



Town of Coxsackie

Supervisor's Records and Reports

2024M-140 | May 2025

Contents

Report Highlights 1

Town Supervisor’s Records and Reports 2

 How Should a Town Supervisor Maintain Adequate Financial Records and Reports? . . . 2

 The Supervisor Did Not Ensure the Bookkeeper Maintained Complete and Accurate Accounting Records 3

 The Supervisor Did Not File AFRs in a Timely Manner 5

 The Board Did Not Audit the Supervisor’s Accounts. 5

 What Do We Recommend? 5

Appendix A – Response From Town Officials 7

Appendix B – Audit Methodology and Standards 9

Appendix C – Resources and Services. 10

Report Highlights

Town of Coxsackie

Audit Objective

Determine whether the Town of Coxsackie (Town) Supervisor maintained complete, accurate and timely accounting records and reports to allow the Town Board (Board) to effectively monitor and manage the Town’s financial operations and condition.

Key Findings

The Supervisor did not maintain complete, accurate and timely accounting records and reports. The Supervisor’s failure to maintain complete and accurate records or adequately provide monthly reporting to the Board reduced transparency and prevented it from properly monitoring financial operations and increased the risk that unauthorized or inappropriate transactions could occur and go undetected.

- The Town’s accounting system was not properly set up and financial activity was not recorded using proper accounting procedures. Due to accounting errors, the Town’s fund balance accounts had errors totaling \$833,153. For example, the general town-wide fund was understated by \$337,470 and the highway part town fund was overstated by \$363,081.
- The Supervisor filed an incorrect Annual Financial Report (AFR) and did not file the AFR on time.
- The Board did not audit the Supervisor’s records as required by New York State Town Law (Town Law) Section 123. The accounting errors and untimely filing may have been detected had the Board annually audited the Supervisor’s records.

Key Recommendations

- Maintain proper financial records.
- File the AFR in a timely manner.
- Annually audit the Supervisor’s records.

Town officials generally agreed with our recommendations and have initiated, or indicated they planned to initiate corrective action.

Audit Period

January 1, 2023, to May 31, 2024. We expanded our audit period back to December 31, 2019, to review the AFR filing status.

Background

The Town, located in Greene County is governed by the elected Board composed of the Supervisor and four Board members.

The Board is responsible for the general oversight of the Town’s operations and finances, including conducting annual audits of the Supervisor’s records.

The Supervisor serves as the chief fiscal officer, is responsible for ensuring that the day-to-day financial activities are properly recorded in the accounting system and submitting the AFR in a timely manner.

The Supervisor’s appointed bookkeeper is responsible for entering financial transactions in the Town’s accounting software, reconciling the bank accounts and preparing monthly financial reports.

Quick Facts		
Population	8,382	
2023 Appropriations	\$4.6 Million	
2024 Appropriations	\$4.9 Million	
Late Filed AFRs		
Fiscal Year Ending December 31:	Date Filed	Days Late
2019	8/7/2020	128
2020	8/24/2021	145
2021	7/25/2022	115
2022	5/1/2023	30
2023	5/30/2024	29

Town Supervisor's Records and Reports

A town supervisor (supervisor) should maintain financial records that provide a complete and accurate accounting of all financial transactions in a timely manner. The accounting records should document: assets, liabilities, fund balance, and results of operations (revenues and expenditures) separately for each town fund.

How Should a Town Supervisor Maintain Adequate Financial Records and Reports?

A supervisor should maintain adequate financial records and reports by documenting the assets, liabilities, fund balances and results of operations (revenues and expenditures) for each town fund. A supervisor can accomplish this by reviewing and implementing the accounting and financial reporting guidance found in publications offered by the Office of the State Comptroller (OSC) including our Local Government Management Guide (LGMG) entitled *Accounting and Reporting Manual* (Figure 1). The LGMG provides guidance on basic government accounting, financial recording, reporting, budgeting, and other relevant topics. This will help towns and other local governments to provide clear, comparable information so a board, local officials and other stakeholders can make informed decisions.

