



Center Moriches Fire District

Fiscal Transparency

2025M-113 | December 2025

Contents

- Audit Results 1**
 - Audit Summary 1

- Fiscal Transparency: Findings and Recommendations 3**
 - Finding 1 – The Board did not obtain annual audits in a timely manner. 3
 - Recommendations 3
 - Finding 2 – The Board did not ensure the Treasurer filed the required AFRs. 4
 - Recommendations 5

- Appendix A: Profile, Criteria and Resources. 6**

- Appendix B: Response From District Officials. 8**

- Appendix C: Audit Methodology and Standards. 10**

Audit Results



Center Moriches Fire District

Audit Objective

Did the Center Moriches Fire District (District) Board of Commissioners (Board) obtain an annual audit of the District's records and ensure that the Treasurer filed the required Annual Financial Report (AFR) with the Office of the State Comptroller (OSC)?

Audit Period

December 31, 2019 – June 30, 2025.

We extended our audit period forward to November 15, 2025 to review the status of the fiscal year end 2024 annual audit and AFR filings.

Understanding the Audit Area

To promote transparency and open government, New York State Town Law (Town Law) Section 181-b requires the board of fire commissioners of a fire district with revenues of at least \$400,000, to annually obtain an audit of its records. Fire districts subject to this audit requirement must use a request for proposal (RFP) process that promotes competition when contracting for the audit and no audit engagement may be for more than five years.

New York State General Municipal Law (GML) Section 30 requires a treasurer to prepare, file with OSC and make available to the public an annual report of the fire district's financial position and results of operations, known as the AFR. The board of fire commissioners is responsible for overseeing the general management and control of the fire district's finances and should ensure that the treasurer prepares and files the AFR annually. Gaps or delays in completing annual audits or preparing and filing the required AFR undermine transparency and create missed opportunities to identify and remedy fiscal concerns.

Audit Summary

The Board did not obtain annual audits in a timely manner or ensure the Treasurer filed all AFRs with OSC. As a result, transparency of District financial operations was diminished, and the Board, District residents, taxpayers, OSC and other interested parties could not easily assess the District's financial standing. Specifically:

- The Board hired Certified Public Accountant (CPA) firm did not complete fiscal year 2023 and 2024 annual audits in a timely manner. Specifically, the CPA firm completed the 2023 fiscal year

audit on January 31, 2025, more than one year after the fiscal year end. Furthermore, the 2024 audit was still in progress as of November 15, 2025. Additionally, District officials had no record of the Board ever using an RFP process to contract the CPA firm’s services for the annual audit or an engagement letter with the CPA firm detailing the services to be provided.

- The Board did not ensure that the Treasurer filed the AFR as required. As of November 15, 2025 the Treasurer has not filed the 2020 through 2024 fiscal year AFRs and the last filed AFR, for fiscal year 2019, was filed 122 days late (Figure 1).

Figure 1: AFR Filing Status as of November 15, 2025

Fiscal Year	Date Filed	Days Late
2019	July 1, 2020	122
2020	Not Filed	1,719
2021	Not Filed	1,354
2022	Not Filed	989
2023	Not Filed	624
2024	Not Filed	258

The report includes five recommendations that, if implemented, will improve the District’s fiscal transparency. District officials agreed with our findings and recommendations and indicated they plan to initiate corrective action.

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 GML. Our methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of Town Law, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. 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 of Commissioners to make the CAP available for public review.

Fiscal Transparency: Findings and Recommendations

When a fire district has revenues of \$400,000 or more, Town Law Section 181-b requires the board of fire commissioners to annually obtain an audit of its records by a CPA or an Independent Public Accountant (IPA). The audit must include, but not be limited to, the fire district's financial condition and resources. Copies of the audit report must be provided to the board of fire commissioners, the town board(s) serviced by the fire district and OSC within 180 days of the end of the fiscal year audited. Town Law Section 181-b also requires fire districts subject to this audit requirement to use an RFP process when contracting for the audit and prohibits any audit engagement from lasting more than five years.

