



# Town of Alexander

---

Town Clerk/Tax Collector

2025M-72 | April 2026

# Contents

- Audit Results . . . . . 1**
  - Audit Summary . . . . . 1
  
- Town Clerk/Tax Collector: Findings and Recommendations . . . . . 4**
  - Finding 1 – The former Clerk did not record, deposit, report or remit clerk fee collections accurately and did not record or deposit collections in a timely manner.. . . 4
  - Recommendations . . . . . 11
  - Finding 2 – The former Clerk did not record or deposit tax collections accurately or in a timely manner. . . . . 12
  - Recommendations . . . . . 13
  - Finding 3 – The former Clerk did not remit tax collections or related penalties and fees to the Supervisor or Treasurer accurately or in a timely manner.. . . . 14
  - Recommendations . . . . . 15
  - Finding 4 – The Board did not verify the former Clerk’s transactions to supporting documentation or ensure corrective action was implemented for previous Clerk audit findings.. . . . 15
  - Recommendations . . . . . 16
  
- Appendix A: Profile, Criteria and Resources. . . . . 17**
  
- Appendix B: Response From Town Officials. . . . . 20**
  
- Appendix C: Audit Methodology and Standards. . . . . 22**

# Audit Results

## Town of Alexander



Audit Objective	Audit Period
Did the Town of Alexander (Town) Town Clerk/Tax Collector (Clerk) record, deposit, report and remit collections accurately and in a timely manner?	August 1, 2019 – May 30, 2023.  We extended our audit period back to 2018 to review and analyze reported collections data and trends. See Appendix C for further details.  Release of this report was held in abeyance while the matter was under review by outside law enforcement.
Understanding the Audit Area	
<p>A town clerk must record, deposit, report and remit collections in a timely and accurate manner to prevent loss or theft, ensure funds are available for operations, maintain financial integrity, meet legal/statutory requirements, and allow for proper oversight and audit. Delays create risks, making funds vulnerable to misappropriation and obscuring accountability.</p> <p>The former Clerk’s tenure started in July 2019 and ended on December 16, 2024 when she resigned. Clerk fees collected in fiscal year 2022 were \$23,000, down from \$40,000 (43 percent) collected in 2018. Real property taxes collected for 2023 were \$2.1 million.</p>	

## Audit Summary

The former Clerk did not record, deposit, report or remit collections accurately and did not record or deposit collections in a timely manner (see Figure 1 for a summary of the exceptions). The former Clerk was arrested in July 2024 and was arraigned on charges of grand larceny, falsifying business records, forgery and corrupting the government. In January 2025, the former Clerk pleaded guilty to petit larceny, resigned from her position and paid restitution to the Town.

The Town Board (Board) did not adequately monitor transfer station punch card purchases or sales, review the former Clerk's records or implement recommendations from prior reviews and audits. As a result, the discrepancies identified went unnoticed and uncorrected. In addition, when adequate records and reports are not maintained, the Board does not have reliable information to oversee the Town's financial activities and make informed decisions.

Our audit determined that the former Clerk did not:

- Issue pre-printed duplicate receipts with sequential numbers or retain other adequate supporting documentation to support collection records.
- Indicate the form of payment received for clerk fees or taxes collected.
- Record, deposit, report or remit all clerk fees and taxes collected.
- Account for 262 transfer station punch cards totaling \$8,500.

Annual total collections recorded decreased by approximately \$17,000 (43 percent) from 2018, the year prior to the former Clerk taking office, to 2022, the most recently completed year during the audit period.

We determined:

- There was a steady and significant decrease in the number of transfer station punch cards recorded as sold from 748 cards in 2018 to 167 cards in 2022, a reduction of 581 cards (78 percent).
- There was a significant decrease in the number of building permits and land separation fees<sup>1</sup> recorded as collected. Permit fees recorded as collected declined from 36 permits totaling \$3,928 in 2018 to 15 permits totaling \$2,225 in 2022, a reduction of 21 permits (58 percent).
- Dog license fees recorded as collected decreased from 634 licenses totaling \$3,448 in 2018 to 456 licenses totaling \$3,041 in 2022, a reduction of 178 licenses (28 percent).

