



# Town of Edinburg

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## Town Supervisor's Records and Reports

2025M-68 | December 2025

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# Audit Results

## Town of Edinburg



| Audit Objective   | Audit Period   |
|---|--|
| Did the Town of Edinburg (Town) Supervisor (Supervisor) maintain complete, accurate and current accounting records and reports?   | January 1, 2024 – January 31, 2025<br><br>We extended our audit period back to December 31, 2018 to review the dates on which the Town filed its annual financial report (AFR). <sup>1</sup> |
| Understanding the Audit Area  |  |
| <p>A town supervisor must maintain complete, accurate and current accounting records and reports for informed decision-making, legal compliance and accountability. These records are essential for a town board and officials when monitoring a town's financial health, making sound fiscal decisions, ensuring that the town complies with various laws and maintaining the public's trust.</p> <p>The Town Board's (Board's) 2025 calendar-year fund appropriations (general, highway and fire protection) totaled \$2,119,755.</p> |  |

## Audit Summary

The former Supervisor, who resigned in October 2024, did not maintain a central accounting system to track the Town's financial activity, which caused the Town's accounting records and reports to be incomplete, inaccurate and outdated. Without an effective accounting system, the former Supervisor could not generate and submit routine financial reports (including budget-to-actual, balance sheet and reconciled cash balance reports) to the Board.

The former Supervisor also did not prepare monthly bank reconciliations or maintain check registers with running cash balances for the Town's checking accounts, which included departmental remittances from the Town Clerk, Town Justice and Tax Collector. As a result, the Board and Town officials did not have the information they needed to effectively manage the Town's financial operations. This also caused the Town to have an increased risk that unauthorized or inappropriate transactions could occur and remain undetected.

<sup>1</sup> According to New York State General Municipal Law (GML), local governments must submit an AFR to the New York State Office of the State Comptroller (OSC) within 60 to 120 days of the end of their fiscal year, depending on the type of local government. This document contains information related to the local government's financial condition, including a balance sheet, statement of revenues and expenditures/ expenses and changes in fund equity for each fund; summary budget information; statement of cash flows for proprietary funds; statement of indebtedness for outstanding bonds and notes; and pertinent schedules of supplemental information.

In January 2025, the Town hired a bookkeeper, and the current Supervisor began working with her to set up a new accounting system and reconstruct the prior years' accounting records.

We examined available supporting records<sup>2</sup> for the 2024 fiscal year to determine whether the Town had sufficient cash balances and whether significant revenues and disbursements were properly supported. We did not identify any transactions that were not for a Town purpose, and the Town did not appear to be fiscally stressed.<sup>3</sup> For example, as of December 31, 2024:

- The general fund had a total unrestricted adjusted cash balance of \$1,852,145. This amount represented 184 percent of the ensuing year's budgeted appropriations of \$1,007,328.
- The highway fund had a total unrestricted adjusted cash balance of \$421,472. This represented 43 percent of the ensuing year's budgeted appropriations of \$983,171.

However, without a central accounting system, transfers between Town bank accounts were not adequately monitored to ensure that each fund properly funded its respective expenditures. For example, the highway fund incurred \$263,016 in 2024 payroll expenditures that were processed and paid from the general fund payroll clearing account. However, the highway fund transfers to the general fund payroll account totaled only \$108,374 as of December 31, 2024. As a result, the highway fund owed \$154,642 to the general fund.

The former Supervisor could not file the Town's AFRs for the 2019 through 2023 fiscal years (Figure 1) because she did not maintain adequate accounting records. As a result, Town officials were not transparent with taxpayers. While the former Supervisor filed the 2018 AFR, it was not filed in a timely manner.

Furthermore, the Board did not audit, or contract for an audit of, the Supervisor's records and reports as required by New York State Town Law (Town Law) Section 123. Had the Board performed the required audits, the Board and Town officials would have identified the deficiencies in the Town's accounting records.