GML Section 30 requires treasurers to prepare and file their fire district's AFR with OSC within 60 days of the fire district's fiscal year end. Fire district officials may request an AFR filing extension which, if granted, extends the fire district's filing deadline to 120 days after the end of the fiscal year.

More details on the criteria used in this report, as well as resources we make available to local officials that can help officials improve operations (Figure 3), are included in Appendix A.

Finding 1 – The Board did not obtain annual audits in a timely manner.

The Board hired a CPA firm to conduct the annual audit of the District's records for the fiscal years 2019 through 2024. Although the 2019 through 2022 fiscal year audits were generally completed by the CPA firm in a timely manner, the firm did not complete the 2023 fiscal year audit until January 31, 2025, more than one year after the fiscal year end. Furthermore, the 2024 audit was still in progress as of November 15, 2025. As a result, the Board did not fulfill its responsibility to obtain the annual audits in a timely manner. Furthermore, District officials did not provide copies of the 2020 through 2023 annual audit reports to OSC within 180 days of the fiscal year end, as required by Town Law Section 181-b.

District officials also had no record of the Board ever using an RFP process to contract the CPA firm's services for the annual audit of the District's records. Additionally, the District had no record of an engagement letter with the CPA firm detailing the services to be provided, timeframe for completion and rate to be charged. Without periodically seeking competition for audit services, the Board lacked assurance that the CPA firm used was in the best interest of taxpayers. Furthermore, without an engagement letter, the Board has no guarantee of the services the CPA intends to provide or what price they intend to charge. Commissioners did not provide a reasonable explanation for these deficiencies.

Recommendations

The Board should:

1. Provide transparency by ensuring the annual audit of the District's records is completed in a timely manner and provide a copy to OSC within 180 days of the fiscal year end, as required by Town Law Section 181-b.

2. Ensure no audit engagement is for a term longer than five years and use a competitive RFP process to select the CPA or IPA that performs the District’s annual audit.
3. Sign a formal contract or engagement letter with the selected CPA or IPA detailing the services to be provided and the price to be paid.

Finding 2 – The Board did not ensure the Treasurer filed the required AFRs.

The Board did not ensure the Treasurer prepared and filed the District’s AFRs with OSC in a timely manner for fiscal years 2019 through 2024 (Figure 2).

Additionally, the Treasurer did not request a filing extension for fiscal years 2019 through 2024.

Before the audit period, the District’s accounting firm prepared and filed the District’s AFRs. However, the accounting firm’s principal partner passed away in 2020. The Treasurer told us he believed the accounting firm would continue preparing and filing the AFRs after the personnel change. Furthermore,

the Treasurer told us he provided the accounting firm with login credentials for the District’s OSC Online Services portal.¹ However, there was no documentation to support this claim. Additionally, the Treasurer did not follow up with the accounting firm’s surviving partner to ensure AFRs were prepared and filed in a timely manner. The Treasurer did not provide a reasonable explanation for not following up with the accounting firm.

The Treasurer exceeded the filing deadline for fiscal years 2019 through 2024 AFRs, although OSC emailed the Treasurer filing instructions each December before the fiscal year end and delinquent notices each May. The Treasurer told us he verbally informed the Commissioner serving as District Secretary (Secretary), of the delinquent AFRs, although the Secretary stated that the Board was unaware of the issue until the District’s attorney brought it to their attention in January 2025. The Secretary and another Commissioner also stated that they were unaware of the requirement to file the AFR and the delinquent status, respectively. The Chairman of the Board (Chairman) told us that the Treasurer annually told him that the AFR was taken care of. However, there was no documentation provided to the Chairman to support the Treasurer’s claim. At no time did the Board consider implementing procedures to ensure the Treasurer prepared and filed AFRs in a timely manner.

