



Town of Oxford

Financial Condition

2024M-135 | July 2025

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Audit Results

Town of Oxford



Audit Objective	Audit Period
Did the Town of Oxford (Town) Board (Board) receive complete and accurate financial reports and effectively manage and plan the Town's financial condition?	<p>January 1, 2019 – December 31, 2023.</p> <p>We extended our audit period back to December 31, 2007 to analyze fund balance trends, back to March 24, 2017 to compare current findings to the previous Office of the State Comptroller (OSC) audit and identify Board members who were on the Board since the previous audit, and forward to December 31, 2024 to review the Town's Annual Financial Report (AFR) filings.</p>
Understanding the Program	
<p>A key measure of a town's financial condition is its level of fund balance, which is the difference between revenues and expenditures accumulated over time. The Board is responsible for managing and controlling the Town's financial affairs, which included adopting the annual budget and establishing financial policies. The Town Supervisor (Supervisor) serves as the Town's chief fiscal officer and budget officer. He is responsible for providing the Board with financial reports.</p> <p>The Town's general and highway fund 2023 appropriations totaled \$1.3 million.</p> <p>OSC previously released an audit of the Town in 2017 which identified budgets that relied on fund balance to fund recurring expenditures, insufficient financial information provided to the Board and delayed filing of AFRs.</p>	

Audit Summary

The Board did not receive complete and accurate financial records and reports or request additional financial information, which hindered its ability to monitor the Town's financial condition. Because the current and former Supervisors (Supervisors) did not maintain complete and accurate financial records and reports, the Board did not provide appropriate oversight by reviewing records, such as fund balance levels or other balance sheet details. As a result, the general fund, town-wide (general fund TW) and highway fund, town-wide (highway fund TW) began the 2024 fiscal year with a combined \$206,637 fund balance deficit. Also, the Board appropriated \$315,279 of nonexistent town-wide (TW) fund balance in the 2019 through 2023 fiscal years and used \$350,000 in revenue anticipation notes (RANs) to address cash flow issues, which caused the Town to incur \$11,430 in borrowing costs. When

budgets are not structurally balanced, funding shortfalls are created that can lead to further fiscal stress. Officials did not:

- Have sufficient fund balance to appropriate.
- Maintain records of fund balance amounts or complete monthly bank reconciliations by using the Town's accounting records.
- Implement any recommendations from our 2017 audit.
- Develop long-term written financial or capital plans.

Additionally, the Supervisors did not file the 2019 through 2023 fiscal year AFRs in a timely manner, which OSC would have analyzed for possible fiscal stress. Using our recalculated results of operations for the Town for the 2019 through 2023 fiscal years, we calculated the Town's fiscal stress designation and determined that the Town would have had a fiscal stress designation in every year analyzed.

The Supervisor told us that he was aware OSC would assign a fiscal stress score, and he felt that if a stress designation was assigned, it may have changed the budgets that the Board would have approved. However, the Supervisor did not believe that the Town was in fiscal stress because it did not have long-term debt. But the absence of debt by itself is not an indication that the Town has a stable financial position.

When a town's financial resources are limited, it becomes increasingly difficult for officials to provide the same level of services and respond to unanticipated emergencies.

The report includes 13 recommendations that, if implemented, will help the Board and Town officials improve their financial management practices. Town officials agreed with our recommendations and have initiated or indicated they planned 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 New York State General Municipal Law. 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 New York State 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 the CAP available for public review in the Town Clerk's office.

Financial Condition Findings and Recommendations

A town board (board) should maintain a reasonable amount of fund balance to ensure that the town can provide services at current levels when faced with unexpected revenue shortfalls or expenditure overruns. The board also should adopt a written fund balance policy that addresses how much fund balance that the town should maintain in each fund. The board should use the policy during the annual budget process to help ensure that fund balance levels are adequate.

