



# Town of Wawayanda

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## Financial Operations

2024M-160 | April 2025

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# Audit Results

## Town of Wawayanda



Audit Objective	Audit Period
Did the Town of Wawayanda (Town) Town Board (Board) and officials properly manage financial operations?	January 1, 2023 – September 17, 2024.  We extended our audit period back to January 1, 2019 to analyze financial trends.
Understanding the Program	
<p>The Board must provide oversight to ensure financial operations are properly managed.</p> <p>The Town Supervisor (Supervisor) serves as the chief executive officer, fiscal officer and the Board-appointed budget officer. The Supervisor is responsible for ensuring that day-to-day financial activities are recorded in the accounting system.</p> <p>The Board appointed a Supervisor's Accountant (Accountant) to make journal entries, reconcile the bank accounts and file the mandated Annual Financial Reports (AFRs).</p> <p>The Town's 2023 appropriations totaled \$5.9 million for all funds and the surplus fund balance at the end of 2023 totaled \$7.7 million.</p>	

## Audit Summary

The Board and Town officials did not properly manage financial operations, and the Board did not provide adequate oversight.

- The Board adopted unrealistic budgets. For example, the Board continuously adopted budgets that underestimated revenues by approximately \$5.2 million and appropriated \$2.2 million of fund balance that was not needed to fund operations during our audit scope period.
- The Board did not effectively manage the Town's fund balance over the last five fiscal years, resulting in operating surpluses that increased unrestricted fund balance from \$4.3 million for all funds to \$7.7 million as of the end of 2023 or 118 percent of the 2024 appropriations. The Board did not adopt a fund balance policy. Therefore, no rationale was established for maintaining this

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level of unrestricted fund balance. As a result, real property tax obligations for Town residents were likely higher than necessary.

- The Board appropriated portions of fund balance in 2019 through 2023. However, the Town realized operating surpluses and did not use all the \$2.6 million appropriated fund balance to fund operations.
- The Board did not develop a written multiyear financial plan or develop a comprehensive capital plan that addresses capital needs. Without such plans, the Board cannot assess expenditure commitments, revenue trends, financial risks and the affordability of new services and/or capital investments.
- The Board did not request and is not receiving up-to-date financial reports or a detailed statement of money received and disbursed on a monthly basis. As a result, the Board could not effectively evaluate the Town's financial condition and lacked the information necessary to make informed decisions.
- The Town is using accounting codes other than those prescribed by the New York State Comptroller's Office (OSC) which limits the Town's ability to properly report financial operations to interested parties, as required.
- The accounting records are not in agreement with the AFR filed by the Town. As a result, there is little assurance the information used to make financial decisions is accurate and complete.
- Town officials maintained an excessive number of bank accounts<sup>1</sup> which limited their ability to properly manage and control the Town's cash. Maintaining an excessive number of bank accounts also exposes the Town's funds to an increased risk of errors and irregularities.

The report includes 13 recommendations that, if implemented, will improve the Town's financial operations. Town officials disagreed with certain aspects of our findings and recommendations. Appendix C includes our comments on issues raised in the Town's response letter.

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 D.

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 Clerk's office.

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<sup>1</sup> Forty-one bank accounts in two different banks as of August 31, 2024 and 53 bank accounts among three different banks during our audit period.

# Financial Operations Findings and Recommendations

Sound financial operations ensure the effective operations of a town and the safety of public funds. The board is responsible for monitoring financial operations and adopting policies by comparing operations to plans, policies and directives and communicating with officials to make financial and operational adjustments as needed. More details on the criteria used in this report, as well as resources we make available to local officials that can help officials improve their financial operations management, are included in Appendix A.