**Figure 1: Exceptions for Collections Reviewed**

Transactions	Amount
<b>Unaccounted for</b>	
Transfer Station Punch Cards	\$8,500
2023 Cash Collections	1,015
Remittance of Tax Collections	1,469
<b>Total</b>	<b>\$10,984</b>
<b>Unrecorded</b>	
Collections	\$3,816
Building Permit and Land Separation Fees	2,758
Dog License Fees	60
<b>Total</b>	<b>\$6,634</b>
<b>Untimely</b>	
Deposit of Tax Collections	\$841,147
Recording of Tax Collections	745,933
<b>Total</b>	<b>\$1,587,080</b>

<sup>1</sup> Land separation fees are costs associated with dividing a single parcel of land into multiple, separate parcels and updating applicable records.

---

The report includes 19 recommendations that, if implemented, will improve the Town's controls over Clerk fee and tax collections. Town officials generally agreed with our recommendations and have taken and indicated that they will continue to take corrective action. Their response is included in Appendix B.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the Office of the New York State Comptroller's (OSC) authority as set forth in Article 3 of the New York State General Municipal Law (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 GML. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Clerk's office.

# Town Clerk/Tax Collector: Findings and Recommendations

---

A town clerk should create and retain supporting documentation for each payment received. Receipts and other supporting documentation help to ensure transactions entered in the accounting records are accurate and traceable from the point of collection to the bank deposits and monthly reports. New York State Town Law (Town Law) Section 30 requires a town clerk to deposit collections within three business days after total collections exceed \$250. To strengthen accountability and improve oversight, a town clerk also should deposit collections intact (in the same amount and form – cash or check – as received). GML Section 99-b requires a town clerk to issue and retain a receipt for each collection made, including tax collections. In addition, Town Law Section 27 requires a town clerk to prepare and submit a monthly report to the town supervisor for all clerk collections and remit such collections to the town supervisor by the 15th day of the following month. A town clerk also must report and remit collections to certain NYS agencies in a timely manner, such as the New York State (NYS) Department of Agriculture and Markets (AGM), by the 5th day of the month following receipt.

Town Law Section 35 requires a town clerk, when serving as tax collector, to deposit all real property taxes collected within 24 hours of receipt and remit amounts collected to the town supervisor at least once a week. Once the town's tax levy has been collected in full, tax collections must be remitted to the county treasurer no later than the 15th day of the ensuing month. At the end of the tax collection period, the town clerk is required to settle with the county treasurer and account for all taxes collected, amounts remitted to the town supervisor and county treasurer, any adjustments to the tax roll and the taxes that remain unpaid. Additionally, Town Law Section 123 requires a town clerk to submit their records to the town board on or before January 20th of each year so the town board can conduct the required annual audit of the town clerk's records or arrange for an audit to be conducted.

More details on the criteria used in this report, as well as resources/publications we make available to local officials that can help officials improve operations (Figure 10), are included in Appendix A.

## **Finding 1 – The former Clerk did not record, deposit, report or remit clerk fee collections accurately and did not record or deposit collections in a timely manner.**

---

The former Clerk maintained a daily handwritten collection log to record collections as they were received and would later enter individual collections into the computerized system used for recording and reporting clerk fees. We identified numerous discrepancies between the former Clerk's log, the Clerk's computerized system, supporting documentation and bank deposits, indicating that there was a significant risk that cash collections could have been lost, stolen or misappropriated and concealed, as discussed in more detail below. The former Clerk did not issue pre-printed duplicate receipts with sequential numbers, destroyed the collection logs prior to 2023 and altered the collection log that was available for 2023. Therefore, we could not determine whether collections prior to 2023 were recorded or deposited in a timely manner. The former Clerk told us that she destroyed the previous year's collection records because she was not aware of NYS Archives records retention requirements and she no longer needed the records.

We summarized and compared annual total collections recorded due to various collection issues. Collections recorded decreased by approximately \$17,000 (43 percent) from 2018 (the year prior to the former Clerk taking office) to 2022 (the most recently completed year during our audit) (Figure 2).

The former Clerk did not record collections into the computerized system accurately. The former Clerk also did not issue and retain receipts for each collection received or retain another suitable record to demonstrate the amounts collected and due to the Town and other agencies.