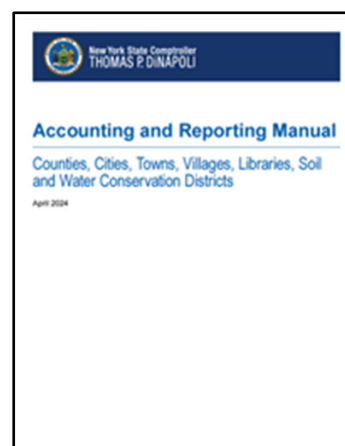
Officials should ensure monthly bank reconciliations are performed to help ensure all receipts and disbursements are properly recorded and provide a way to identify, correct and document differences between a town's records and bank transactions. In addition, a board or someone independent of the recordkeeping process should review the monthly bank reconciliations (along with bank statements) to ensure they are prepared accurately and in a timely manner.

If a supervisor assigns recordkeeping, reporting and reconciling duties to a bookkeeper, the supervisor still maintains responsibility for the accuracy and timeliness of the financial records. As such, a supervisor must provide sufficient oversight to ensure the bookkeeper maintains suitable records, documents financial information accurately and in a timely manner, and provides useful reports to the town board. These reports should include a balance sheet and detailed budget-to-actual comparisons of revenues and expenditures, totaled by account code, for each fund. The records and reports should also provide sufficient detail to ensure that revenues and expenditures, as budgeted and collected or expended, are recognized and recorded in the proper fund. These financial reports should be provided to the board to allow sufficient time for review prior to the board meeting.

Officials should adhere to General Municipal Law (GML) Section 30 that requires supervisors of towns with populations from 5,000 to 12,999 to file the town's AFR with OSC within 90 days of the end of the town's fiscal year (December 31) or request an extension which, if granted, would extend the deadline

FIGURE 1

LGMG – Accounting and Reporting Manual



Access this publication at: <https://www.osc.ny.gov/files/local-government/publications/pdf/arm.pdf>

an additional 30 days. The AFR provides the town board, OSC, town residents and other interested parties with a transparent tool to monitor and evaluate financial operations.

Officials should also adhere to Town Law Section 123 that requires supervisors submit their accounting records to the town board on or before January 20th for all money received and disbursed during the prior year and produce all books, records, receipts and canceled checks for the town board's inspection, unless a certified public accountant or public accountant has been hired to audit the town supervisor's records within 60 days after the close of the fiscal year. The annual accounting helps the town board fulfill its overall fiscal oversight responsibilities by providing it with an opportunity to assess the reliability of the books, records and supporting documents. It also serves to identify conditions that need improvement and provides useful information to help the town board oversee the town's financial operations.

The Supervisor Did Not Ensure the Bookkeeper Maintained Complete and Accurate Accounting Records

The supervisor delegated his accounting responsibilities to a bookkeeper, but did not ensure the bookkeeper properly recorded journal entries, resulting in significant deficiencies with the Town's accounting records, including but not limited to inaccurate account balances and the lack of separate self-balancing fund accounts for each of the Town's seven operating funds.

Accounting Records – We examined the Town's accounting records for the fiscal year ending December 31, 2023, and determined:

- That the Town's accounting system was not properly set up to account for the Town's seven operating funds separately, and
- The bookkeeper did not record all financial activity using proper accounting procedures.

The bookkeeper maintained the Town's seven operating funds in the same general ledger and identified transactions recorded for each fund (General Town-Wide (A),¹ General Part-Town (B),² Highway Town-Wide (DA),³ etc.⁴) by recording the fund type in a transaction note field. However, she did not consistently record the fund (A, B, DA, etc.) in the transaction's fund note field when recording cash transfers. Further, when recording transfers from each fund's bank account to the multi-fund bank account used for making disbursements, she incorrectly recorded these transfers as interfund loans. This caused the assets and liabilities to be overstated in interim reports to the Board and in the 2023 AFR.