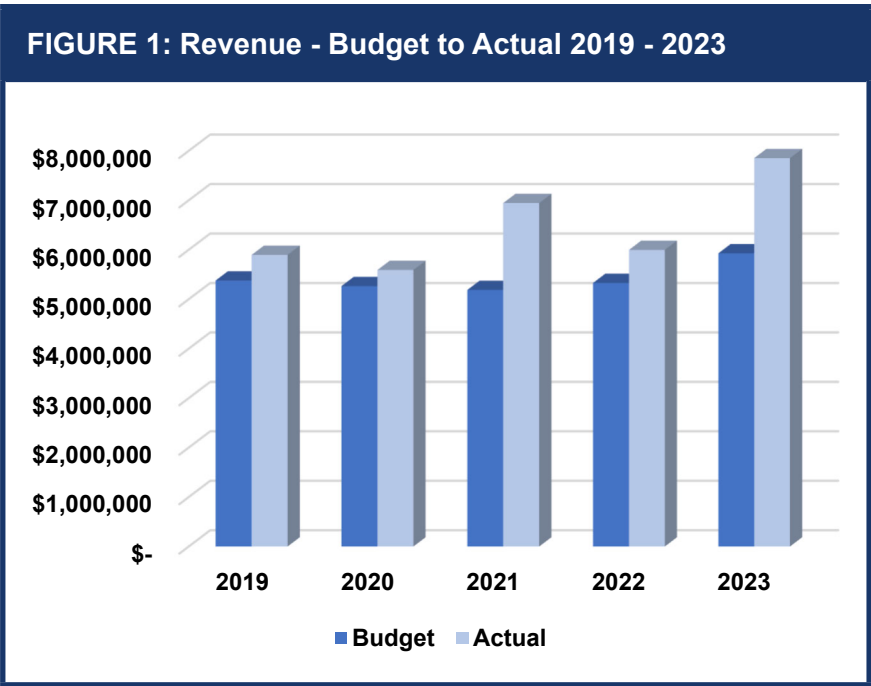
The Board and Town officials did not properly manage financial operations because of inadequate Board oversight.

## Finding 1 – The Board did not effectively manage the Town’s fund balance.

For the last five fiscal years, the Board adopted unrealistic budgets that resulted in operating surpluses that increased the unrestricted fund balance. Overall, the Board underestimated revenues (Figure 1) among all funds by approximately \$5.2 million over the last five fiscal years. The following revenue streams received by the Town had the largest variances in underbudgeting for the last five fiscal years on an annual average of:

- Non-property tax distribution by County revenue by \$186,628,
- Planning board fees by \$114,957,
- Mortgage tax by \$102,027,
- Highway improvement program revenue by \$94,315,
- Sewer rents by \$99,879, and
- Unmetered water sales by \$174,782.

According to the Supervisor, although the Town continued to receive higher revenues, the Town wanted to budget revenues conservatively. However, continuing to underestimate revenues may place an unnecessary burden on taxpayers.



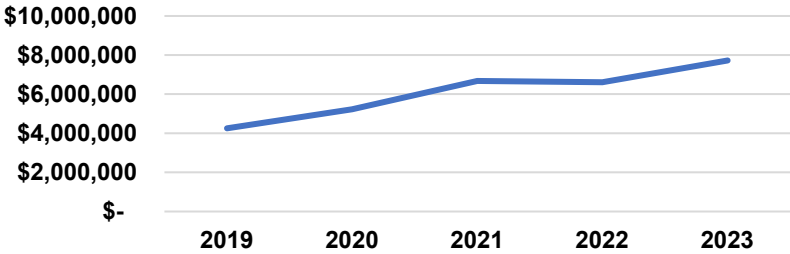
The budget variances resulted in operating surpluses that continued to increase unrestricted fund balance (Figure 2). At the end of 2023, the Town's unrestricted fund balance for all funds totaled approximately \$7.7 million, or about 118 percent of the 2024 appropriations (Figure 3).

Because the Board did not adopt a fund balance policy, no rationale was established for maintaining this level of unrestricted fund balance.

The Board gave taxpayers the impression it needed to increase real property taxes and appropriate fund balance to close projected budget gaps. Town officials appropriated portions of fund balance in 2019 through 2022 for the general fund, 2019 through 2023 for the highway fund and 2019 through 2021 for the water fund. However, the Town realized operating surpluses in all the funds except the general fund for 2019. As a result, the Town did not use \$2.2 million or 83 percent of the \$2.6 million of appropriated fund balance to finance operations (Figure 4). Nonetheless, the Board continued to underestimate revenues and appropriate fund balance that was not used.

By unnecessarily maintaining this level of unrestricted fund balance, real property tax obligations for Town residents were likely higher than necessary, placing an unnecessary burden on taxpayers.