The board should ensure that a town supervisor (supervisor) maintains accurate and current accounting records for each town fund and reconciles the town's bank accounts. Also, the supervisor should submit periodic financial reports to the board. Supervisors of towns with populations of less than 5,000 must file their towns' AFR with OSC within 60 days of the end of their towns' fiscal year, in accordance with New York State General Municipal Law (GML) Section 30.

Multiyear financial planning is a vital tool for towns, especially those struggling with financial condition issues.

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 6), are included in Appendix A.

Finding 1 – The Board did not effectively manage the Town's financial condition, which caused the Town to be fiscally stressed.

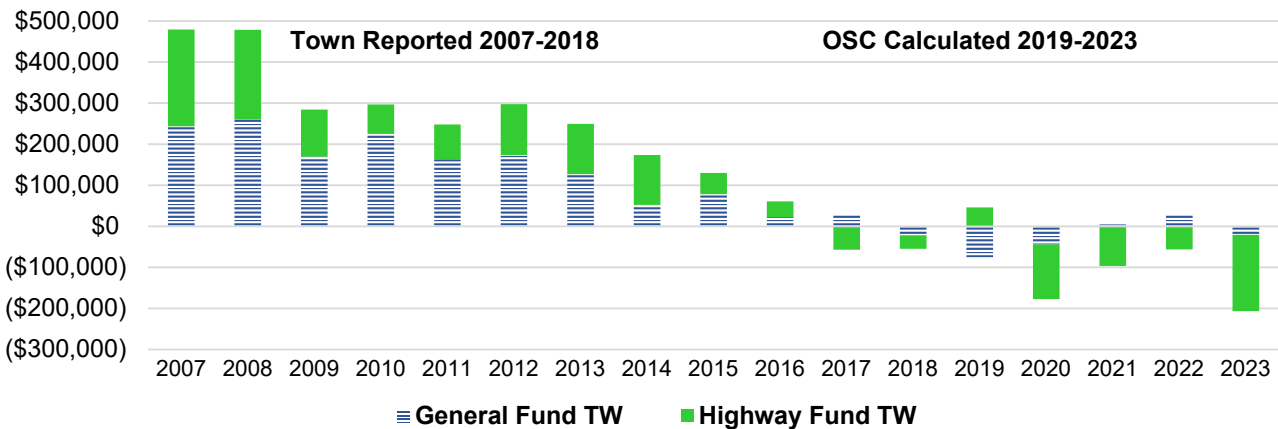
The Board did not effectively manage the financial condition of the general fund TW and highway fund TW.¹ The Board also did not adopt a written fund balance policy that defined reasonable levels of fund balance to maintain each year to establish a sound financial condition.

Using the Town's self-reported AFR² data and our calculated balances, we determined that the fund balance trend for the TW funds has steadily declined from its peak in 2007 of \$479,457 to negative amounts beginning in 2017, which then increased to a combined deficit of \$206,637 in 2023 (Figure 1). Also, the TW funds' appropriations exceeded budgeted revenues by \$90,827 in 2024. However, the TW funds were already in a deficit position without any fund balance to appropriate for the 2024 fiscal year. Because the Board continued to adopt budgets that were not structurally balanced, the Town's financial problems will likely worsen in 2024.

1 The general fund TW and highway fund TW benefit residents of the entire Town, including the Village of Oxford (Village).

2 For further information, refer to "The Supervisors did not ensure that AFRs were submitted in a timely manner" on page 8.

FIGURE 1: TW Fund Balance 2007 Through 2023



Fund balance concerns were conveyed to Town officials during the Town’s last OSC audit³ in which we cautioned officials that using fund balance to finance recurring expenditures “caused operating deficits, which are often precursors to cash flow problems” and that “Town officials’ ability to manage cash flow will become more difficult, and there is an increased risk that fund balance may not be available when needed.” Despite our previous audit findings, the Board continued to appropriate fund balance. For example, for the 2019 through 2023 fiscal years, the Board appropriated \$347,404 in TW fund balance, which exceeded the available TW fund balance by \$315,279. This caused TW fund budgets to not be structurally balanced.