As of November 15, 2025, the fiscal year 2020 through 2024 AFRs remained unfiled and were between 258 and 1,719 days late. While the Treasurer is responsible for preparing and filing the AFR, the Board

Figure 2: AFR Filing Status as of November 15, 2025

Fiscal Year	Date Filed	Days Late
2019	July 1, 2020	122
2020	Not Filed	1,719
2021	Not Filed	1,354
2022	Not Filed	989
2023	Not Filed	624
2024	Not Filed	258

¹ Districts must submit their AFR through the Online Services portal.

should have procedures in place to review the report for accuracy and completion and ensure the Treasurer files it in a timely manner. The AFR provides detailed information about the finances of the District and includes such items as revenues, expenditures, debt, cash reserves and fund balance. When AFRs are not filed, especially for multiple years, transparency is diminished and the Board, District residents, taxpayers, OSC and other interested parties cannot easily assess the District's financial standing.

Recommendations

4. The Board should establish procedures to ensure that the Treasurer prepares and files the delinquent AFRs and files subsequent AFRs with OSC within 60 days after the close of the fiscal year, as required by GML Section 30.
5. The Treasurer should prepare and file the District's delinquent AFRs for the 2020 through 2024 fiscal years, and should file all subsequent AFRs with OSC within 60 days of the close of the fiscal year, as required by GML Section 30.

Appendix A: Profile, Criteria and Resources

Profile

The District is located in the Town of Brookhaven in Suffolk County. The elected Board is responsible for overseeing the District's financial operations, including the Treasurer. The Treasurer is the District's chief fiscal officer.

Criteria – Treasurer Records and Reports

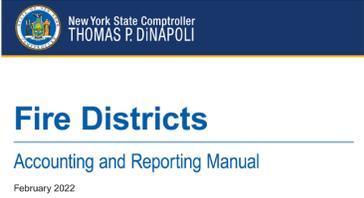
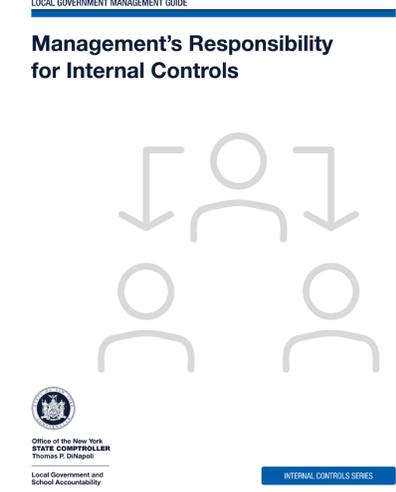
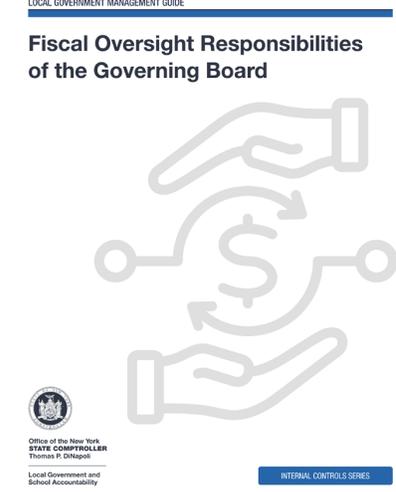
When a fire district has revenues of \$400,000 or more, Town Law Section 181-b requires a board of fire commissioners to annually obtain an audit of its records by an independent CPA or an IPA. The audit must include, but not be limited to, the fire district's financial condition and resources and such other things as OSC designates. The CPA or IPA must provide a copy of the audit report to the board of fire commissioners and a copy must be provided to the town board(s) serviced by the fire district and OSC within 180 days of the end of the fiscal year audited. The audit report is then a public record, open to inspection by any interested person.

Town Law Section 181-b also requires fire districts subject to this audit requirement to use an RFP process when contracting for the audit. Regardless of the proposal received, no audit engagement may be longer than five consecutive years. This five-year term, however, does not prevent a fire district from allowing its existing independent CPA or IPA to submit a new proposal or be awarded a new engagement for services under each RFP.

GML Section 30 requires treasurers to prepare and file their fire district's AFR with OSC within 60 days of the fire district's fiscal year end. OSC provides instructions for filing the report to all chief fiscal officers before the completion of the fire district's fiscal year. Fire district officials may request an AFR filing extension which, if granted, extends the fire district's filing deadline to 120 days after the end of the fiscal year. The AFR provides detailed information about the finances of the fire district and includes such items as revenues, expenditures, debt, cash reserves and fund balance. The treasurer is responsible for filing the AFR; however, the board of fire commissioners should have procedures in place to review the report for accuracy and ensure the treasurer completed the filing in a timely manner.