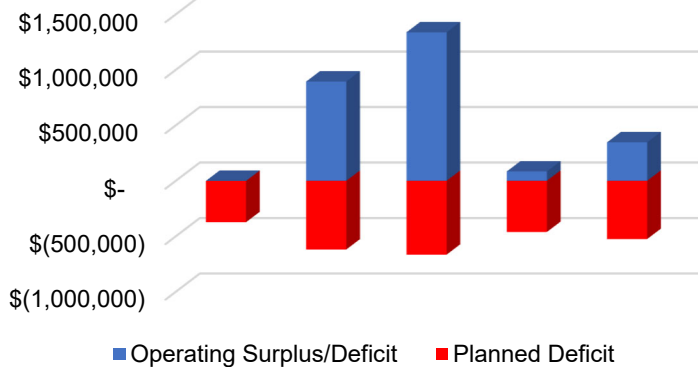
**FIGURE 2: Unrestricted Fund Balance Increase**



**FIGURE 3: Fund Balance as of December 31, 2023**

Fund	Amount	% of 2024 Appropriations
General	\$3,945,587	134%
Recreation	22,901	100%
Highway	698,990	29%
Drainage	24,077	1,926%
Lighting	6,102	1,271%
Landscaping	11,316	5,658%
Sewer	1,544,041	272%
Water	1,474,199	244%
<b>Total</b>	<b>\$7,727,213</b>	<b>118%</b>

**FIGURE 4: Planned Operating Deficit vs. Operating Surplus for General, Highway & Water Funds**



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## Recommendations

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The Board should:

1. Adopt realistic budgets that include reasonable estimates of revenues and the amount of fund balance that will be used to fund operations based on historic trends.
2. Discontinue the practice of appropriating fund balance that is not needed or used to fund operations.
3. Establish a written policy defining the amounts of fund balance that the Town should reasonably maintain and develop a plan, if needed, to reduce the amount of unrestricted fund balance in a manner that benefits Town taxpayers.

### **Finding 2 – The Board did not develop a written multiyear financial plan and did not develop a comprehensive capital plan that addresses capital needs.**

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The Board did not develop a written multiyear financial plan and did not develop a comprehensive capital plan that addresses capital needs. A multiyear financial plan would be a useful tool for the Board to use to determine future needs and how to finance them. Specifically, a multiyear financial plan would help guide officials as they develop future budgets and provide more transparency regarding the Town's long-term financial goals. The Board also did not develop or adopt a comprehensive written fund balance policy specifying the desired amount of fund balance to be maintained in each fund and funding levels. This policy would provide the Board with guidance related to the Town's budgeting goals which are necessary when developing multiyear plans. The Town has a large amount of unrestricted fund balance and designing a multiyear financial and comprehensive capital plan would outline how the Town plans to use such funds. Additionally, having a plan would ensure the Town properly allocates its resources to the desired projects.

The Supervisor was unaware the Town should develop a multiyear financial or comprehensive capital plan. The lack of a written multiyear financial and capital plan inhibits the Board and officials from properly managing financial operations and addressing future operating and capital needs while outlining their ability to pay for and provide services. The Supervisor explained the Town plans to expand on Town parks. Therefore, having a plan would help ensure the Town is able to complete their desired plans and allow them to track what money is available for other projects. Further, without such plans, the Board cannot assess expenditure commitments, revenue trends, financial risks and the affordability of new services and/or capital investments.

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## Recommendation

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The Board should:

4. Develop and adopt a multiyear financial and comprehensive capital plan to establish the goals and objectives for funding long-term operating and capital needs.

### Finding 3 – The accounting records and reports were not up to date and accurate.

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The Board received the Supervisor's monthly report, which includes a budget-to-actual report. However, the accounting records were not up to date and therefore, the information provided was not accurate. For example:

- Budget-to-actual reports provided to the Board in September 2024 only contained figures through February 2024 because the accounting records had not been updated.
- The accounting records were missing certain revenues, expenditures and the necessary journal entries for the audit period.
- Most of the revenues are posted through journal entries, meaning the budget-to-actual reports did not show accurate revenues for most of the year.
- The Supervisor's report did not include a detailed statement of all money received and disbursed by the Town on a monthly basis.