The Supervisor told us that he used previous budgets and actual operating results to develop upcoming budgets. However, relying on previous budgeting practices allowed operating deficits to persist. Additionally, the Supervisor told us that his goal was to keep property taxes low to lessen the burden on property owners. Therefore, when the Board developed appropriations, he appropriated a fund balance figure that he felt accomplished this goal. However, the Board should only appropriate fund balance that exists.

The TW funds could operate with a deficit fund balance because the Supervisors⁴ commingled general fund TW and general fund, town-outside-village (general fund TOV) cash⁵ and highway fund TW and highway fund, town-outside-village (highway fund TOV) cash in the same bank accounts. Specifically, the cash for the general fund TW and general fund TOV was commingled in five bank accounts, and the cash for the highway fund TW and highway fund TOV was commingled in four other bank accounts.

3 *Town of Oxford – Financial Management* (2016M-420), issued in March 2017, which can be accessed at: <https://www.osc.ny.gov/files/local-government/audits/2017-11/lgsa-audit-town-2017-oxford.pdf>. During this audit, we determined that Town budgets relied on fund balance to fund recurring expenditures, insufficient financial information was being provided to the Board and AFRs were not filed in a timely manner.

4 The former Supervisor left office at the end of 2021 and was replaced by the current Supervisor in 2022.

5 The general fund TOV and highway fund TOV benefit only residents of the portion of the Town that is located outside of the Village.

However, the Supervisors did not account for the fund balance amounts in each fund, and they were unaware that the fund balance amounts should be accounted for separately. Therefore, the Supervisors and the Board were unaware of the deficit fund balances in the TW funds.

Because the cash for both TW funds was commingled and the fund balance amounts were not recorded or tracked, at the end of the fiscal year the TW funds used \$447,768 of town-outside-village (TOV) cash for TW operations for the 2019 through 2023 fiscal years (Figure 2). The former Supervisor recorded and paid back \$115,000 in these loans. However, the Supervisors did not record the remaining \$332,768 of cash loans that stayed in the same bank account but were loaned between TOV and TW funds. As a result, the TOV funds informally and inappropriately loaned cash to the TW funds without reasonable interest being repaid. This reduced the amount of cash on hand to provide services for TOV residents, such as road construction and maintenance.

Figure 2: TW Funds Cash Loans At Fiscal Year-End

Year	General Fund TW	Highway Fund TW	Total Borrowed
2019	\$85,000	\$0	\$85,000
2020	38,296	106,788	145,084
2021	0	59,670	59,670
2022	0	19,901	19,901
2023	10,268	127,845	138,113
Totals	\$133,564	\$314,204	\$447,768

Also, the Town was unable to pay for year-end expenditures in every year (except 2022) and resorted to short-term fixes to address cash flow issues. These short-term fixes included a \$110,000 loan of donated funds intended for the Town pool capital project⁶ (pool capital project) to the highway bank account in 2021 and issuing RANs totaling \$350,000, which used anticipated Consolidated Local Street and Highway Improvement Program (CHIPS) revenue⁷ as collateral for the 2019 through 2021 fiscal years and in the 2023 fiscal year. When officials repaid the \$110,000 loan to the pool capital project in 2021, they did not include interest in the repayment. When officials temporarily use donated funds for other than their intended purpose, there is a risk that officials may not replenish the donated funds due to the Town's poor financial condition. To address this reoccurring cash shortfall, the Board should identify new revenue sources for the TW funds or take other measures to improve the Town's financial condition.

The Supervisor told us that he did not see a purpose in creating a fund balance policy because the Town had little fund balance to manage. However, a policy would define the levels of fund balance that the Board deems appropriate to maintain in each fund. The Supervisor also told us that he was unaware that the funds should be accounted for separately and that the separate funds were loaning cash to each other.

⁶ In 2020, the Town began a capital project to renovate the Town pool. As of December 31, 2023, the capital project totaled \$654,000 and was funded through donations and general fund TW revenues.

