



Town of Springport Financial Management

Report of Examination

Period Covered:

January 1, 2012 — December 31, 2014

2014M-329



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

August 2015

Dear Town 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 Board governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of the Town of Springport, entitled Financial Management. 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 Town 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 Town of Springport (Town) is located in Cayuga County and has a population of approximately 2,400 residents. The Town is governed by a Town Board (Board) comprising the elected Town Supervisor¹ (Supervisor) and four elected Board members. The Board is the legislative body that is responsible for the overall management of the Town, including oversight of Town operations and finances and adopting and monitoring the budget.

The Supervisor is the chief fiscal officer and is responsible for maintaining a record of all receipts, expenditures and account balances, and for providing the Board with timely, accurate and useful financial information. The Supervisor oversees a bookkeeper who carries out the Supervisor's responsibilities of maintaining the accounting records. The bookkeeper also provides financial reports to the Supervisor and the Board. The Supervisor, as budget officer, is responsible for compiling the initial budget estimates and producing the tentative budget subject to the Board's approval. The entire Board is responsible for adopting and monitoring the budget and ensuring the Town's sound financial position.

The Town provides various services to its residents including general administration, highway maintenance, snow removal, water and sewer service and a Justice Court. Budgeted appropriations for 2013, 2014 and 2015 totaled \$2.04 million, \$1.98 million and \$1.97 million, funded primarily with real property taxes, special assessments, water and sewer rents and State aid. The town-wide (TW) general fund has a tax base that encompasses the entire Town, including the Village of Union Springs (Village). The town-outside-village (TOV) funds have tax bases that encompass only the portion of the Town that lies outside of the Village.

Scope and Objective

The objective of our audit was to review the Town's financial management and budgeting practices for the period January 1, 2012 through December 31, 2014. We extended our scope back to January 1, 2009 to compare fund balance and actual revenue and expenditure amounts to budgeted amounts for trend analysis. Our audit addressed the following related question:

- Is the Board providing adequate oversight and management of the Town's budget?

¹ The former Supervisor referred to in this report left office on December 31, 2011 and the current Supervisor began his term on January 1, 2012

Audit Results

We found that the Board did not provide adequate oversight and management of the Town's financial operations within the TW general fund. In 2009, the Board began planning to make renovations and improvements on the town hall and had planned to fund and use an existing building reserve to finance the improvements. However, the Town Clerk could not provide us documentation of a Board resolution that properly established this building reserve. The project had a total estimated cost of \$600,000. In January 2011, the Town used appropriations outside of the building reserve totaling \$60,900 to pay for planning and architectural design work for the building improvements. In March 2011, the Board adopted a resolution to expend up to \$500,000 from the building reserve, subject to permissive referendum. A referendum was held on June 9, 2011, and the residents voted against the use of the reserve for this project.

Also, the Town was improperly charging rent to the TOV general and highway funds as a method to fund the TW general fund's building reserve. Furthermore, the annual budgets prepared by the former Supervisor did not properly designate rent revenue to go into the building reserve. As a result, a combined total of \$579,200 was placed into the building reserve during 2010 and 2011 that was not directly apparent to Town taxpayers. Additionally, we reviewed the building reserve's cash activity for 2014 and found that the Town transferred a total of \$140,835 from this building reserve to the general savings account. Because the Town made these transfers, the building reserve's cash balance was reduced to \$408,754 at the end of 2014. Because the Town did not develop policies and procedures to adequately convey its long-term plans for the building reserve, the current Board has been using the building reserve to fund TW general fund expenditures.

In addition, we found that the Board and Town officials have not developed policies and procedures to govern budgeting practices and the level of fund balance to maintain. The Board had underestimated revenues by \$138,128 (17 percent) and overestimated expenditures by \$629,708 (32 percent) from fiscal years 2009 through 2014 for the TW general fund, causing consistent positive budgetary variances totaling \$767,836. Although several years of positive budgetary variances should cause significant increases in fund balance, we found that the Town extensively funded the building reserve, which kept fund balance at reasonable amounts from 2009 through 2011. However, the Board appropriated more fund balance than was actually available for 2013, 2014 and 2015. Town officials must now develop a plan to improve the Town's financial condition.