**Figure 1: Number of Days AFRs Filed Late, as of May 31, 2025**

| Fiscal Year | Due Date | AFR Filing Date | Total Days Late |
|-------------|----------|-----------------|-----------------|
| 2018        | 3/2/2019 | 10/5/2019       | 216             |
| 2019        | 3/1/2020 | Not Filed       | 1,916           |
| 2020        | 3/2/2021 | Not Filed       | 1,550           |
| 2021        | 3/2/2022 | Not Filed       | 1,185           |
| 2022        | 3/2/2023 | Not Filed       | 820             |
| 2023        | 3/1/2024 | Not Filed       | 455             |
| 2024        | 3/2/2025 | Not Filed       | 89              |

<sup>2</sup> Refer to Appendix C for further information on our sample selection.

<sup>3</sup> According to OSC's Fiscal Stress Monitoring System (FSMS), to not be fiscally stressed means that a local government or school district has sufficient revenues to meet its expenditures, a reasonable amount of fund balance and adequate cash reserves, which would allow it to manage short-term financial pressures and plan for the future. Follow this link for more information about FSMS: <https://www.osc.ny.gov/files/local-government/fiscal-monitoring/pdf/system-basics.pdf>

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The report includes five recommendations that, if implemented, will improve the Town's management of financial operations and reporting. Town officials agreed with our recommendations and indicated that they have 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 the GML. Our methodology and standards are included in Appendix C.

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 the 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 Town Clerk's office.

# Town Supervisor's Records and Reports: Findings and Recommendations

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A town supervisor should maintain financial records that provide a complete and accurate accounting of the adopted budget and all financial transactions. Each town fund should have accurate and complete documentation of budgetary control accounts, assets, liabilities, fund balances, revenues and expenditures. The town board must provide financial oversight and ensure that the town supervisor's records are accurate and complete. Without reliable accounting records and reports, a town board cannot effectively make informed financial decisions.

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 Supervisor did not maintain complete, accurate and current accounting records.**

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The former Supervisor did not properly maintain the Town's accounting records. The current Supervisor told us, and we observed, that the former Supervisor did not maintain a central accounting system to track the Town's financial activity and records. According to the Supervisor, the former Supervisor maintained the Town's accounting records on her Town computer, but it crashed at some point in 2022.

No one had maintained a backup of the accounting system, and the former Supervisor did not replace the computer and financial accounting software. As a result, the former and current Supervisors could not provide the Board with monthly reports (such as budget-to-actual comparisons, balance sheets and reconciled cash balances) regarding the Town's financial operations. Without adequate monthly reporting, the Board was unaware of the Town's financial condition, whether the budgets they adopted were reasonable or whether the Town had sufficient cash on hand to pay bills.

We examined available financial records and determined that the former Supervisor maintained a manual duplicate cash receipt book to record Town collections that she received, which included departmental remittances from the Town Clerk, Town Justice and Tax Collector. She also maintained manual check registers of disbursement checks that she manually prepared and issued from the Town's four checking accounts (general, payroll, highway and capital). However, the former Supervisor did not maintain any running cash balances in the manual check registers. Also, she did not reconcile the bank statements with the manual check registers.

The Town's payroll was processed by a third-party vendor, which produced biweekly, monthly and annual payroll registers that supported payroll expenditures. Also, the Town Clerk prepared a monthly abstract of claims (list of claims) that was approved by the Board, which directed the Supervisor to prepare and issue the Town's disbursement checks. The Town Clerk also maintained a file of vouchers and related support for the claims that the Board approved and the Supervisor paid.

For our audit period, we scanned all bank statements, cancelled check images and approved abstracts and claims and did not observe any transactions or bank transfer that were not for Town purposes. We

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also examined 42 deposits totaling \$2.9 million,<sup>4</sup> traced it to supporting documentation and determined that the related collections were all supported and deposited in a timely manner.