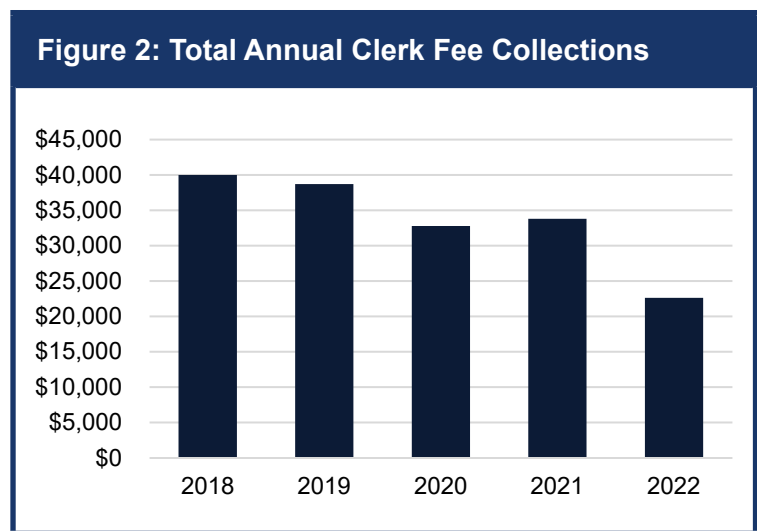
Without adequate documentation, we and Town officials could not determine whether all fees owed were accurately collected and deposited. However, we were able to determine that the former Clerk did not deposit all collections recorded in her collection log as received. For example, the 2023 collection log indicated that there was \$1,015 more in cash collections than was deposited into the bank.

Untimely Deposits – The former Clerk did not deposit collections in a timely manner. For example, the former Clerk made only one deposit of \$1,001 on January 30, 2023 for 33 collections received (cash and checks) in the month. Based on the collection log, collections exceeded \$250 on January 5, 2023, meaning the former Clerk was required to deposit these funds within three business days, or by January 10, 2023. Similarly, although the collection log indicated that collections for January 31, 2023 totaled \$262 and a deposit should have been made within three business days, or by February 3, 2023, the former Clerk did not deposit the money until February 14, 2023, 11 days later.

The former Clerk generated monthly reports from the computerized system and provided them to the Town Supervisor (Supervisor) to support the amount of collections remitted. The former Clerk also used information entered into the computerized system to report and remit collections of dog-related fees to AGM, and to generate reports of financial activities that were provided to the Board monthly and after the conclusion of each year for the Board’s annual review of the former Clerk’s records. However, because the former Clerk did not record all collections in the computerized system, the reports were not accurate because they did not include all the fees collected.

Unrecorded Collections – Some collections for clerk fees, such as for transfer station punch cards, building permits, land separations and dog licenses, were deposited in the former Clerk’s bank account but not recorded in the computerized system or included on the former Clerk’s monthly report to the Supervisor.

For the period January 1 through May 30, 2023, we compared the former Clerk’s collection log to collections recorded in the computerized system and deposits made in the former Clerk’s bank account and identified collections totaling \$1,100 which were not recorded in the computerized system. These



collections included nine checks totaling \$700, \$200 cash collected for four transfer station punch cards (per the collection log), and two credit card transactions totaling \$200 which were deposited in the bank but not recorded in the computerized system. While five of the nine checks had notes indicating that a total of nine transfer station punch cards were purchased, the other four checks and credit card transactions did not indicate what the payments were for.

We compared the former Clerk’s collection log (for January through May 2023), collections recorded in the computerized system and deposits made in the Clerk’s bank account for August 1, 2019 through May 30, 2023,<sup>2</sup> and determined that 76 collections totaling \$3,816 were deposited in the former Clerk’s bank account and 15 of the 76 were recorded in the former Clerk’s 2023 collection log but not in the computerized system (Figure 3).

**Figure 3: Payments Received But Not Recorded From August 1, 2019 through May 30, 2023**

Form of Payment Fiscal Year	Cash		Check		Credit Card		Total	
	# of Receipts	\$ Amount	# of Receipts	\$ Amount	# of Receipts	\$ Amount	# of Receipts	\$ Amount
2023	4	\$200	9	\$700	2	\$200	15	\$1,100
2022	No information available		22	1,456	8	365	30	1,821
2021			17	559	4	200	21	759
2019 and 2020			8	96	2	40	10	136
<b>Total</b>	<b>4</b>	<b>\$200</b>	<b>56</b>	<b>\$2,811</b>	<b>16</b>	<b>\$805</b>	<b>76</b>	<b>\$3,816</b>

Had these deposits been properly recorded in the computerized system, the former Clerk would have been accountable for more money than was in the bank and on hand, and there would not be enough funds to cover the amounts owed to the Town and other parties (e.g., NYS). For example, the former Clerk recorded \$10,757 for fees collected during the period January 1 through May 30, 2023 and reported and remitted fees totaling \$10,709. However, had the unrecorded deposits of \$1,100 been properly entered in the computerized system, the former Clerk would have been accountable for approximately \$1,052 more than was in the bank and on hand (Figure 4).