Comments of Local Officials

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

Introduction

Background

The Town of Springport (Town) is located in Cayuga County and has a population of approximately 2,400 residents. The Town is governed by a Town Board (Board) comprising the elected Town Supervisor² (Supervisor) and four elected Board members. The Board is the legislative body responsible for the overall management of the Town, including oversight of Town operations and finances and adopting and monitoring the budget.

The Supervisor is the chief fiscal officer and is responsible for maintaining a record of all receipts, expenditures and account balances, and for providing the Board with timely, accurate and useful financial information. The Supervisor oversees a bookkeeper who carries out the Supervisor's responsibilities of maintaining the accounting records. The bookkeeper also provides financial reports to the Supervisor and the Board. The Supervisor, as budget officer, is responsible for compiling the initial budget estimates and producing the tentative budget subject to the Board's approval. The entire Board is responsible for adopting and monitoring the budget and ensuring the Town's sound financial position.

The Town provides various services to its residents including general administration, highway maintenance, snow removal, water and sewer service and a Justice Court. Total 2013, 2014 and 2015 budgeted appropriations were \$2.04 million, \$1.98 million and \$1.97 million, funded primarily with real property taxes, special assessments, water and sewer rents and State aid. The general town-wide (TW) fund has a tax base that encompasses the entire Town, including the Village of Union Springs (Village). The town-outside-village (TOV) funds have tax bases that encompass only the portion of the Town that lies outside of the Village.

Objective

The objective of our audit was to review the Town's financial management and budgeting practices. Our audit addressed the following related question:

- Is the Board providing adequate oversight and management of the Town's budget?

² The former Supervisor referred to in this report left office on December 31, 2011 and the current Supervisor began his term on January 1, 2012.

**Scope and
Methodology**

We examined the Town’s fund balance and budget monitoring for the period January 1, 2012 through December 31, 2014. We extended our scope back to January 1, 2009 to compare fund balance and actual revenue and expenditure amounts to budgeted amounts for trend analysis.

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.

**Comments of
Local Officials and
Corrective Action**

The results of our audit and recommendations have been discussed with Town officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Town officials generally agreed with our findings and indicated they plan 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 the 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’s office.

Financial Management

The Board is responsible for making sound financial decisions that balance the level of services desired and expected by the Town's taxpayers with the ability and willingness of the taxpayers to pay for such services. It is important that the Board adopt long-term plans that set forth the Town's financial objectives and goals, and written policies and procedures to govern budgeting practices and the level of fund balance to maintain in each fund, including legally-authorized reserves.

The Board did not provide adequate oversight and management of the Town's financial operations within the TW general fund. The Board placed a combined total of \$579,200 into a building reserve during 2010 and 2011 that was not directly apparent to taxpayers. Also, Town officials have not developed policies and procedures to govern budgeting practices, to determine the level of fund balance to maintain and to convey long-term plans for the building reserve to taxpayers. The Supervisor did not provide the Board with monthly budget status reports,³ which contributed to the Board's underestimation of revenues and overestimation of expenditures in the TW general fund from fiscal years 2009 through 2013. These practices caused consistent positive budgetary variances totaling \$670,000 for the five years reviewed. While these variances should have caused significant increases in unexpended surplus funds,⁴ the Town extensively funded the building reserve from fiscal years 2009 through 2011, which kept fund balance at reasonable levels. Further, the Board appropriated more fund balance than was actually available for 2013, 2014 and 2015, which led to fund balance deficits totaling \$80,160 in 2012, \$161,456 in 2013 and \$136,153 in 2014. Town officials must now develop a plan to improve the Town's financial condition.