In addition, we calculated the adjusted cash balance available for the Town's 10 bank accounts (four checking and six savings accounts) as of December 30, 2024 and determined that the Town was not in fiscal stress. Specifically, we determined that:

- The general fund had an adjusted cash balance of \$1,852,146, which represented 184 percent of the ensuing year's budgeted expenditures of \$1,007,328.
- The highway fund had an adjusted cash balance of \$421,472, which represented 43 percent of the ensuing year's budgeted expenditures of \$983,171.

However, without a central accounting system, transfers between bank accounts were not adequately monitored to ensure that each fund properly funded its respective expenditures. For example, the highway fund incurred costs totaling \$263,016 in 2024 for employee wages and the Town's share of payroll taxes that were processed and paid from the general fund payroll clearing account. While bi-weekly transfers should have been made from the highway fund account to the payroll clearing account to cover the expense, only \$108,374 was transferred to the payroll account from the highway fund account for the year. This resulted in the highway fund owing the general fund \$154,642 for payroll related expenditures.

In addition, without a central accounting system to track revenues and expenditures, the Town does not have a system to track how it is operating in comparison to its adopted budget. We examined the Town's adopted 2024 budget and found significant revenue variances between budgeted and actual results. While the Board budgeted \$822,913 in general fund revenues, actual revenues totaled approximately \$1.2 million (46 percent more). For example, while the Board budgeted a total of \$1,130,000 in sales tax revenue to be allocated to the general fund (\$730,000) and highway fund (\$400,000), actual sales tax revenues totaled \$1,470,436, which was 30 percent more than budgeted. In addition, while all sales tax collections were deposited into a general fund bank account, the former Supervisor remitted only \$345,358 of 2024 sales tax revenues into the highway bank account, which created a variance of \$54,642 that was due to the highway fund.

Furthermore, while we observed that total 2024 budgeted general fund expenditures of \$927,300 were not significantly overestimated (within 3 percent), the 2024 highway budgeted expenditures of \$1,021,890 were underestimated by approximately \$129,000 (14 percent), which was generally due to underestimating payroll expenditures. For example, while the Board appropriated \$165,135 for highway fund personal service expenditures (i.e., employee wages), \$238,832 was expended for these costs, which created a budget variance of \$73,697 (45 percent).

Because the former Supervisor did not maintain complete and accurate records or provide adequate monthly reports to the Board, the Town had an increased risk that unauthorized or inappropriate transactions could occur and remain undetected, and the Board could not provide transparency to Town

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<sup>4</sup> See supra, note 2.

residents. Finally, without complete financial records, the Board did not have sufficient information to prepare and adopt reasonable budgets. As a result, until officials implement an appropriate accounting system, the Town could continue to develop unrealistic budgets and incur significant budget variances, deficits or unintended surpluses.

## Recommendations

The Supervisor should:

1. Implement a central accounting system to maintain complete and accurate accounting records and reports in a timely manner.
2. Maintain up-to-date running cash balances for the Town’s checking accounts and reconcile the month-end check registers’ cash balance to the monthly bank statements and to cash balances recorded in the central accounting system.
3. Prepare and provide the Board with monthly reports (i.e., budget-to-actual revenue and appropriation reports, balance sheets and reconciled cash balances) on the Town’s financial operations.

## Finding 2 – The Supervisor did not file the AFRs in a timely manner.

The former Supervisor did not file the Town’s AFRs for the 2018 through 2023 fiscal years in a timely manner (Figure 2). While the former Supervisor filed the 2018 AFR, she could not file the 2019 through 2023 AFRs before she resigned in October 2024 because she did not maintain adequate accounting records. Also, because the 2024 accounting records were inadequate, the current Supervisor could not file the 2024 AFR in a timely manner.