⁷ CHIPS was established to make payments for constructing, operating and/or maintaining highways, bridges and highway-railroad crossings that are not on the State highway system.

Maintaining a reasonable amount of fund balance helps to address cash flow issues, instead of relying on interfund loans or RANs and their associated fees. For example, by using RANs for cash flow purposes, the Town incurred \$11,430 in interest and legal fees. When fund balance is nonexistent or at scarce levels, the Town has no safety net to protect itself from cash flow issues or to make emergency purchases to protect the health and safety of residents.

Recommendations

The Board should:

1. Address the deficit fund balances of the TW funds and ensure that all interfund borrowing is approved, recorded and repaid with reasonable interest.
2. Develop and adopt a written fund balance policy and reserve plan.
3. Discontinue appropriating nonexistent fund balance.
4. Ensure that the Town rebuilds its fund balances to levels established in a fund balance policy.

Finding 2 – The Supervisors did not provide accurate financial information to the Board.

The current and former Supervisor did not maintain complete and accurate financial records and reports. The Supervisors maintained the Town's accounting records and provided a budget-to-actual report for the Town's main operating funds (main operating funds)⁸ and bank account balances to the Board each month. The Supervisor also maintained a transaction ledger spreadsheet (ledger spreadsheet) in 2022 and 2023 for each checking account. The ledger spreadsheet included dates, check numbers, descriptions and amounts for all checks disbursed; deposits; and a running cash balance. However, the cash balance was not reconciled to the bank statements, and the Supervisor did not track balance sheet items, such as assets, liabilities or fund balance amounts by fund.

Although the Supervisors provided the Board with monthly expenditures on an abstract,⁹ the budget-to-actual reports contained numerous transaction errors. This occurred because the software program used to create the budget-to-actual reports was different from the software used to create the abstracts. Because the Supervisor and Board did not compare these two separate reports, they did not identify manual entry errors or omissions in the budget-to-actual reports.

⁸ The general fund TW, highway fund TW, general fund TOV and highway fund TOV are considered the Town's main operating funds.

⁹ An abstract is a list of claims that are scheduled for payment.

For the 2019 through 2023 fiscal years, the Supervisors overstated revenues by \$1.1 million and overstated expenditures by approximately \$568,000 in the budget-to-actual reports for the main operating funds. Specifically, errors in the budget-to-actual reports included:

- RAN proceeds totaling \$350,000 were incorrectly recorded as revenue in the highway fund TOV, when they should have been accounted for as a liability. The Supervisor told us that he used the cash basis of accounting, meaning that when RAN funds were received, he considered it revenue. However, this was improper accounting for this financial activity.
- American Rescue Plan Act (ARPA) funds totaling \$234,600 were recorded in the general fund TW twice. The Supervisor told us that this error occurred because he and the former Supervisor did not know when to recognize ARPA funds as revenue. This resulted in a double booking because the former Supervisor incorrectly recorded ARPA revenue when it was received and the current Supervisor correctly recorded ARPA revenue when the related expenditures were incurred.
- Omissions or manual entry errors totaling \$262,000 for Town expenditures in the main operating funds. For example, a disbursement of \$29,350 in May 2022 was omitted from the budget-to-actual report, and a March 2023 disbursement of \$11,163 was recorded as \$1,117, which was a difference of \$10,046. The Supervisor told us that it was too costly to purchase accounting software that would automatically carry over disbursement figures from vouchers and abstracts. He also said that Board members did not review his accounting records.
- Transfers of highway funds totaling \$160,000, from the savings account to the checking account, that were incorrectly recorded as revenue. These funds were already recognized as revenue when they were initially received and deposited into the savings account.

In addition, the multiyear pool capital project was not accounted for in a separate capital projects fund, as required,¹⁰ and instead was improperly accounted for in the general fund TW. Because the pool capital project funds were included in the general fund TW, the 2020 and 2021 general fund TW revenues were artificially increased by \$556,000, and the 2021 and 2022 expenditures also were artificially increased by \$559,000.