In addition, we determined the Board passed a resolution on December 2, 2023, authorizing the Accountant to make any budget transfers deemed necessary to balance the books for 2023. However, no transfers were made for fiscal year 2023 until June 2024.

According to the Supervisor, she and the Board knew the accounting reports were not up to date because the Accountant was behind in his work, but all she could do was ask for him to get caught up while the Town is in the process of hiring additional staff. However, without detailed monitoring of ongoing revenues and expenditures, the Board does not have a clear understanding of the Town's current finances. As a result, Board members' ability to effectively evaluate a proposed budget before adoption, and to ensure that the real property tax levy is not more than necessary to fund appropriations was limited.

Additionally, we determined accounting codes used in the accounting records were inaccurate. We reviewed all of the 323 account codes the Town used in the financial software for 2019 through 2023 fiscal years and determined 182 account codes were inaccurate (56 percent). For example, the Town has a special water district (SW). However, the Town was using a water fund (F) code. Without proper



accounting codes, there is limited assurance the information being used to make financial decisions is accurate and complete. Further, because the accounting codes were inaccurate, it caused a delay and confusion in what code the expenditures should be reported in when the Accountant filed the AFR.

According to the Supervisor, the Accountant set up the account codes years before and she had no knowledge they were inaccurate. However, the Town has begun to correct the account codes. As a result of the records not being up to date and the use of inaccurate accounting codes, the AFRs filed by the Town were inaccurate. For example, the control accounts for revenues and expenditures were different from the accounting records to the AFR for most funds (Figure 5).

**Figure 5: Accounting Records to AFR Comparison at December 31, 2023**

Fund	Control Account	Accounting Record	AFR	Variance Accounting Record and AFR
<b>General</b>	Expenditures Total	\$2,979,083	\$3,009,895	(\$30,812)
<b>Highway</b>	Revenues Total	\$2,372,265	\$2,339,589	\$32,676
<b>Highway</b>	Expenditures Total	\$2,299,875	\$2,271,437	\$28,438
<b>Drainage District</b>	Revenues Total	\$1,531	\$1,517	\$14
<b>Drainage District</b>	Expenditures Total	\$14	\$0	\$14
<b>Landscaping District</b>	Revenues Total	\$333	\$328	\$5
<b>Landscaping District</b>	Expenditures Total	\$5	\$0	\$5
<b>Sewer</b>	Expenditures Total	\$590,350	\$623,063	(\$32,713)
<b>Water</b>	Expenditures Total	\$708,634	\$735,243	(\$26,609)

## Recommendations

The Board should:

5. Ensure the Supervisor provides adequate, detailed and accurate monthly financial reports including budget-to-actual reports, bank balance reports and cash flow statements.
6. Review financial reports and accounting records in a timely manner to ensure information contained is accurate and complete.

The Supervisor should:

7. Provide adequate, detailed and accurate monthly financial reports to the Board, including budget-to-actual reports, bank balances reports, detailed statements of all money received and disbursed and cash flow statements.
8. Develop a plan to ensure accurate financial information is being used, and regularly updated, to prepare accounting records and reports that are accurate and complete.
9. Ensure all budget transfers are timely recorded in the accounting records.

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10. Review and correct account codes to ensure accounting records and reports contain the proper account codes per OSC.

11. Ensure that the Town's AFR is filed complete and accurately with OSC.

## **Finding 4 – The Town had an excessive number of bank accounts.**

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The Town had 41 open bank accounts in two banks as of August 31, 2024 and 53 bank accounts in three different banks during our scope period. This number of bank accounts seems excessive for the Town's operations considering the Town has 15 special districts, 10 capital projects, two operating funds and two fiduciary funds. The open bank accounts consisted of:

- 20 special district fund accounts,
- 10 capital fund accounts,
- Six general fund accounts,
- Three fiduciary fund accounts, and
- Two highway fund accounts.

According to the Supervisor, she was under the assumption that each fund and district needed its own bank account. However, we identified several funds and districts with multiple bank accounts. The use of excessive bank accounts limits the Town's ability to properly manage and control its cash and exposes the Town's funds to an increased risk of errors or irregularities.