**Figure 2: Number of Days AFRs Filed Late, as of May 31, 2025**

| Fiscal Year | Due Date | AFR Filing Date | Total Days Late |
|-------------|----------|-----------------|-----------------|
| 2018        | 3/2/2019 | 10/5/2019       | 216             |
| 2019        | 3/1/2020 | Not Filed       | 1,916           |
| 2020        | 3/2/2021 | Not Filed       | 1,550           |
| 2021        | 3/2/2022 | Not Filed       | 1,185           |
| 2022        | 3/2/2023 | Not Filed       | 820             |
| 2023        | 3/1/2024 | Not Filed       | 455             |
| 2024        | 3/2/2025 | Not Filed       | 89              |

The current Supervisor told us that he is working with the Town’s new bookkeeper to implement a new accounting system, and he plans to file all delinquent AFRs (including the 2024 AFR) after they reconstruct the accounting records for the 2019 through 2024 fiscal years.

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The current Supervisor also said that he contacted the OSC’s help desk and planned to file the 2024 AFR first. When the Supervisor does not file the Town’s AFR in a timely manner, Town officials, residents and other interested parties cannot use the AFRs as a tool for financial analysis, and the Town does not have a transparent means to demonstrate its financial standing.

## Recommendation

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4. The Supervisor should file the required AFRs with OSC within 60 days after the close of each fiscal year and ensure they are supported by proper accounting records.

## Finding 3 – The Board did not perform an annual audit.

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The Board did not audit, or contract with an independent public accountant to audit, the former Supervisor’s records. Board members told us they were unaware of the annual audit requirements. Without a proper audit, the Board’s ability to provide adequate oversight of financial operations is diminished. Had the Board conducted the annual audits, it could have identified the deficiencies mentioned in this report and corrected them in a timely manner.

## Recommendation

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5. The Board should annually audit, or contract for an annual audit of, the Supervisor’s accounting records.

# Appendix A: Profile, Criteria and Resources

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## Profile

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The Town is located in Saratoga County, has approximately 1,330 residents and covers approximately 60 square miles. The Town is governed by the elected Board which includes the Supervisor and four Board members. The Board is responsible for managing and overseeing the Town's operations and financial affairs, which includes annually auditing the Supervisor's records.

The Town has three operating funds: general, highway and fire protection. The Board adopted 2025 calendar year general fund appropriations totaling \$1,007,328, highway fund appropriations totaling \$983,171 and fire protection fund appropriations totaling \$129,256. The general fund is funded primarily by sales taxes, mortgage tax and Town departmental revenues. The highway fund is funded primarily by sales taxes, real property taxes and State aid, and the fire protection fund is funded by real property taxes.

The Supervisor is the Town's chief fiscal officer and is responsible for ensuring that the Town's day-to-day financial activities are properly recorded in the accounting system, reconciling the bank accounts, providing monthly financial reports to the Board and submitting the AFR in a timely manner. The current Supervisor was appointed by the Board to complete the former Supervisor's term after she resigned in October 2024.

## Criteria – Records and Reports

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Town's Records and Reports – A town 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. The town supervisor can accomplish this by reviewing and implementing the accounting and financial reporting guidance found in OSC's publication titled *Accounting and Reporting Manual for Counties, Cities, Towns, Villages, Libraries and Soil and Water Conservation Districts* (Figure 2). This publication provides guidance on basic government accounting, financial recording, reporting, budgeting and other relevant topics. It helps towns and other local governments to provide clear, comparable information so that the town board, town officials and other stakeholders can make informed decisions.

Bank Reconciliations – Town officials should perform monthly bank reconciliations to help ensure that all receipts and disbursements are properly recorded and to identify, correct and document differences between the town's records and bank transactions. In addition, the town board, or someone who is independent of the recordkeeping process, should review the monthly bank reconciliations (along with bank statements) to ensure that they are accurately prepared in a timely manner. Town officials can find guidance for performing bank reconciliations and information regarding their importance in OSC's publication *Local Government Management Guide – The Practice of Internal Controls, Information for Town Officials*, and *Local Government Management Guide – Fiscal Oversight Responsibilities of the Governing Board* (Figure 2).

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Reporting Financial Information – The town supervisor should provide the town board with a monthly report detailing all money received and disbursed during the month. The report also should include reconciled cash balances for each fund and comparisons of actual revenues and expenditures to estimated amounts in the town’s budget (budget status reports). Town officials can find guidance for this topic in OSC’s publication *Information for Town Officials*.