The Supervisor told us that he thought his ledger spreadsheet served as a sufficient bank reconciliation. He also said that he did not consider that some revenues and expenditures could be missing from the budget-to-actual reports that he provided to the Board.

In addition, although the Supervisor was aware that OSC offered accounting training pertaining to the modified accrual basis of accounting,¹¹ he did not complete the training. Instead, he continued the accounting practices established by the former Supervisor. Had he completed the training, he may have identified some of the issues discussed in this report. Without reliable records, reports and fund balance amounts, the Board cannot effectively monitor the Town's finances and develop realistic estimates for future budgets.

10 Any capital projects exceeding one year should be accounted for in a separate capital projects fund.

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

Recommendations

The Supervisor should:

5. Provide the Board with periodic estimates of fund balance amounts for each fund.
6. Provide the Board with accurate monthly financial reports.
7. Complete monthly bank reconciliations using the Town's accounting records and provide the reconciliations to the Board periodically.
8. Pursue training available through OSC, which can be accessed on our website at <https://www.osc.ny.gov/local-government/academy>.
9. Use the modified accrual basis of accounting to account for Town finances.
10. Account for capital projects spanning more than one year in a separate capital projects fund.

Finding 3 – The Supervisors did not ensure that AFRs were submitted in a timely manner.

The Supervisors did not file the Town's AFRs with OSC in a timely manner for the last five completed fiscal years (2019 through 2023). The former Supervisor filed the Town's 2019 AFR on November 16, 2021, or 625 days late. As of December 31, 2024, the Town's AFRs were between 1,401 days late for 2020 and 306 days late for 2023.

The current Supervisor told us that he knew the Town was behind on submitting its AFRs, and the Board hired a vendor to complete the 2020 AFR. In 2023, when the 2020 AFR was about to be submitted, OSC updated its AFR reporting program which caused all their work to be lost. However, OSC sent three notification letters to the Supervisor over a seven-month span leading up to the change in the AFR reporting program to prevent loss of work. The Supervisor told us that the vendor is busy with other responsibilities, and the Town's AFRs appear to be less of a priority. However, the Supervisor is responsible for ensuring that the Town's AFRs are filed in a timely manner.

Had the Supervisors submitted the Town's AFRs in a timely manner, OSC would have analyzed the self-reported figures for fiscal stress and the Town would have received a publicly released fiscal stress score and designation.¹² Of the 933 towns in the State, 4 percent (36) did not file their AFRs in a timely manner to receive a FSMS score in any year between 2019 and 2023.¹³

¹² The Town filed the 2019 AFR too late to receive a FSMS designation.

¹³ From 2019 through 2023, 717 towns regularly filed AFRs and were included in the FSMS calculation. However, 180 towns occasionally did not file, had inconclusive data for at least one year, or were certain coterminous towns that were not given an FSMS score.

Using OSC’s recalculated results of operations for the Town for the 2019 through 2023 fiscal years, we calculated the Town’s fiscal stress designation and compared it to other towns in the State that filed AFRs in a timely manner. We determined that the Town would have had a fiscal stress designation in every year analyzed, and it was in significant fiscal stress for two of the five years calculated (Figure 3). Therefore, of the 717 towns that filed timely AFRs for each year between 2019 and 2023 and were included in the FSMS calculation, only the Town and one other town would have received a fiscal stress designation each year, which was 0.3 percent of all towns in the State.

Figure 3: OSC’s Calculation of the Town’s Fiscal Stress Score

2019	2020	2021	2022	2023
Significant Fiscal Stress	Significant Fiscal Stress	Moderate Fiscal Stress	Susceptible Fiscal Stress	Moderate Fiscal Stress

The Supervisor told us that he was aware OSC would assign a fiscal stress score, and he felt that if a stress designation was assigned, it may have changed the budgets that the Board would have approved. However, the Supervisor did not believe that the Town was in fiscal stress because it did not have long-term debt. But the absence of debt by itself is not an indication of the absence of fiscal stress.