Additional Fiscal Transparency Resources

Figure 3: OSC Publications

OSC <i>Local Government Management Guides</i> and other publications available on our website to help officials understand and perform their responsibilities.		
<i>Fire District Accounting and reporting manual</i>	<i>Management's Responsibility for Internal Controls</i>	<i>Fiscal Oversight responsibilities of the governing board</i>
 <p>The cover features the New York State Comptroller's logo and the text: "New York State Comptroller THOMAS P. DINAPOLI", "Fire Districts", "Accounting and Reporting Manual", and "February 2022".</p>	 <p>The cover features the text: "LOCAL GOVERNMENT MANAGEMENT GUIDE", "Management's Responsibility for Internal Controls", and an illustration of three stylized figures with arrows pointing to them. It also includes the OSC logo and "INTERNAL CONTROLS SERIES".</p>	 <p>The cover features the text: "LOCAL GOVERNMENT MANAGEMENT GUIDE", "Fiscal Oversight Responsibilities of the Governing Board", and an illustration of a hand holding a dollar sign with arrows. It also includes the OSC logo and "INTERNAL CONTROLS SERIES".</p>
<p>https://www.osc.ny.gov/files/local-government/publications/pdf/arm-fds.pdf</p>	<p>https://www.osc.ny.gov/files/local-government/publications/pdf/managements-responsibility-for-internal-controls.pdf</p>	<p>https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf</p>

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

Appendix B: Response From District Officials



BOARD OF FIRE COMMISSIONERS
CENTER MORICHES FIRE DISTRICT
301 MAIN STREET
CENTER MORICHES, L.I., N.Y. 11934
(631) 878-0089 • FAX (631) 874-8610



December 15, 2025

Mr. Ira McCracken, Chief of Municipal Audits
Office of the State Comptroller
Hauppauge Regional Office
NYS Office Building, Room 3A10
250 Veterans Memorial Highway
Hauppauge, New York 11788-5533

Re: Report:2025M-113 – Fiscal Transparency

Dear Mr. McCracken,

This letter is in response to New York State's Office of the State Comptroller's Report of Examination 2025M-113, which covered the period of December 31, 2019, through June 30, 2025, on fiscal transparency. The Center Moriches Fire District takes great pride in serving our community with dedication and transparency. We value the findings and recommendations presented by your audit team and take them seriously. The Board of Fire Commissioners has reviewed and agrees with the findings and recommendations. The Board recognizes the importance of fiscal transparency and accountability. The Board has taken action to implement the recommendations and make improvements to our financial reporting process with the goal of filing the Annual Financial Report (AFR) along with audited financial statements within the required deadlines.

The audit response also includes the planned corrective actions for each recommendation stated within the audit report.

Audit Finding #1: The Board did not obtain annual audits in a timely manner.

Recommendations to Finding #1:

1. Provide transparency by ensuring the annual audit of the District's records is completed in a timely manner and provide a copy to OSC within 180 days of the fiscal year end, as required by Town Law Section 181-b.
2. Ensure no audit engagement is for a term longer than five years and use a competitive RFP process to select the CPA or IPA that performs the District's annual Audit.
3. Sign a formal contract or engagement letter with the selected CPA or IPA detailing the services to be provided and the price to be paid.

Implementation Plan of Actions:

The District will implement procedures to ensure that the annual audit of the District's records will be completed within 180 days of the fiscal year end, as required by Town Law §181-b. The District has issued an RFP for auditing services on December 3, 2025, with a due date for notification of interest by January 9, 2026, and proposals due by January 16, 2026. The RFP is requesting auditing services for the fiscal year ending December 31, 2025, and for up to four additional fiscal years at the option of the District. The selected firm will be notified by January 30, 2026, and an engagement letter will be executed no later than February 16, 2026. The audit services will be approved annually at the annual reorganization meeting going forward, and an RFP will be conducted every five years unless deemed necessary to put a request out earlier.