General Municipal Law (GML) Section 30 requires town supervisors to file an AFR with OSC within 60 days following the close of the fiscal year (in certain cases, a town may be approved for a 60-day extension of the filing date). The AFR provides the town board, town residents and other interested parties with the town’s financial position at a point in time and a complete summary of the town’s financial activities for the fiscal year. The town board should have procedures in place to review the report to ensure that it is accurate and supported by the accounting records.

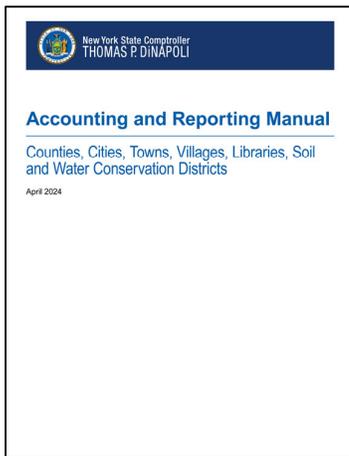
Annual Audit – Town Law Section 123 requires town supervisors to submit their accounting records to the town board on or before January 20th for all money received and disbursed during the previous year. The town supervisor also must produce all books, records, receipts and canceled checks for the town board’s inspection, unless a certified public accountant or public accountant is hired to audit the town supervisor’s records within 60 days after the close of the fiscal year. This 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. The annual audit also helps identify conditions that need improvement and provides useful information to help the town board oversee the town’s financial operations.

## Additional Records and Reports Resources

**Figure 3: OSC Publications**

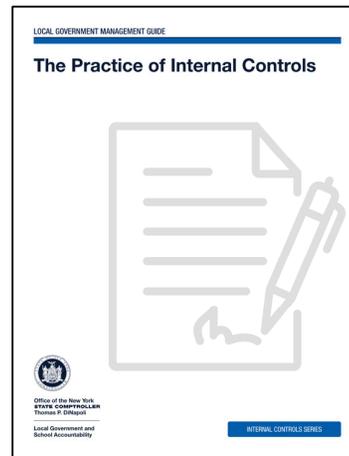
OSC publications available on our website to help officials understand and perform their responsibilities include the following:

**Accounting and Reporting Manual for Counties, Cities, Towns, Villages, Libraries and Soil and Water Conservation Districts**



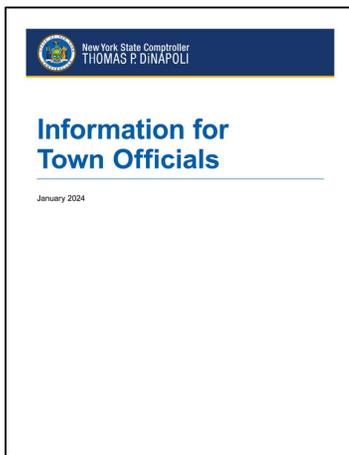
<https://www.osc.ny.gov/files/local-government/publications/pdf/arm.pdf>

**Local Government Management Guide – The Practice of Internal Controls**



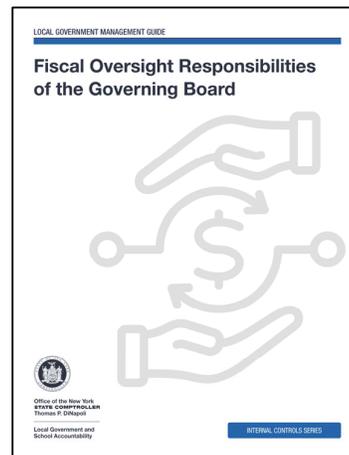
<https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf>

**Information for Town Officials**



<https://www.osc.ny.gov/files/local-government/publications/2020/pdf/information-for-town-officials.pdf>

**Local Government Management Guide – Fiscal Oversight Responsibilities of the Governing Board**



<https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf>

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 Town Officials

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**Town of Edinburg  
45 Military Road  
Edinburg, New York 12134  
Phone (518)863-2395 Fax (518)863-2985  
Email [supervisor@edinburgny.gov](mailto:supervisor@edinburgny.gov)**

Office of Town Supervisor  
Robert D. Anderson

12/5/2025

  
Division of Local Government and School Accountability

Response to the Audit of The Town of Edinburg  
January 1, 2024 – January 31, 2025 by the Office of The State Comptroller.