**Figure 4: Clerk Fees Accountability for January 1 - May 30, 2023**

<b>Cash on Hand and in the Bank</b>	<b>\$10,757</b>
<b>Liabilities Recorded as of May 30, 2023</b>	<b>\$10,709</b>
<b>Unrecorded Liabilities</b>	<b>1,100</b>
<b>Total Liabilities Identified</b>	<b>\$11,809</b>
<b>Clerk Fees Account Shortage</b>	<b>\$1,052</b>

When we compared collections listed as cash in the former Clerk’s collection log for the same period, the comparison showed that the former Clerk deposited \$1,014 less cash than she recorded as collected in the log (Figure 5). The cash collections recorded in the former Clerk’s collection log but not deposited was approximately equal to the amount of various unrecorded miscellaneous deposits in the same period, none of which were traceable to a monthly report, source document or receipt.

<sup>2</sup> We used the Clerk’s collection log to determine cash received but not recorded in 2023.

Because the former Clerk destroyed her collection logs prior to 2023, we were unable to determine whether transactions were consistent between the collection log, computerized system and bank account records for 2019 through 2022. However, we noted similar discrepancies between bank deposits and the former Clerk’s computerized system during the four years, as follows:

- In 2022, the former Clerk collected and deposited 22 checks totaling \$1,456 and processed eight credit card transactions totaling \$365 that she did not record in the computerized system.
- In 2021, the former Clerk collected and deposited 17 checks totaling \$559 and processed four credit card transactions totaling \$200 that she did not record in the computerized system.
- In 2019 and 2020, we identified 10 unrecorded transactions totaling \$136.

Because the former Clerk did not issue pre-printed duplicate receipts with sequential numbers, or retain any other evidence of receipt, we could not determine whether all clerk fees owed to the Town were collected, recorded, deposited and remitted to the appropriate parties during the audit period.

Transfer Station Punch Cards – The former Clerk sold transfer station punch cards to residents that allowed them to dispose of their trash at the Town’s transfer station. Each card had 10 punches/uses, and the number of punches used is determined by the amount or size of the trash to be disposed of. At the time of our audit, the fee for a transfer station punch card was \$50. From June 5, 2020 through November 22, 2021, transfer station punch cards were sold for \$40<sup>3</sup> and, prior to June 5, 2020, they were sold for \$30.

The transfer station punch cards were sequentially numbered and the former Clerk generally sold them in sequential order. We reviewed transfer station punch card transactions and determined the following exceptions:

- A block of 210 transfer station punch cards valued at \$6,300 (\$30 per card) were not recorded as sold in 2020. However, the unsold cards were not in the former Clerk’s transfer station punch card inventory. We compared the number of cards recorded as sold in 2020 to the number of cards recorded as sold in 2019 and determined that sales dropped significantly in 2020. Specifically, 764 were recorded as sold in 2019 and 565 were recorded as sold in 2020, a reduction of 199 cards (26 percent).<sup>4</sup>

**Figure 5: Cash Collected, Deposited and Not Accounted For (January 1, 2023 - May 30, 2023)**

<b>Cash Collected per the Clerk’s Collection Log:</b>	
<b>Cash</b>	\$4,858
<b>Adjustments<sup>a</sup></b>	106
<b>Total Adjusted Cash</b>	\$4,964
<b>Cash Deposited and On Hand</b>	\$3,950 <sup>b</sup>
<b>Collections Not Accounted for</b>	<b>\$1,014</b>

a – Three transactions totaling \$106 were initially recorded as cash in the Clerk’s log and were subsequently whited out and marked as credit card payments. However, there were no corresponding credit card payments processed or deposited.

b – This amount did not include the \$250 of unexplained extra cash in the second cash count that was not in the first cash count. We conducted two cash counts of the Clerk’s cash on hand on May 30, 2023 and May 31, 2023 (for transactions up through May 30). We conducted the second cash count because the Clerk introduced additional cash the morning after the initial count.