When AFRs are not filed in a timely manner, the transparency of Town financial operations is diminished, and it leaves the Town without a means to demonstrate its financial standing to the Board, Town residents, taxpayers, OSC and other interested parties. Also, when the Town does not submit AFRs, it could negatively influence decisions made by debt-financing entities as they consider loaning funds to the Town to assist it with cash flow needs or purchasing equipment.

Recommendation

11. The Supervisor should file the Town’s AFRs as required by GML.

Finding 4 – The Board and officials did not develop and adopt written multiyear financial and capital plans.

The Board and officials did not develop written multiyear financial and capital plans to address the Town’s long-term operational and capital needs. They also did not develop and adopt a reserve plan. The fiscal stress previously identified¹⁴ could hinder the Town’s ability to address known or expected

¹⁴ For further information, refer to “The Supervisors did not ensure that AFRs were submitted in a timely manner” on page 8.

capital needs if Town equipment failed. Without a fund balance policy or reserve plan, the Town does not have a clear plan to fund equipment purchases.

During our audit period, the Highway Department had nine vehicles and pieces of major highway equipment. Three of the vehicles and one piece of equipment were at or beyond their usable life by an average of nearly four years (Figure 4).

According to the Highway Superintendent and other supporting documentation that we reviewed, the replacement cost for three new large dump trucks and an excavator ranged from approximately

\$1.4 million to \$1.5 million. However, no funds have been set aside through reserves for purchasing major highway equipment and vehicles.

Two Board members generally agreed that it would be prudent to have plans. Also, the Supervisor told us that he was unsure where to start with creating plans because the Town did not have extra funds, and he did not anticipate that the Town would have extra funds in the future. In addition, the Supervisor told us that he could not establish reserves because the Town did not have extra funds.

Because the Board did not adopt written multiyear capital and financial plans, it could not efficiently prepare for anticipated needs by spreading costs over a longer period of time. Furthermore, legally established reserve funds provide resources for planned needs and can help enforce the Board's proactive planning by limiting how officials can use Town funds, such as using intended capital project funds to fund normal Town operations. Without comprehensive written multiyear financial and capital plans, the Board cannot properly manage the Town's finances. Also, without these plans, the Board cannot readily assess alternative approaches to financial issues, such as using fund balance to finance annual operations or procure vehicles or equipment.

In OSC's previous audit,¹⁵ we identified similar issues to those previously discussed. In this current audit, we determined that the Town had not implemented any of the five recommendations that were included in the previous audit (Figure 5).

Figure 4: Town Vehicles

Vehicle	DOT ^a Useful Life	Age	Years Past DOT Useful Life
Excavator	15	26	11
Large Dump Truck	12	14	2
Large Dump Truck	12	13	1
Large Dump Truck	12	12	0
Large Dump Truck	12	3	Under Useful Life
Large Dump Truck	12	0	Under Useful Life
Large Dump Truck	12	0	Under Useful Life
Large Loader	12	7	Under Useful Life
Pickup Truck	7	3	Under Useful Life
a) New York State Department of Transportation			

¹⁵ See supra, note 7.

Figure 5: Previous Audit Recommendations

Responsible Party	Recommendations
Board	1. Adopt budgets that finance recurring revenues with recurring expenditures.
	2. Ensure that the Supervisor files the Town's AFR with the Town Clerk and OSC in a timely manner.
	3. Pursue training available through OSC.
Supervisor	4. Provide the Board with monthly reports that include an allocation of the balances or loans between funds and periodic estimates of fund balances.
	5. File the Town's AFR with the Town Clerk and OSC in a timely manner.

As of the end of the 2023 fiscal year, three of the five Board members had continuously served on the Board since we released our previous audit in 2017. One Board member, whose tenure included the audit in 2017, told us that he never saw the audit report. Therefore, he was unaware of the previous report's recommendations. However, all Board members at the time received an email with a link to the publicly released report. Had these recommendations been implemented, the Town may have avoided its current declining financial condition.