1 The principal operating fund of a local government. It includes all financial resources not accounted for and reported in another fund and is used to account for the ordinary day-to-day operations financed through taxes and other general revenues.

2 Used by towns which contain a village(s) to record transactions which are required by statute to be charged to the area of the town outside the village(s).

3 Accounts for revenues and expenditures for highway purposes. The major areas of expenditures are repairs and improvements, bridges, machinery, snow removal and miscellaneous.

4 Definitions of additional governmental funds can be found in our Accounting and Reporting Manual <https://www.osc.ny.gov/files/local-government/publications/pdf/arm.pdf>.

While we determined that revenue and expenditures were generally recorded accurately and in a timely manner, we observed that balance sheet accounts (assets, liabilities and fund balance), were not properly maintained. We compared each fund's reported fund balance at the end of the 2023 fiscal year to the calculated fund balances (assets minus liabilities) for each fund and determined that there were differences in each fund. For example, the reported general town-wide fund balance was understated by \$337,470 (Figure 2).

The Supervisor and bookkeeper told us, and we observed, that they are working with an accounting firm to correct these accounting errors and to implement a new accounting system that will allow them to record each fund's financial transactions in separated general ledgers. While the 2023 general ledger information was available in the new format, the 2024 general ledger had not yet been entered as of the end of on-site field work.

Figure 2: Reported Fund Balances Compared to Calculated Fund Balance as of December 31, 2023

Fund	Reported Fund Balance	Calculated Fund Balance (Assets Less Liabilities)	Difference
General Town-Wide	\$265,192	\$602,662	(\$337,470)
General Part-Town	\$154,111	\$109,233	\$44,878
Highway Town-Wide	\$90,030	\$161,412	(\$71,382)
Highway Part-Town	\$496,254	\$133,173	\$363,081
Ambulance	\$769,935	\$757,534	\$12,401
Fire Protection	\$6,627	\$10,041	(\$3,414)
Sewer	\$63,574	\$64,102	(\$528)

Board Reports – The Supervisor did not provide accurate or consistent interim reports to the Board in a timely manner. While the Supervisor delegated this responsibility to the bookkeeper, who provided quarterly budget-to-actual and balance sheet reports to the Board, the Supervisor was responsible for ensuring accurate and consistent reports are maintained and provided. Due to a lack of an adequate accounting system and accounting entry errors, these interim reports did not provide accurate financial information, necessary for the Board to provide adequate financial oversight. For example, the monthly balance sheet as of December 31, 2023, reported unsupported, inaccurate advances between funds totaling \$772,114. Further, the budget-to-actual reports which were generally accurate except for minor issues we discussed with officials were provided the same day as the Board meeting thereby not providing sufficient time for the Board to review and formulate any questions. The bookkeeper also did not provide bank reconciliation reports to the Supervisor or Board for their review until we were on site and suggested providing them. We reviewed the October, November, and December 2023 and March, April and May 2024 bank reconciliations and found that except for minor posting errors which we discussed with the bookkeeper, they were prepared in a timely manner and agreed to the general ledger.

The failure to maintain complete and accurate records or adequately provide monthly reporting for the Board reduced transparency, prevented monitoring of financial operations by the Board and increased the risk that unauthorized or inappropriate transactions could occur and go undetected. Further, the inaccurate and unsupported financial information in the AFR submitted to OSC deprived users of an accurate statement of the Town's financial condition.

The Supervisor Did Not File AFRs in a Timely Manner

The Supervisor has not filed AFRs for the Town for fiscal years 2019 through 2023 in a timely manner (Figure 3).

According to the Supervisor, he filed the 2023 AFR late because the bookkeeper needed significant assistance from their outside accountants in preparing the accounting records for filing, and the Town has been in a period of switching to a new accounting system. The Supervisor also stated the former bookkeeper was habitually late in preparing records for filing and was not always receptive to his requests for financial information in a timely manner.