Implementation Date: February 16, 2026

Person Responsible for Implementation: Treasurer and Board of Fire Commissioners.

Audit Finding #2: The Board did not ensure the Treasurer filed the required AFRs.

Recommendations to Finding #2:

4. The Board should establish procedures to ensure that the Treasurer prepares and files the delinquent AFRs and files subsequent AFRS with OSC within 60 days after the close of the fiscal year, as required by GML Section 30.
5. The Treasurer should prepare and file the District's delinquent AFRs for the 2020 through 2024 fiscal years and should file all subsequent AFRs with OSC within 60 days of the close of the fiscal year, as required by GLM Section 30.

Implementation Plan of Actions:

The District has hired an accounting firm to assist the Treasurer with completing the delinquent AFR filings. The District will implement procedures to ensure that AFRs are filed within 60 days after the close of each fiscal year as required or file the appropriate extension requests if information is not available, allowing for an additional 60 days (total of 120 days) to file the AFR, and that the Board of Fire Commissioners is appropriately notified when the Treasurer has certified the AFR.

Implementation Date: April 30, 2026

Person Responsible for Implementation: Treasurer and Board of Fire Commissioners

Respectively,

✓ John DeLong
Chairman of the Board
Center Moriches Board of Fire Commissioners

Appendix C: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We reviewed Board meeting minutes and interviewed the Treasurer and Commissioners to gain an understanding of the District's operations and the Board's oversight regarding annual audits and the Treasurer's preparing and filing of AFRs.
- We obtained and reviewed copies of the District's annual audits and the accompanying management letters for fiscal years 2019 through 2023.
- We requested copies of any RFPs for audit services, engagement letters and invoices from the CPA firm to determine whether the Board has sought competition for audit services and the services to be provided under the engagement.
- We obtained and reviewed AFR filing instructions and delinquency notices emailed from OSC to the Treasurer.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

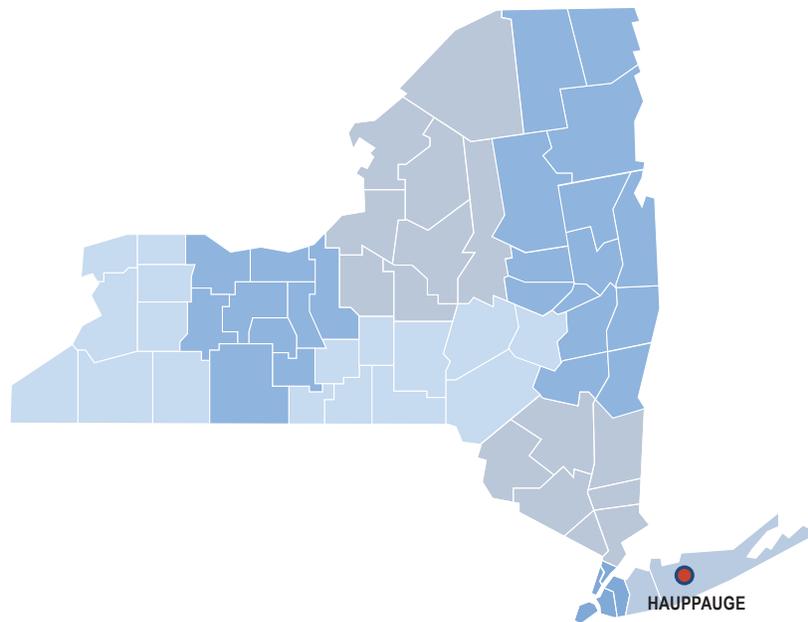
Contact

HAUPPAUGE REGIONAL OFFICE – Ira McCracken, Chief of Municipal Audits

NYS Office Building, Room 3A10 • 250 Veterans Memorial Highway • Hauppauge, New York
11788-5533

Tel (631) 952-6534 • Fax (631) 952-6091 • Email: Muni-Hauppauge@osc.ny.gov

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

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.ny.gov

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

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