Reserves

Reserve funds may be established by Board action, pursuant to various laws, and are used as a budgeting tool to finance all or part of future capital outlays and other allowable purposes. The statutes under which the reserve funds are established determine how the reserves

³ A budget status report shows budgeted-versus-actual revenues and expenditures.

⁴ The Governmental Accounting Standards Board (GASB) issued Statement 54, which replaces the fund balance classifications of reserved and unreserved with new classifications: nonspendable, restricted and unrestricted (comprising committed, assigned and unassigned funds). The requirements of Statement 54 are effective for fiscal years ending June 30, 2011 and beyond. To ease comparability between fiscal years ending before and after the implementation of Statement 54, we will use the term "unexpended surplus funds" to refer to that portion of fund balance that was classified as unreserved, unappropriated (prior to Statement 54) and is now classified as unrestricted, less any amounts appropriated for the ensuing year's budget (after Statement 54).

may be funded, expended or discontinued.⁵ Furthermore, the funding of reserve funds should be included in the annual budget. Reserves should not be routinely funded at year end through unexpended surplus funds. Making clear provisions to raise resources for reserve funds in the proposed budget will give taxpayers the opportunity to know the Board's plan for funding reserves, which increases transparency. When the funding of reserves is not adopted in the annual budget, a Board resolution⁶ is generally necessary to fund the reserve.

It is important that the Town maintains reserve balances that are reasonable to meet the anticipated needs they are established to finance. Therefore, it is important that the Board adopt written policies that communicate the rationale for establishing reserve funds, objectives for each reserve established, optimal or targeted funding levels and conditions under which a fund's assets will be used or replenished.

The former Supervisor informed us that the Board began planning to make renovations and improvements on the town hall around 2009. The Board had planned to fund and use an existing "Town Building Capital Reserve Fund"⁷ (building reserve) to finance the building improvements. The project had a total estimated cost of \$600,000. In January 2011, the Town used appropriations outside of the building reserve totaling \$60,900 to pay for planning and architectural design work for the building improvements. In March 2011, the Board adopted a resolution to expend up to \$500,000 from the building reserve, subject to permissive referendum. A referendum was held on June 9, 2011, and the residents voted against the use of the reserve for this project.

⁵ Towns may establish a number of different kinds of reserves in accordance with General Municipal Law (GML). To establish a capital reserve fund, the Board must adopt a resolution for either a "specific or type" capital reserve. The Board may adopt a resolution without referendum to establish a reserve for a "type" of capital improvement or equipment, with certain exceptions. Generally a permissive referendum is required prior to expenditure, unless the period of probable usefulness is less than five years. Expenditures from reserve funds must also be authorized by Board resolution.

⁶ The resolution should specify the amount to be designated to the reserve fund, which helps promote visibility of the Board's actions to taxpayers.

⁷ The Clerk could not provide us documentation showing a Board resolution establishing the building reserve. However, we found compelling evidence of persistent course of conduct by the Board in treating and characterizing funds as a building reserve fund. For example, the Board's resolution to expend moneys from the building reserve in 2011 and the referendum that followed are indications that the Board believed that it had a building reserve. In addition, the Annual Update Document and the accounting records identify a building reserve. Therefore, we will treat the cash in the building reserve as restricted fund balance for purposes of our analysis.

The means of financing and accounting for the building reserve were not transparent during our audit period. The building reserve's main source of financing was rental charges assessed against the TOV general and highway funds. Town officials told us that the town hall and the highway department are housed in one building, and it led them to believe that charging rent to the TOV funds was a proper transaction. However, costs associated with erecting and maintaining Town buildings are charges against the TW general fund and there is no authority to charge rent to these TOV funds. Further, there is no authority to transfer moneys between these funds, which are financed by different groups of taxpayers.