This has resulted in Town officials, residents and other interested parties not having the use of accurate AFRs in a timely manner as a tool for financial analysis.

Figure 3: AFRs – Number of Days Filed Late

Fiscal Year	Due Date	AFR Filed on Date	Total Days Late
2019	4/1/2020	8/7/2020	128
2020	4/1/2021	8/24/2021	145
2021	4/1/2022	7/25/2022	115
2022	4/1/2023	5/1/2023	30
2023	5/1/2024 ^(a)	5/30/2024	29
(a) 30-day extension granted			

The Board Did Not Audit the Supervisor's Accounts

While the Board certifies the Supervisor's accounts were reviewed and are correct on February 14, 2023, the Supervisor and a Board member told us the Board did not perform any review of the accounting records to verify that these fund balances were correct. Further we determined the Supervisor and the bookkeeper were unable to provide any reports from the accounting system that supported the account balances the Board certified. We also determined the certified fund balance amounts do not agree with the Town's 2023 AFR, or agree with any reports the Supervisor and bookkeeper provided. For example, certification reported a general fund balance of \$518,526; however, the Town's 2023 AFR reports a total general fund balance of \$265,192. Without a proper audit, the Board's ability to provide adequate oversight of financial operations to ensure completeness and accuracy of the accounting records is diminished. Had the Board conducted the annual audits, the deficiencies found during our audit could have been identified and corrected sooner.

What Do We Recommend?

The Supervisor should:

1. Oversee the work performed by the bookkeeper on the Supervisor's behalf to ensure that the accounting records are complete, accurate and maintained in a timely manner, including the review of monthly bank reconciliations.
2. Require the bookkeeper to prepare and provide the Board with monthly financial reports which include budget-to-actual comparisons, balance sheets and reconciled cash balances for each fund.

-
3. Direct the bookkeeper to work with the outside accountant to properly format the financial management system to account for all financial activities in their respective fund.
 4. Submit the AFR within the 90-day deadline according to Town Law.
 5. Provide an annual accounting to the Board for money received and disbursed and provide the Supervisor's accounting records, receipts and cancelled checks for inspection by the Board.

The Bookkeeper should:

6. Prepare and provide accurate bank reconciliations for the Supervisor's review each month.
7. Work with the Town's independent accountant, making the necessary entry adjustments for more accurate monthly financial reports to the Board.
8. Provide monthly financial statements to the Board, including:
 - Balance sheets,
 - Budget-to-actual revenue, and
 - Budget-to-actual appropriations reports, for all funds so the Board has sufficient time for review.
9. Work with the Town's independent accountant to properly format the financial management system to account for financial activities in the Town's respective funds.

The Board should:

10. Audit the Supervisor's records and reports annually, as required by Town Law, or contract with an independent public accountant to conduct the audit.

Appendix A: Response From Town Officials



TOWN OF COXSACKIE
56 BAILEY ST
COXSACKIE, NY 12051
(518) 731 – 2728

Friday May 9, 2025

Re: Audit Report **2024M-140**
To: Office of the NYS Comptroller

Gary G. Gifford, Chief of Municipal Audits
One Broad Street Plaza
Glens Falls, New York 12801-4396

Dear Mr. Gifford,

This is the official response to the received Audit Report; our Town Supervisor, Bookkeeper and Board are in agreement with the findings of the audit and we have included our Corrective Action Plan below.

