clerk-Treasurer does not maintain receivable control accounts for property taxes or water, refuse and sewer billings. As a result, the Board is unable to compare control accounts with the totals of taxpayer and customer accounts to identify differences that may need further investigation.

We reviewed revenues totaling \$192,978⁵ received during our audit period to determine whether the Clerk-Treasurer deposited them in Village bank accounts. We also traced all real property tax receipts received during our audit period and a sample of water, refuse and sewer payments totaling \$186,943⁶ to bank deposits and the accounting records. In addition, we randomly selected two months⁷ during our audit period and traced all revenues received totaling \$89,788 as indicated in daily receipt records to the accounting records and deposits to determine whether they were properly recorded and deposited in the Village's bank accounts. We found that the Clerk-Treasurer generally recorded and deposited cash receipts properly.

However, we found that the Clerk-Treasurer did not make deposits on a timely basis. For example, cash receipts totaling \$76,913 that the Clerk-Treasurer received on June 7, 2013, were not deposited until June 27, 2013, more than 20 days after she had collected them. When

⁴ Differences could be attributed to recording errors, unauthorized adjustments to customer accounts or payments recorded to customer accounts that were not deposited.

⁵ The \$192,978 in combined revenues includes fire protection contract payments totaling \$95,750, County sales tax payments totaling \$79,990, State aid revenue totaling \$9,089 and franchise and utility fees totaling \$8,149.

⁶ The \$186,943 in combined receipts includes real property tax collections totaling \$141,172 and water, refuse and sewer payments totaling \$45,771. Refer to Appendix B for information on our sample selection for the water, refuse and sewer payments.

⁷ June 2013 and October 2014

the Clerk-Treasurer does not deposit cash receipts in a timely manner, the Village has an increased risk that moneys collected could be lost or misused.

Beginning in September 2014, one Board member, on a rotating basis, began verifying the Clerk-Treasurer's deposits on a monthly basis by comparing cash collected to the amounts recorded in the daily receipt records. However, because the Board member does not verify whether the Clerk-Treasurer actually deposited these funds in the bank, this review does not provide an adequate compensating control for the Clerk-Treasurer's incompatible duties.

Cash Disbursements – Village Law requires the Board to audit and approve claims prior to the Treasurer disbursing payments. In addition, an important component of internal controls over payroll is the requirement that a Village official certifies the payroll,⁸ which helps ensure that the persons included in the payroll have performed their duties in accordance with the terms of their respective collective bargaining agreement or any employee contract with the Village. By certifying the payroll, Village officials attest to the validity of the payroll and authorize the Village to pay those employees. A signature stamp should be used only by the individual whose name it bears or under that person's direct supervision, and it should be stored in a secure location.

The Clerk-Treasurer performed incompatible cash disbursement duties, including processing claim payments and payrolls, maintaining the central accounting records, preparing and signing checks, making bank transfers and performing bank reconciliations with limited oversight. The Board did not provide adequate oversight of the Clerk-Treasurer's cash disbursement duties, such as auditing claims prior to approving them.

Village officials told us that the Board does not audit claims before approving them for payment. The Board reviews and approves abstracts (lists of claims)⁹ prepared by the Clerk-Treasurer, but does not examine the underlying supporting documentation for the claims, such as receipts and invoices, to determine whether they are legitimate Village expenditures. Although this information is available for

⁸ Certifying the payroll includes reviewing payments for accuracy then signing and dating the payroll to indicate it has been reviewed.

⁹ The abstracts contain only the appropriation account the funds will be drawn from for each claim, payee and amount to be paid. Because this information does not provide enough information to determine whether the claims are proper Village expenditures, reviewing the abstracts alone does not constitute an adequate audit of claims.

review at the Board's monthly meetings, only the Mayor examines this supporting documentation. However, the Mayor performs this detailed audit after the Board has approved the abstracts.