The Town Board and The Town supervisor have reviewed the draft audit for the Town of Edinburg N.Y.  
And we are in complete agreement with the findings.

The Board and the current Supervisor agree that the Audit uncovered deficiencies with the financial records  
Being kept by the previous Supervisor, the reporting of finances to the board and required reports to the  
Comptroller's office.

In response to the Audit appendix, we completely agree with the methods used in the audit and the findings of  
those reviews, we look forward to correcting all the areas found to need correction.

We now have a better understanding of the responsibilities of our respective positions within the town and  
what is required from us.

For the town board and the supervisor,

Robert D. Anderson

# Appendix C: Audit Methodology and Standards

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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 and reports and the Board's meeting minutes to gain an understanding of the Town's procedures for preparing and maintaining accounting records and reports, reviewing financial reports, submitting the AFR and conducting annual audits.
- We used our professional judgment to review available financial information on a test basis, including cash receipts books, departmental remittance reports, claim vouchers, payroll registers, check registers, disbursements, cash receipts and deposits, bank statements and cancelled check images, to determine whether collections (e.g., real property taxes, sales taxes and departmental revenues) and disbursements (e.g., payroll and claims) were supported. We examined 37 general fund deposits totaling \$2,107,653 that were made during our audit period, which included all deposits that exceeded \$10,000 and all departmental remittances. We also examined five highway fund deposits totaling \$748,818, which included all deposits that exceeded \$10,000 (e.g., real property tax, sales tax and State aid revenues).
- We prepared adjusted bank balances to determine whether the Town had sufficient cash flows and whether the Town was susceptible to fiscal stress.
- We summarized all budgetary accounts for personal service and equipment outlay costs, contractual and employee benefits – and associated supporting documentation for these expenditures – to determine whether budgeted appropriations were reasonable.
- 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.

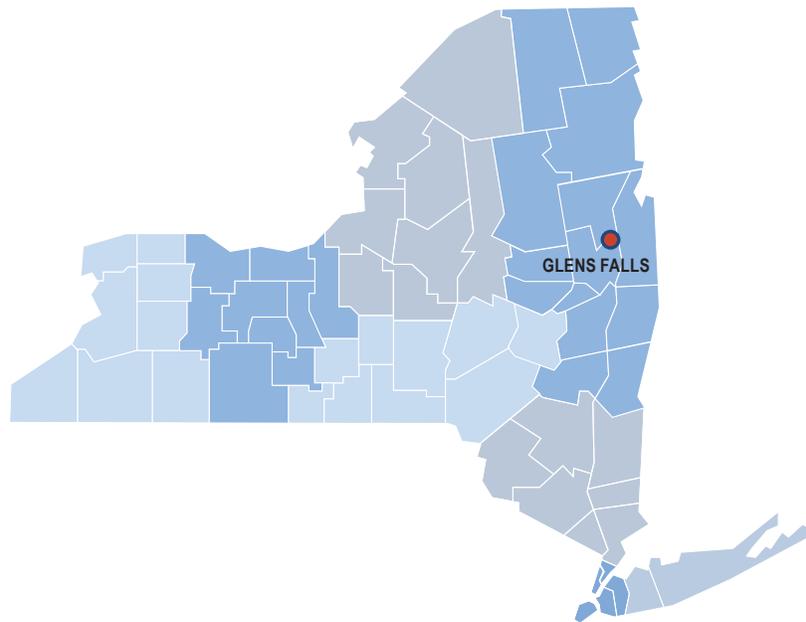
Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected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

## Contact

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

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

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