CORRECTIVE ACTION PLAN (CAP) Regarding specified recommendations
The Supervisor will:

- 1) Bookkeeper and Supervisor have meetings at the beginning of the week and end of the week to review upcoming financials and completed tasks. The supervisor now signs PRE-transfer forms as well as post-transfer forms that provide attached data regarding details for reason of transfer as well as account balances. A Bank Reconciliation report for each month accompanies the statements and shows the reconciled balance for each account.
- 2) We took auditor's recommendation and make efforts to have board reports (budget to actual, reconciliations and balance sheets for all funds) completed early enough to provide the Friday before the board meeting.
- 3) We are currently working with our outside accounting firm, [REDACTED] to ensure that all funds are properly formatted in our [REDACTED] to apply all activities to their applicable funds.
- 4) Prior to filing in 2023 for 2022, the AFR was consistently filed over 100 days late. The last 2 years we have had it filed 30 days late or less. An extension was requested this year for May 1st and is currently 9 days late. We will have it filed in less than 30 again this year; we are working to improve that.
- 5) For 2026 the bookkeeper will have a report for the January meeting that provides an accounting of money received/dispensed and provides the receipts. Cancelled checks are provided to the board for inspection each month with the bank reconciliations and statements.
- 6) Bookkeeper took the auditor's recommendation at the time it was suggested and has provided a reconciliation report along with the bank statements each month since May of 2024
- 7) Bookkeeper has been working (and continues to work) with [REDACTED] to make necessary entry adjustments and provide more consistent/accurate monthly reports to the board.
- 8) Bookkeeper has taken the auditor's recommendation and makes the effort to have board reports (budget to actual, reconciliations and balance sheets for all

funds) completed early enough to provide the Friday before the board meeting allowing them time to review prior to meeting. The Bookkeeper attends board meetings to provide an opportunity for board members to ask questions, get clarification on reports, explain upcoming expenditures, and address any budget concerns.

- 9) Bookkeeper is currently working with [REDACTED] to ensure that all funds are properly formatted in our [REDACTED] to apply all activities to their respective funds.
- 10) An audit is performed each year as part of the AFR process and going forward when this year's AFR is completed for FY2024 and signed off by [REDACTED] it will be presented to the board for review.

We would like to also add that we found the audit to be extremely beneficial, suggestions made by the auditor logical and reasonable, and appreciated the time that was taken to help us better understand the processes that should be in place.

Thank you!

~Richard K. Hanse

Supervisor

Town of Coxsackie

(518) 731-2727 / rhanse@coxsackie.org

RKH : daw

Rick Hanse - Town Supervisor

5/13/25
Date

Mike Veeder - Deputy Town Supervisor

5/14/25
Date

Tom Burke - Councilman

5/13/25
Date

Patrick Kennedy - Councilman

5/13/25
Date

Shane Pilato - Councilman

5-13-25
Date

Appendix B: Audit Methodology and Standards

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 GML. 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 interviewed officials and reviewed various financial records, reports and Board meeting minutes to gain an understanding of the Town's procedures for reviewing financial reports, submitting the AFR and conducting annual audits.
- We used our professional judgment to review the budget-to-actual reports and associated support for selected amounts. We chose these amounts based on the relative dollar amount within the respective fund. We also reviewed bank reconciliations for the operating accounts to determine whether transactions were supported and recorded accurately.
- We used our professional judgment to review accounts reported on the balance sheet and associated supporting documentation to determine whether they were accurate.
- We reviewed AFR submissions and documented the number of days that they were late.

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

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of GML. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Clerk's office.

Appendix C: Resources and Services

Regional Office Directory

www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf

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

www.osc.ny.gov/local-government/publications

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

www.osc.ny.gov/local-government/fiscal-monitoring

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

www.osc.ny.gov/local-government/publications

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

www.osc.ny.gov/local-government/resources/planning-resources

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

www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf

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

www.osc.ny.gov/local-government/required-reporting

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

www.osc.ny.gov/local-government/publications

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

www.osc.ny.gov/local-government/academy

Contact

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

GLENS FALLS REGIONAL OFFICE – Gary G. Gifford, Chief of Municipal Audits

One Broad Street Plaza • Glens Falls, New York 12801-4396
Tel (518) 793-0057 • Fax (518) 793-5797 • Email: Muni-GlensFalls@osc.ny.gov
Serving: Albany, Clinton, Columbia, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Rensselaer, Saratoga, Schenectady, Warren, Washington counties