We reviewed the bank reconciliations required to be completed during the audit period for the 53 bank accounts and determined that reconciliations were only being completed for three of the 53 accounts and were not done timely. For example, the last completed bank reconciliation was March 2024 during our review in September 2024 and the Accountant told us the bank reconciliations for January and February were completed mid-August. The Accountant explained that only three of the 53 bank accounts (the operating, trust and agency and special trust and agency) are reconciled as the other accounts just have transfers in and out of them.

Further, the Accountant stated bank reconciliations were not completed or completed in a timely manner due to the large number of accounts and the adjustments that were needed. By reducing the number of bank accounts, there is greater assurance of preventing theft or fraud, as less bank reconciliations will be needed and any errors or miscalculations may be identified and corrected in a timely manner.

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## Recommendations

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The Supervisor should:

12. Keep the number of bank accounts to a minimum, except where special bank accounts are required.
13. Ensure the Accountant is completing bank reconciliations in a timely manner.

Because the Board and Town officials did not properly manage financial operations, there is little assurance the information used to make financial decisions is accurate and complete, and residents and other interested parties had limited access to accurate financial information to help them make informed decisions.

# Appendix A: Profile, Criteria and Resources

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## Profile

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The Town, located in Orange County, is governed by the elected five-member Board, including the Supervisor. The Board is responsible for the general oversight of the Town's operations and finances.

The Supervisor serves as the chief executive officer, fiscal officer and the Board-appointed budget officer. The Supervisor is responsible for ensuring that day-to-day financial activities are recorded in the accounting system. The Board appointed an Accountant to make journal entries, reconcile the bank accounts and file the Town's AFRs.

The Town's 2023 appropriations totaled \$5.9 million for all funds and the surplus fund balance at the end of 2023 totaled \$7.7 million.

## Criteria – Financial Operations




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A town board (board) should properly manage financial operations following guidance provided in a publications on our website (See Figure 6). Specifically, the board and officials should:

- Adopt reasonably estimated budgets based on historical data or known trends in which recurring revenues finance recurring expenditures.
- Ensure accurate estimates that help ensure that the tax levy is appropriate and not greater than necessary, and that unrestricted fund balance amounts are reasonable.
- Monitor the budget throughout the year.
- Adopt a written policy that defines the amount of fund balance the town should maintain.
- Retain a reasonable amount of fund balance for unforeseen circumstances because excess fund balances that are accumulated place an unnecessary burden on taxpayers.
- Create a written multiyear financial plan and comprehensive capital plan that is periodically reviewed and updated on an ongoing basis with the most current and accurate information available.
- Ensure all accounting records are complete, accurate and up to date to be relevant and useful.
- Ensure all accounting codes are properly classified based on the classification system of OSC to allow for the accurate filing of the AFR.
- Ensure budget transfers are made timely and recorded in the accounting records.
- Ensure the number of bank accounts are kept at a minimum except for special bank accounts required by statute.
- Ensure bank reconciliations are prepared monthly.

## Additional Financial Operations Resources

**FIGURE 6: OSC Publications**

OSC Local Government Management Guides and other informational resources available on our website to help officials understand and perform their responsibilities.		
<i>The Practice of Internal Controls</i>	<i>Multiyear Financial Planning</i>	<i>Understanding the Budget Process</i>
<p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p><b>The Practice of Internal Controls</b></p>  <p>Office of the New York State Comptroller Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>INTERNAL CONTROLS SERIES</p>	<p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p><b>Multiyear Financial Planning</b></p>  <p>Office of the New York State Comptroller Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>BUDGETING AND FINANCIAL PLANNING SERIES</p>	<p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p><b>Understanding the Budget Process</b></p>  <p>Office of the New York State Comptroller Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>BUDGETING AND FINANCIAL PLANNING SERIES</p>
<a href="https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf</a>	<a href="https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-financial-planning.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-financial-planning.pdf</a>	<a href="https://www.osc.ny.gov/files/local-government/publications/pdf/understanding-the-budget-process.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/understanding-the-budget-process.pdf</a>
<i>Accounting and Reporting Manual</i>	<i>Information for Town Officials</i>	
<p>New York State Comptroller THOMAS P. DINAPOLI</p> <p><b>Accounting and Reporting Manual</b></p> <p>Counties, Cities, Towns, Villages, Libraries, Soil and Water Conservation Districts</p> <p>April 2024</p>	<p>New York State Comptroller THOMAS P. DINAPOLI</p> <p><b>Information for Town Officials</b></p> <p>January 2024</p>	
<a href="https://www.osc.ny.gov/files/local-government/publications/pdf/arm.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/arm.pdf</a>	<a href="https://www.osc.ny.gov/files/local-government/publications/2020/pdf/information-for-town-officials.pdf">https://www.osc.ny.gov/files/local-government/publications/2020/pdf/information-for-town-officials.pdf</a>	