Similar to the importance of reviewing claims before they are paid, a Village official must certify payrolls before authorizing the Treasurer to disburse payroll payments. Prior to March 2014, the Mayor reviewed the payrolls on a monthly basis after the Clerk-Treasurer had already disbursed the payroll checks. After that date, the Mayor began reviewing the completed payroll each week before cosigning the payroll checks with the Clerk-Treasurer.¹⁰

Another internal control over cash disbursements involves requiring more than one signature on Village checks. Prior to March 2014, the Village required only one signature on Village checks, and the Clerk-Treasurer was the only individual who signed the checks. After that date, the Mayor began cosigning checks with the Clerk-Treasurer. However, the Mayor had a signature stamp that the Clerk-Treasurer could use to cosign checks without his involvement, which was accessible to the Clerk-Treasurer until February 2015. After this date, the Mayor removed the signature stamp from Village property. The presence of a signature stamp limits the reliability of dual signatures as a control.

Although the Mayor's actions have helped improve controls, additional oversight is still needed because no one reviews the bank statements, canceled checks or the Clerk-Treasurer's recorded cash balances and bank reconciliations to determine whether payments and transfers are properly authorized and accounted for and whether the bank reconciliations are accurate.

We reviewed 132 canceled checks totaling \$125,028¹¹ disbursed during our audit period to determine whether the payments were properly supported by vendor claims, approved by the Mayor, included on abstracts approved by the Board and for legitimate business purposes. From our review of these canceled checks, we found that the Clerk-Treasurer did not include all claims on abstracts or retain supporting documentation for all claims. In addition, the Mayor did not sign all claims to indicate that he audited them before they were paid. Examples of these deficiencies are as follows:

- Five claims totaling \$18,228 were not included on abstracts.
- Six claims totaling \$13,595 were not signed by the Mayor to indicate that he audited them before they were paid.

¹⁰ The Mayor began documenting his review during the audit based on our recommendation.

¹¹ Refer to Appendix B for more information on our sample selection.

- Twelve checks totaling \$4,210 were not supported by vendor invoices.

We also reviewed the 2013-14 fiscal year salary payments totaling \$38,980 made to the Mayor and Clerk-Treasurer to determine whether they were consistent with Board-approved salaries. In addition, we reviewed all 2013-14 payments totaling \$13,344 made to remaining Board members for payroll expenditures. Lastly, we reviewed all bank statements for our audit period to determine whether all bank withdrawals, charges or transfers totaling \$52,749 were for legitimate purposes. We did not find any significant discrepancies with the claims, payroll payments or bank withdrawals, charges or transfers.

Although we did not find any improper payments or irregularities, because the Board does not implement sufficient compensating controls to properly oversee the Clerk-Treasurer's work and does not audit claims prior to payment, the Village has an increased risk that it could make incorrect or inappropriate payments.

Financial Reports

The Board should ensure that it receives timely, accurate and complete financial reports so it can monitor and evaluate the Village's financial condition. Good management practices require the Clerk-Treasurer to provide monthly financial reports to the Board that include, at a minimum, cash receipts and disbursements for the month, bank reconciliations for each fund and budget-to-actual comparisons of both revenues and expenditures. Also, the Clerk-Treasurer is responsible for filing the Village's annual financial report with the Office of the State Comptroller (OSC) within 60 days of the close of the fiscal year. The annual financial report is a representation of the Village's financial position and results of operation. While it is the Clerk-Treasurer's responsibility to complete and file this report, the Board should have procedures in place to ensure that the Treasurer prepares and submits it in a timely manner.

The Clerk-Treasurer provides monthly reports to the Board showing cash receipt and disbursement totals, bank reconciliations and budget-to-actual comparisons. However, the Clerk-Treasurer does not include all expenditure accounts¹² or any revenue accounts in the budget-to-actual reports. According to the Clerk-Treasurer and Mayor, the Board instructed her to include specific accounts in the budget-to-actual reports. Without complete budget-to-actual reports, the Board does not have all necessary financial information to properly monitor the Village's finances.

¹² Excluded expenditure accounts included salaries, the Mayor's and trustees' expenditures, administrative support, the fire station bond, interfund transfers, dog control and code enforcement expenditures and all water and sewer accounts.