Recommendations

12. The Board should develop comprehensive written multiyear financial and capital plans that project operating and capital needs and financing sources over a three- to five-year period. These plans should be monitored and updated on an ongoing basis.
13. The Board should consider funding capital reserves as part of the Town's long-term planning efforts to set aside funds, legally and formally, for specific future Highway Department expenditures.

Appendix A: Profile, Criteria and Resources

Profile

The Town is located in Chenango County and is governed by the elected Board, which included four Board members and the Supervisor.

Criteria – Financial Condition

The supervisor should track fund balance and periodically provide updates to the board. Accounting records and reports provide a basis of checks and balances for determining whether town funds are properly accounted for. The supervisor is responsible for maintaining complete, accurate and current accounting records for each fund, reconciling bank accounts and providing periodic financial reports to the board. Any capital projects exceeding one year should be accounted for separately in a capital projects fund.

The board must receive regular financial reports to monitor financial operations and be able to make informed financial decisions. Interim reports should provide timely information on the town's financial position, results of operations, budget status and available cash balances.

In addition, the board should ensure that the town's fund balance is sufficient to meet current obligations, without relying on short-term debt to address cash flow needs. According to New York State General Municipal Law Section 9-a, if funds are loaned to another fund with a different tax base, the loan plus a reasonable amount of interest must be paid back within the same fiscal year. When sufficient fund balance exists, it may be appropriated in the budget to help finance operations. However, consistently doing so – instead of adopting a structurally balanced budget¹⁶ – can deplete fund balance to levels that are insufficient to cover unexpected contingencies and routine cash flow.

Annual Financial Report – The AFR provides the board, OSC, town residents and taxpayers and other interested parties with a transparent tool to monitor and evaluate financial operations. The OSC Fiscal Stress Monitoring System (System)¹⁷ uses AFRs to assess and identify when entities are experiencing notable levels of fiscal stress and showing susceptibility to fiscal stress. Fiscal stress statuses range from low to high with designations that include no designation (lowest designation), susceptible, moderate and significant fiscal stress (highest designation).

Multiyear Financial and Capital Plans – A written multiyear financial plan enables town officials to identify developing revenue and expenditure trends, establish long-term priorities and goals and consider the effect that one-time financing sources or other short-term budgeting decisions may have on future fiscal years. A written capital plan is designed to help officials maintain and improve a town's capital assets over time. It should identify and prioritize all capital and major equipment needs, reflect


¹⁶ A structurally balanced budget uses recurring revenues to finance recurring expenditures.

¹⁷ <https://www.osc.ny.gov/local-government/fiscal-monitoring>

the estimated costs and the proposed method of financing (e.g., grants, debt and reserve funds) and project the effect that the capital project may have on operating budgets.

The board and town highway superintendent may use the DOT's optimal usable life document that provides an estimated optimal usable life, in years, for each type and class of vehicle and equipment that are generally used by highway departments. The board is legally allowed to set aside, or reserve, portions of fund balance to finance future costs for specific purposes (e.g., vehicle and equipment replacement). Reserve funds can also provide a degree of financial stability by reducing reliance on indebtedness to finance capital projects and acquisitions.

Additional Multiyear Capital and Financial Planning and Reserve Fund Resources

FIGURE 6: OSC Publications		
During our fieldwork, we provided officials with planning guidance available in OSC's publications related to multiyear capital and financial planning and reserve funds.		
Local Government Management Guide – Multiyear Capital Planning	Local Government Management Guide – Multiyear Financial Planning	Local Government Management Guide – Reserve Funds
		
https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-capital-planning.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-financial-planning.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/reserve-funds.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

TOWN OF OXFORD

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This institution is an equal opportunity provider and employer.

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July 15, 2025

Office of the State Comptroller
Binghamton Regional Office
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Binghamton, NY 13901-4417

Response; OSC Audit – Town of Oxford-Draft Audit Report

We would like to thank the office of The State Comptroller (OSC) for their time and effort in conducting an audit into the financial condition of the Town of Oxford. This letter serves as the official response to the OSC preliminary draft report 2024M-135.