The adopted budgets for fiscal years 2009 through 2013 showed estimated rent revenues totaling approximately \$500,000 in the TW general fund and appropriations totaling approximately \$500,000 as a building expense (for rent) in the TOV general and highway funds; however, the moneys were not designated to go directly into the building reserve. The Board did not adopt resolutions designating this revenue stream to the building reserve, nor did the budgets and accounting records indicate these revenues were restricted for the building reserve. The bookkeeper recorded the revenue received as an unrestricted revenue of the TW general fund. Periodically, the bookkeeper increased the building reserve's cash balance in the accounting records for the rent received; however, the bookkeeper did not adjust the building reserve's fund balance and continued to report the accumulated balance as unexpended surplus funds.

For example, the bookkeeper reclassified rent revenue accumulated in the TW general fund savings account from fiscal years 2006 through 2009 totaling \$226,700 as building reserve cash in June 2010. Also, the bookkeeper reclassified rent revenue budgeted in 2010 and 2011 totaling \$127,500 and \$225,000 to the reserve at the end of December and November, respectively. The transfers of moneys into the reserve were apparent in the accounting records; however, the Board minutes do not indicate the Board's approval of these transfers.

Lastly, Town officials did not develop formal, written policies to convey the Board's long-term plans for the building reserve to taxpayers. As a result, taxpayers did not receive important financial information about the reserve and were unaware of the significant accumulation of moneys in the reserve. Had Town officials included written policies and procedures for the building reserve, the Board's plans for the reserve may have been more apparent to taxpayers.

Budget Monitoring and Fund Balance

The Board should adopt budgets that include realistic estimates of revenues and expenditures. Budget estimates should be based on actual financial results from prior years, along with other relevant available data, and use appropriated fund balance as a funding source, when appropriate. Estimating fund balance is an integral part of the budget process. Fund balance represents moneys remaining from prior years that can be appropriated to finance the next year's budget. When developing a budget, it is important for Town officials to have detailed and agreed-upon procedures to help ensure that the Town properly accounts for and maintains a reasonable level of fund balance as a financial cushion for unforeseen expenses. The Board may also establish and place moneys into reserve funds to finance the future costs of capital acquisitions and other allowable purposes. The Board is responsible for closely monitoring the financial condition of the Town's operating funds. This includes reviewing interim financial reports provided by the Supervisor that contain month-end cash balances for all funds and a comprehensive budget status report.⁸

The Board has not established formal policies for developing and monitoring budgets. Additionally, the Board has not appropriately budgeted for estimated revenues and expenditures in the TW general fund, which has resulted in significant positive budget variances. As indicated in Figure 1, the Board routinely underestimated revenues and overestimated expenditures for the six fiscal years (2009 through 2014). Underestimated revenues totaled \$138,128 (17 percent) and overestimated expenditures totaled \$629,708 (32 percent), for a total positive budget variance of \$767,836 during this time.

Figure 1: TW General Fund Budget-to-Actual Revenues and Expenditures^a

	2009	2010	2011	2012 ^b	2013	2014	Totals
Budgeted Revenues	\$164,614	\$162,764	\$300,819	\$45,819	\$35,819	\$44,244	\$754,079
Actual Revenues	\$199,014	\$203,416	\$304,347	\$80,955	\$56,743	\$47,732	\$892,207
Underestimated Revenues	\$34,400	\$40,652	\$3,528	\$35,136	\$20,924	\$3,488	\$138,128
Budgeted Expenditures	\$351,640	\$354,074	\$489,474	\$236,733	\$253,989	\$320,461	\$2,006,371
Actual Expenditures	\$168,159	\$182,004	\$351,737	\$205,601	\$243,118	\$226,044	\$1,376,663
Overestimated Expenditures	\$183,481	\$172,070	\$137,737	\$31,132	\$10,871	\$94,417	\$629,708
Total Positive Budget Variance	\$217,881	\$212,722	\$141,265	\$66,268	\$31,795	\$97,905	\$767,836

^a Real property taxes have been excluded from both budgeted and actual revenue amounts for perspective.
^b Revenues declined from 2012 on because the general fund stopped charging rent to the TOV funds and then using it to fund the building reserve.