In addition, the Board did not provide instructions or deadlines for the Clerk-Treasurer to prepare and file the annual financial report. As a result, the Clerk-Treasurer has not submitted the required annual financial report to OSC for the 2011-12 through 2013-14 years. Without the timely filing of the annual financial report, the Board lacks an important tool for adequately monitoring the Village's financial condition and operations, and taxpayers are denied transparency as to how their tax dollars are being spent.

Annual Audit

Village Law requires that the Board annually audit the Clerk-Treasurer's records and reports or cause them to be audited by a Village officer or employee or by an independent auditor. The annual audit provides the Board with an added measure of assurance that public moneys are being handled properly (i.e., deposited in a timely manner and accurately reported and accounted for) and financial records and reports contain reliable information on which to base management decisions. It also gives the Board the opportunity to monitor the Clerk-Treasurer's fiscal procedures. The annual audit is especially important when there is limited or no segregation of duties.

During our audit period, the Board did not audit the Clerk-Treasurer's reports or supporting documents or cause them to be audited. The Mayor acknowledged that an audit has not been conducted since he has been an official at the Village, which is approximately eight years.¹³ Because the Board did not conduct an annual audit or cause an audit to be performed, it is limited in its ability to effectively monitor the Village's financial operations. As a result, the Village has an increased risk that errors or irregularities could occur and remain undetected and uncorrected.

Recommendations

The Clerk-Treasurer should:

1. Establish and maintain receivable control accounts for real property taxes and for water, refuse and sewer rents and periodically reconcile these accounts with the total of the individual taxpayer/customer detail records of unpaid amounts. The Clerk-Treasurer should periodically provide reconciliations and supporting documentation to the Board or other designated official for independent review.
2. Deposit all moneys collected within 10 days of receipt.
3. Include all claims on abstracts.
4. Retain supporting documentation for all claims.

¹³ The Mayor took office in 2011 and had previously served on the Board since 2007.

5. Include all revenue and expenditure accounts in the budget-to-actual reports.
6. Prepare and submit the Village's annual financial report within 60 days of the close of the fiscal year.

The Board should:

7. Evaluate and, where practicable, assign duties and responsibilities so that the Clerk-Treasurer's duties are adequately segregated. Where it is impractical to segregate duties, the Board should provide adequate oversight of the Clerk-Treasurer's duties and work performed.
8. Review each vendor claim for appropriateness before approving the abstract.
9. Ensure that the Clerk-Treasurer prepares and files the annual financial report with OSC within 60 days after the close of the year.
10. Conduct an audit, or arrange for an audit, of the Clerk-Treasurer's records and reports on an annual basis.

APPENDIX A

RESPONSE FROM VILLAGE OFFICIALS

The Village officials' response to this audit can be found on the following pages.

VILLAGE OF CLAYVILLE

2505 Foundry Place
Clayville, New York 13322
Phone & Fax #: 315-839-6222
Clayville.net
Incorporated 1887

September 30, 2015

Office of the State Comptroller
Attn: Rebecca Wilcox, Chief Examiner
State Office Building, Room 409
333 East Washington Street
Syracuse, N.Y. 13202

Re: Audit Response to Draft Report of Examination (2015M-115)

Dear Ms. Wilcox:

I met with auditors from your Syracuse Office on September 17, 2015 at my office in the Village of Clayville regarding the Report of Examination for the village finances for the period June 1, 2013 – December 31, 2014. The meeting was attended by myself and the Village Clerk-Treasurer.

During this review, your auditors covered the draft report in detail, allowing us ample time for questions, discussion and comments. The audit reviewed several aspects of the village's process for receiving revenue, budgeting, and expenditures. Additionally we discussed the oversight process of the village board concerning all aspects of the village finances and expenditures.

I can tell you that at least a couple of the procedures were modified during your audit to come into compliance with your auditor's findings. Specifically, the mayor, or one of the village trustees, began verifying the cash deposits prior to their deposit into the bank, filling out a form listing all cash and checks, and verifying the total amounts for each and total deposit. We also began to review and verify the actual deposit slip against the bank statements as they come in.

While I am well aware that there are several items of concern regarding separation of duties and board oversight, I am going to take advantage of the required time allotments given by the State Comptroller to develop a Correction Action Plan (CAP) for the village.