<sup>3</sup> A mix of \$30 and \$40 cards were recorded as sold between June 5, 2020 and July 23, 2020.

<sup>4</sup> Transfer station operations were not impacted during the COVID-19 pandemic as the Clerk’s office did not close.

---

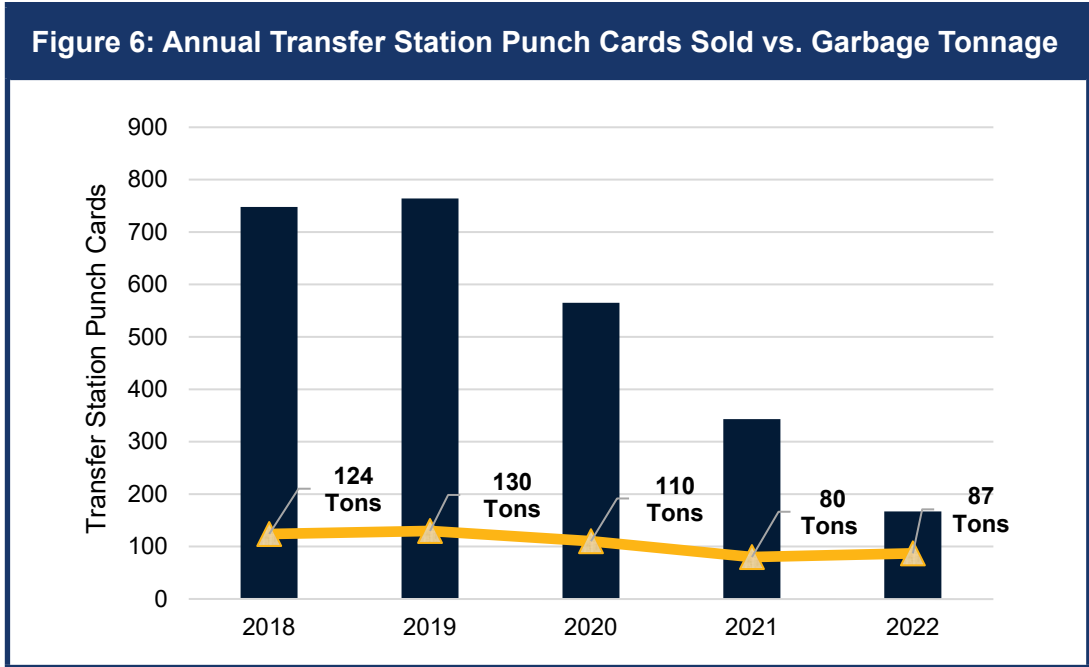
In addition, based on the former Clerk's computerized system, a mix of \$30 and \$40 cards were recorded as sold for approximately two months after the price increased to \$40. During that time, the former Clerk's records indicated that 90 cards were sold for \$30 totaling \$2,700 and 17 cards were sold for \$40 totaling \$680. We question how the former Clerk decided which denomination transfer station punch cards to sell and record during this period.

- A block of 30 transfer station punch cards valued at \$1,200 (\$40 per card) were not recorded as sold in 2021. However, the unsold cards were not in the former Clerk's transfer station punch card inventory. An invoice obtained directly from the printing vendor indicated that the 30 cards that were unaccounted for were purchased as part of a block purchase of 500 cards. However, the former Clerk provided us a voucher indicating that only 400 cards were purchased.

Furthermore, the former Clerk's records indicated that she sold 70 of the 100 cards not listed on the voucher she provided us. We determined that the voucher appeared to have been altered or recreated. For example, the abstract (list of claims to be paid) and all other vouchers included in the same claim packet as the voucher for the transfer station punch cards were initialed by Board members using two ink colors – two Board members used blue ink and two Board members used black ink. However, the voucher for the transfer station punch cards showed the Board members' initials all in the same color and had deviations in the handwriting.

- An additional 22 transfer station punch cards totaling \$1,000 were not recorded as sold and were not in the former Clerk's transfer station punch card inventory, as follows:
  - Three \$30 cards and one \$40 card totaling \$130 in 2020,
  - Three \$40 cards and one \$50 card totaling \$170 in 2021,
  - Two \$50 cards totaling \$100 in 2022, and
  - Twelve \$50 cards totaling \$600 in 2023.