⁸ Town Law requires the Supervisor to furnish the Board a detailed statement of all moneys disbursed and collected each month. It is good management practice to include a comprehensive budget status report containing current budgeted-versus-actual figures.

The most consistently underestimated revenues in the 2009 through 2014 budgets were State aid and mortgage tax revenues, which had total positive budget variances of \$65,550 (236 percent) and \$78,500 (121 percent), respectively. Although it is prudent to budget conservatively for variable revenues such as these, the Town reported revenues at least twice as much as what was budgeted for in each year reviewed.

Overestimated expenditures were largely due to building contractual costs. We found that, from 2009 through 2011, the Board budgeted a combined total of \$367,400⁹ for building contractual and capital reserve building contractual appropriations that were not used. A Board member informed us that the Board appropriated moneys in those years for the upcoming building improvement, but it was not certain when the moneys would be used. More specifically, in 2009 and 2010, the Board budgeted \$250,000 for capital reserve building contractual expenditures but used about \$1,750¹⁰ in 2009 (1 percent) and none in 2010. Further, in 2011, the Board budgeted \$150,000 in the building contractual account but expended \$64,000 (43 percent). The Board stopped budgeting for these items in 2012, the year after the taxpayers voted against expending building reserve funds for the proposed capital improvements. As a result, budgeted-to-actual variances for expenditures became more reasonable after 2011.

Without a formalized budget process, the Board repeatedly adopted unrealistic budgets for the TW general fund. While the positive budget variances should have caused significant increases in unexpended surplus funds, the Town's extensive funding of the building reserve from fiscal years 2009 through 2011 kept fund balance at reasonable levels. Further, the Board appropriated more fund balance than was actually available for 2013, 2014 and 2015 as shown in Figure 2.

⁹ \$111,800 for building contractual and \$255,600 for capital reserve building contractual

¹⁰ For architectural and building planning work in September 2009. There was no Board resolution stating its intent to use the reserve in the minutes and a permissive referendum was not held, as required by law.

Figure 2: TW General Fund Results of Operations

	2009	2010	2011	2012	2013	2014
Beginning Fund Balance	\$337,484	\$478,339	\$609,751	\$672,361	\$657,715	\$557,340
Revenues	\$309,014	\$313,416	\$414,347	\$190,955	\$142,743	\$125,132
Expenditures	\$168,159	\$182,004	\$351,737	\$205,601	\$243,118	\$226,044
Operating Surplus/(Deficit)	\$140,855	\$131,412	\$62,610	(\$14,646)	(\$100,375)	(\$100,912)
Ending Fund Balance	\$478,339	\$609,751	\$672,361	\$657,715	\$557,340	\$456,428
Less: Restricted Fund Balance	\$185,848	\$442,471	\$591,387	\$605,705	\$548,530	\$408,754
Unexpended Surplus Funds	\$292,491	\$167,280	\$80,974	\$52,010	\$8,810	\$47,674
Appropriated For Ensuing Years	\$81,310	\$78,655	\$80,914	\$132,170	\$170,266	\$183,827
Allowable Fund Balance Appropriation	\$81,310	\$78,655	\$80,914	\$52,010	\$8,810	\$47,674

The sharp decline in unexpended surplus funds occurred, in part, because the Town transferred a combined total of \$579,200 into the building reserve during 2010 and 2011. As of December 31, 2014, this reserve had a balance of \$408,754. Because the taxpayers voted down the building project, the Town has no current capital plans to use these reserve moneys. As such, these funds are being used to partially fund TW general fund operations. The Town used a total of \$196,951 of the building reserve in 2013 and 2014 to fund TW general fund operations. In addition, the Town's adopted 2015 TW general fund budget appropriated \$183,827 of unexpended fund balance as a funding source. The Town started 2015 with available cash of \$34,966 other than the building reserve money. As a result, the Town will most likely use an additional \$148,000 of the restricted building reserve to fund 2015 TW general fund operations. Had Town officials developed written policies and procedures for funding the building reserve, available fund balance may not have been depleted to the point where the Town's ability to manage essential operational needs, emergencies and other unanticipated occurrences is limited.