This letter shall serve as acknowledgement that I have met with your auditors, and have reviewed the draft audit, and agree with all of your findings and most of your recommendations.

Because we are a two person office, and a board of four trustees, I may not be able to form a financial review committee to report to the full board. I will, however, make every effort to comply with all aspects of the

audit. I will attempt to be thorough in the development of my corrective action plan and to address each of the findings of the audit and their corresponding recommendations.

I hope that this response to the draft audit report is sufficient to meet your needs and requirements. If it is lacking in any manner, please contact me. I will be happy to try and accommodate your requests.

Respectfully,

Terry P. Dóte, Mayor
Village of Clayville

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

The objective of our audit was to review the Board's oversight of Village financial operations from June 1, 2013 through December 31, 2014. To accomplish our objective and obtain relevant audit evidence, our procedures included the following:

- We interviewed Village officials and reviewed Board minutes, financial records and reports to gain an understanding of Board oversight.
- We performed an assessment of the internal controls in place, including segregation of duties over cash receipts and disbursements, to determine their overall existence and effectiveness.
- We obtained a list of payments made to the Village during our audit period by New York State, Oneida County, utility companies (utility franchise fees) and the Town (for fire protection services). We reviewed quarterly utility franchise fee statements and fire protection contracts between the Town and the Village. We traced these payments to the Clerk-Treasurer's accounting records and deposits in the bank statements. During our audit period, these revenues totaled \$192,978 and consisted of State aid, County sales tax, utility franchise fee revenues and revenues for fire protection service to the Town.
- For property tax receipts, we traced the 2014-15 tax levy totaling \$148,354 and unpaid water and refuse charges (relevies) totaling \$14,596, for a combined total of \$162,950, from the budget and unpaid water and refuse lists to the revenues entered in the accounting records and to the bank deposits. Of the \$162,950, the Clerk-Treasurer was able to collect \$141,172. The Village requested the difference – \$21,742 after \$36 in billing adjustments – as reimbursement from the County.
- For water, sewer, and refuse receipts, we obtained the collection reports totaling \$41,878 from the utility software program for two randomly selected, quarterly billing periods (March through May 2014 and June through August 2014). We traced these revenues to the Clerk-Treasurer's accounting records and to the bank deposits. We also selected and reviewed 24 individual customer accounts from meter reading sheets and refuse enrollment lists for one randomly selected quarterly billing period (December 2013 through February 2014) to verify whether the customers' water and sewer usage and refuse enrollment for each customer agreed with the billing register. We also verified whether the total charges for these customers (\$3,893) from the billing register were correctly reported in the payment registers. We verified whether the customers' usage and associated charges were properly reported in each individual customer account record. We confirmed whether any unpaid charges were carried forward as payable for the next billing or were included as a relieved tax at the end of the 2013-14 year. Our customer sample included every seventh customer listed in the meter reading sheets, totaling 24 customers.
- For two randomly selected calendar months (June 2013 and October 2014), we traced all revenues collected by the Clerk-Treasurer totaling \$89,788 from the daily receipt records

to the bank deposits and accounting records to ensure they were deposited in the Village's bank accounts and were properly recorded in the accounting records. For June 2013, revenues collected were from June 7 through 26, 2013. For October 2014, revenues collected were from September, 30, 2012 through October 22, 2014.

- We reviewed 132 canceled checks totaling \$125,028 disbursed during our audit period to determine whether the payments were properly supported by vendor claims and payrolls, approved by the Mayor, included on abstracts approved by the Board (for vendor claims) and for legitimate business purposes. Of the 132 checks, we randomly selected 98 totaling \$99,523 by sampling 10 percent of all checks from each bank account. We selected the remaining 34 totaling \$25,505 based on high-risk factors, which included payments to vendors with unrecognizable names and payments to vendors that could potentially be for personal use rather than for Village purposes.
- We reviewed 2013-14 salary payments to the Clerk-Treasurer, Board members and the Mayor to ensure they were paid according to Board-authorized amounts.
- We interviewed Village officials to determine whether guidelines were in place for preparing and filing the annual financial report and to determine whether the Clerk-Treasurer's records and reports were audited annually.

We conducted this performance audit in accordance with 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

APPENDIX C

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