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 WAWAYANDA SLATE HILL, NEW YORK 10973

Denise F. Quinn  
SUPERVISOR

80 RIDGEBURY HILL ROAD  
SLATE HILL, NY 10973



Tel: (845) 355-5700

April 3, 2025

Dear Chief of Municipal Audits,

### Finding #1

The board has found that underestimating variable income is a better practice because it promotes financial stability, cautious budgeting, and better decision-making. Here's why:

1. Prevents Overspending – If you overestimate your income and it falls short, you might struggle to cover essential expenses. Underestimating ensures you live within your means.
2. Encourages Savings – Any extra income beyond the underestimated amount becomes surplus, which can be saved or invested instead of being immediately spent.
3. Reduces Financial Stress – A conservative income estimate helps avoid financial shocks, ensuring you are prepared for months when earnings are lower than expected.
4. Supports Sustainable Budgeting – By basing your budget on the lowest expected income, you ensure that necessary expenses are always covered, even during lean months.
5. Improves Decision-Making – It helps avoid commitments to fixed expenses that might be unsustainable if income fluctuates downward.

The board has also found that underestimating expenses is not good practice because it can lead to financial strain, inadequate budgeting, and unexpected shortfalls. Here's why:

1. Risk of Running Out of Money – If actual expenses exceed the underestimated amount, you may struggle to cover necessary costs, leading to financial stress.
2. Increased Debt Reliance – Underestimating expenses can force you to rely on credit cards or loans to make up the difference, potentially leading to debt accumulation.
3. Budget Shortfalls – A budget based on underestimated expenses may appear balanced on paper but fail in reality, leading to cash flow problems.
4. Disrupts Financial Planning – Inaccurate expense estimates can make it difficult to set realistic savings goals or plan for future financial obligations.

See  
Note 1  
Page 14



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5. Emergency Preparedness Issues – If you underestimate expenses, you may not allocate enough funds for unexpected costs, leaving you unprepared for emergencies.

Instead, it's better to overestimate expenses and underestimate income to create a financial buffer, ensuring you're always prepared for fluctuations in costs. This cautious approach provides a financial safety net and promotes long-term financial health.

#### **Finding #2**

The Town having the extra money allowed the Town to create the ambulance district without having to go out and bond like other towns are now having to do. [REDACTED]

[REDACTED] Also, the Town does have projects we are working on: expanding the New Hampton Park and Shannan Park along with some upgrades to the Town Hall. The Shannan Park project we are going to need to build a bridge to cross the stream that runs through the park. This is going to cost a substantial amount of money.

See Note 2 Page 14
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#### **Finding #3**

We have been in the process of getting someone to assist our current accountant.

#### **Finding #4**

The bank accounts we have are under the guidance of our current accountant.

I want to close this by stating the findings in the report are recommendations and are not requirements of the comptroller's office. The Town of Wawayanda has one of the lowest tax rates in Orange County. The way we budget allows the board to make important adjustments to meet the needs of the community without burdening the tax payers of our town. We are striving to provide more while keeping our tax rate low. There is only one town in Orange County that has a lower tax rate than the Town of Wawayanda.

Respectively,

Denise F. Quinn  
Supervisor

# Appendix C: OSC Comments on the Town's Response

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## Note 1

When the Board and officials use historical trend analyses and previous years' actual results of operations to develop their budget estimates, they can estimate revenues and expenditures more accurately and provide more transparent information to the public and taxpayers.

## Note 2

The Board did not develop a written multiyear financial plan and did not develop a comprehensive capital plan. Therefore, taxpayers are not aware of the Town's long-term financial goals or the necessity for maintaining the approximate \$7.7 million of unrestricted fund balance.