We agree in general with OSC's findings and are working on getting the AFR's up to date and will work on a corrective action plan to address the other OSC suggestions.

We as a board strive to do what is best for the Town while also being aware of the rising cost of taxes and the cost of living.

Town of Oxford supervisor

Alan Davis

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 interviewed Town officials, reviewed the Board's meeting minutes and ledger spreadsheet reports to gain an understanding of the Town's financial operations, including financial reporting, budgeting, AFR submissions, relevant policies and multiyear plans.
- We recalculated revenues and expenditures for the 2019 through 2023 fiscal years to determine whether they contained any accounting errors that needed to be corrected. We then recalculated the fund balance amounts of the main operating funds for the 2019 through 2023 fiscal years.
- We collected Town-reported TW fund balance amounts for the 2007 through 2018 fiscal years and projected fund balance trends through the 2023 fiscal year.
- We determined whether the amount of appropriated TW fund balance that was budgeted for the 2019 through 2023 fiscal years was available to fund operations.
- We reviewed accounting records and bank statements to identify loans between funds for the 2019 through 2023 fiscal years and determined whether reasonable interest was included in the repayments.
- We calculated interest costs and legal fees associated with RANs.
- We determined whether the Board implemented the audit recommendations from our previous audit.
- We reviewed AFR submissions and calculated the number of days that they were late.
- We used the System¹⁸ to evaluate the Town's fiscal stress, from a budgetary solvency perspective, which reflected the Town's ability to generate enough revenues to meet expenditures. We used OSC's recalculated figures for the 2019 through 2023 fiscal years. We compared the Town's fiscal stress designation to those of towns that submitted their AFRs in a timely manner for perspective for the 2019 through 2023 fiscal years.
- We compared the production year of the Town's major highway equipment to the DOT's optimal usable life guidelines to identify the equipment's remaining usable life.
- We discussed recent purchases, vendor price lists and replacement costs with the Highway Superintendent to estimate the replacement cost of all major Highway Department equipment that exceeded DOT's useful life guidelines. We considered major equipment to be items that cost more than the \$20,000 competitive bidding threshold.

¹⁸ <https://www.osc.ny.gov/files/local-government/fiscal-monitoring/pdf/system-manual.pdf>

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.

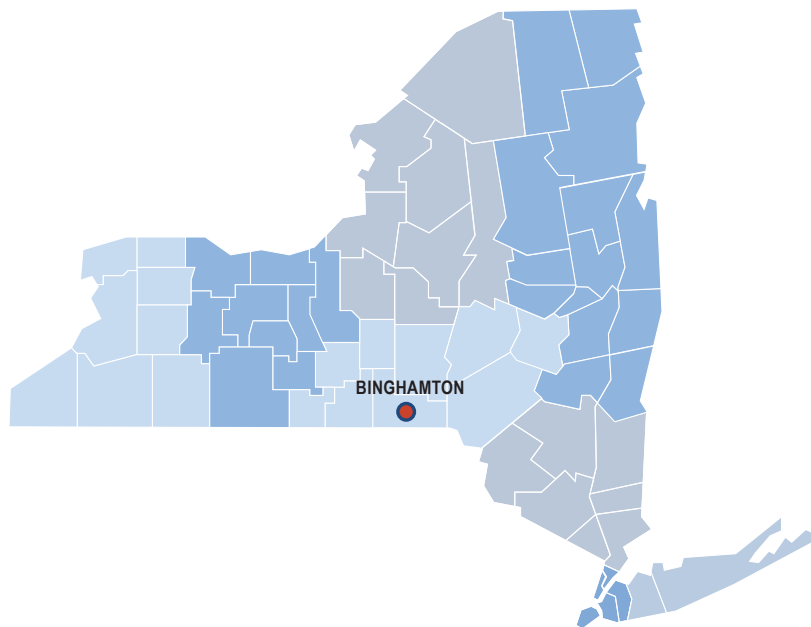
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