We informed the Town Supervisor during the 2015 budget process that the money in the building reserve should not be used to fund TW general fund operations. However, the Town continues to use the building reserve as a funding source to fund TW general operations without taking the necessary actions to comply with GML.

Further, the Supervisor provided a monthly report to the Board that reported beginning and ending cash balances for each fund and their associated increases and decreases; however, the Supervisor did not provide the Board with a budget status report for review. Although the bookkeeper generates and prints the report each month, a Board member informed us that the Supervisor does not include the budget

status report with the Supervisor's report to the Board each month. The Board cannot properly and effectively monitor the Town's financial resources and make prudent and informed decisions that are in the best interest of Town taxpayers when it is not provided with important financial reports.

Recommendations

The Board should:

1. Research the origin of the existing building reserve. If the Board determines that the existing building reserve:
 - Was intended for the construction, reconstruction or capital improvements of Town-owned buildings, but was not established in compliance with statutory requirements, it should take necessary steps to ratify and legalize the reserve fund by following the procedure for establishing a capital reserve fund in conformance with GML, including voter approval requirements.
 - Is no longer needed, the Board should consider transferring money into other reserve funds with the same tax base to the extent permitted by GML. If the Board determines that the Town will have no foreseeable expenditures from such other reserve funds, it should consider requesting a special act of the State Legislature to authorize release of the reserve fund money to unexpended surplus funds.
2. Develop a written policy for the building reserve that communicates to taxpayers why moneys are being set aside, the Board's financial objectives for the reserve, optimal funding levels and conditions under which moneys will be utilized.
3. Ensure that all budget line items are proper and that adopted budgets appropriately convey the Board's financial plans. Furthermore, the annual financial reports should accurately reflect the Town's financial condition, including moneys in reserves, in a manner that is transparent to taxpayers.
4. Develop and adopt budgets that are structurally balanced and include realistic estimates of revenues and expenditures.

The Supervisor should:

5. Include budget status reports with the interim financial reports submitted to the Board.

APPENDIX A

RESPONSE FROM LOCAL OFFICIALS

The local officials' response to this audit can be found on the following page.

Town of Springport

Springport means business

859 State Route 326,

Cayuga, New York 13034

Phone: 315-889-7717

Email: "Dave Schenck" <d77ma@aol.com>



RE: Exit conference, NYS audit

To Whom it may concern;

I find the "draft audit report" to be accurate and extremely
Helpful to myself as I'm certain it will to our board as well .

I can find no omissions nor disagreement area's.

I also wish to commend both [REDACTED] and [REDACTED]

For the professional conduct and their helpful suggestions and advice

For going forward.

Sincerely;

Dave Schenck – town Supervisor

Springport means Business

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USDA, Director, Office of Civil rights, Washington, D.C. 20250-9410. TDD 1-800-662-1220

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

The objective of our audit was to assess the Town's financial management and budgeting practices for the period January 1, 2012 through December 31, 2014. We expanded the scope back to 2009 to review fund balance and budgeting trends. To achieve our objectives and obtain valid audit evidence, we performed the following audit procedures:

- We interviewed appropriate Town officials to gain an understanding of the Town's financial operations, budgeting, fund balance, reserves and long-term planning.
- We reviewed budget status reports and annual reports printed from the financial software and analyzed revenue and expenditure trends to determine if budgeted-to-actual variances were reasonable.
- We performed a financial analysis of Town operations for the years 2009 through 2014. This review included an assessment of fund balance for each Town fund, the determination of an operating surplus or deficit, a budget-to-actual analysis and a cash balance assessment.
- We reviewed pertinent documents, such as Town policies, Board minutes, financial records and reports.

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 objectives.

APPENDIX C

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