# Appendix D: 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 Town officials and employees to obtain an understanding of the policies and procedures relating to the Town's financial operations, the budget process and the multi-year financial and capital plan.
- We reviewed Board minutes and monthly and annual reports provided to the Board members to determine the extent of financial information received.
- We reviewed the budgets and budget-to-actual reports for 2019 through 2023 to determine if the Town appropriated fund balance, if appropriated fund balance was being used, and if there was an operating surplus or deficit.
- We reviewed the unrestricted fund balance for 2019 through 2023 to determine if the unrestricted fund balance was reasonable, recalculated unrestricted fund balance to include appropriated fund balance not used, percentage of fund balance to ensuing year's appropriations and determined the change in fund balance from 2019 through 2023.
- We reviewed the reserve fund documentation to determine if the reserves were properly supported and to determine the change in reserves from 2019 through 2023.
- We reviewed the budget-to-actual reports for 2019 through 2023 for all funds to determine whether revenue and expenditure accounts were overestimated or underestimated.
- We reviewed the budget-to-actual report for 2023 for all funds to determine whether any budget lines were overspent.
- We used our professional judgment to select a sample of 10 budget transfers from the 2023 accounting records and compared the transfers to the Board minutes to determine whether they were Board-approved and completed after authorization.
- We reviewed the OSC financial reporting data to determine whether the Town filed its AFR and whether it was completed in a timely manner.
- We reviewed all 323 accounting codes used in the financial software from 2019 through 2023 to determine if the proper account code was used and what account code should be used per OSC.
- We used our professional judgment to select a sample of bank balances and compared the bank balances to general ledger cash balances to determine whether they agreed. We used our professional judgment to select a sample of revenue and expenditure transactions in the accounting records and compared them to source documents to determine whether they agreed. We compared revenue and expenditure account balances in the accounting records to the AFR to determine whether they agreed.

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- We compared the Town's bank account listing to the listing of online bank accounts to determine whether the Town's bank account listing was accurate. This included determining whether the correct bank account was listed. Additionally, we determined the total number of open bank accounts the Town was using.
  - We reviewed the bank reconciliations for the audit period to determine whether they were complete and timely and reviewed by the Board.
  - We used our professional judgment to select all bank accounts to review all bank transfers for the judgmentally selected months of January 2023, December 2023, March 2024 and August 2024 based on selecting the first and last month of 2023, March 2024, as that was the month bank reconciliations began being caught up, and August 2024 as that was the month the risk assessment began. We reviewed each bank transfer to ensure it was properly made between bank accounts.

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.

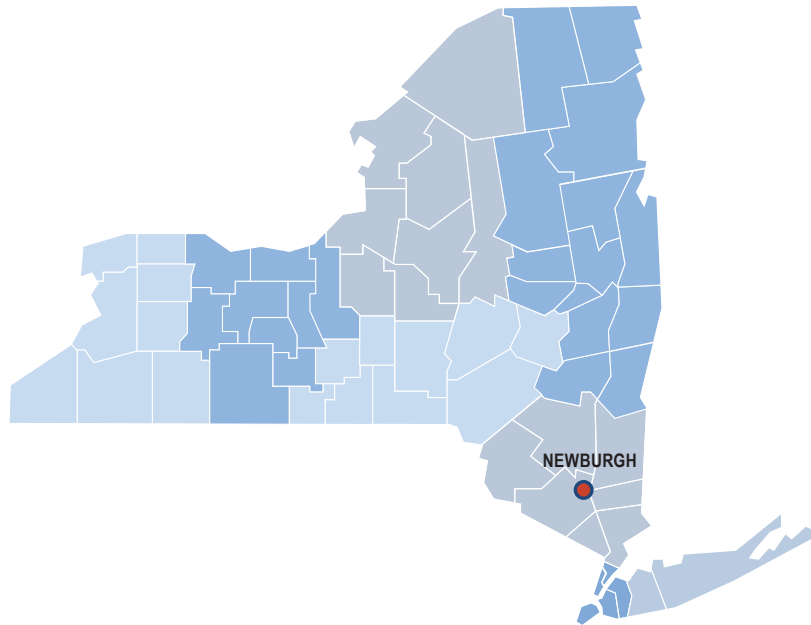
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