For perspective, because of the discrepancies noted with transfer station punch card sales and inventory, we reviewed historical transfer station punch card fee collection data and compared it to historical tonnage of garbage hauled from the transfer station. We determined that there has been a steady and significant decrease in the number of transfer station punch cards recorded as sold from 748 in 2018 to 167 in 2022, a reduction of 581 (78 percent) over the three years reviewed. There has also been a decrease in the tonnage of garbage hauled from 124 tons in 2018 to 87 tons in 2022, a reduction of 37 tons (30 percent) over the three years reviewed (Figure 6). The decrease in transfer station punch card sales declined more significantly than the tonnage of garbage hauled. We also analyzed the number of cards sold per one ton of garbage over the year for the three years reviewed and determined that 6.0 cards were sold per ton in 2018 and 1.9 cards were sold per ton in 2022.



The former Clerk did not maintain proper inventory records of transfer station punch cards and unused cards were not in the inventory records. The former Clerk could not provide support that the old transfer station punch cards were turned over to the Board or were properly destroyed when the Board approved a price change for the punch cards. The Supervisor stated the unused punch cards were supposed to be destroyed but could not provide support that they were. Additionally, the Board did not adopt a policy or procedures for managing the transfer station punch card inventory. One Board member told us there was no inventory of old punch cards because they had all been sold. Had the Board monitored transfer station punch card purchases and sales, adopted a policy and/or procedures for managing the transfer station punch card inventory and monitored for compliance, it may have identified the discrepancies noted.

**Building Permits and Land Separations** – Of the 75 building permit and land separation transactions totaling \$7,999 recorded from January 1, 2021 through May 30, 2023 in the Building and Zoning Department’s records, 36 transactions (48 percent) totaling \$2,758 were not recorded as collected in the former Clerk’s computerized system during the period tested. These unrecorded transactions included 31 building permit fees totaling \$2,308, four land separation fees totaling \$400 and a \$50 building permit fee that was recorded as \$25 received in the computerized system.

We sent confirmations to the individuals or businesses that applied for the 36 permits in question to determine whether they paid the fees and had support for the payment. Of the 15 confirmation responses we received, six replied that they made payments totaling \$292:

- For three fees totaling \$142, the respondents indicated that they paid the fees in cash but did not recall the dates paid. One indicated the fee was paid to the former Clerk, one indicated the fee was paid at Town Hall and one did not indicate where it was paid.

- One \$50 fee that was not recorded during the testing period was paid on May 10, 2023, with a check dated the same. Even though we determined this transaction was recorded in the computerized system and in the former Clerk’s collection log on June 14, 2023, and the check was deposited in the bank on June 24, 2023, it was not recorded or deposited in a timely manner based on the check date and the payee-indicated pay date.
- For one \$50 fee, the owner stated he paid cash to a contractor and the contractor paid the Town with a check. We determined that the check from the contractor was in a Building and Zoning Department folder and was not provided to the former Clerk or recorded and deposited.
- For one \$50 fee, the individual indicated he paid \$50 but could not recall the payment form, date paid or where it was paid.

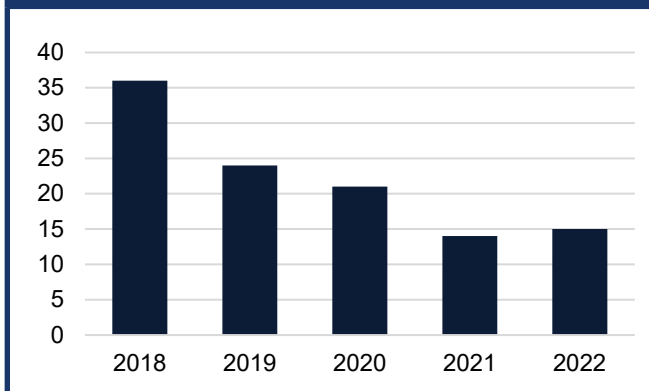
The other nine responses received indicated the fees were not paid. Because there was no process to reconcile permit applications processed and the associated permit fee collections, the risk that fees could be collected and not recorded or deposited increased significantly.

For perspective, because of the discrepancies noted, we reviewed historical building permit and land separation fee collection data and determined there was a significant decrease in the number of building permits and land separation fees recorded as collected. Specifically, permit fees recorded as collected declined from 36 permits totaling \$3,928 in 2018 to 15 permits totaling \$2,225 in 2022 (Figure 7).

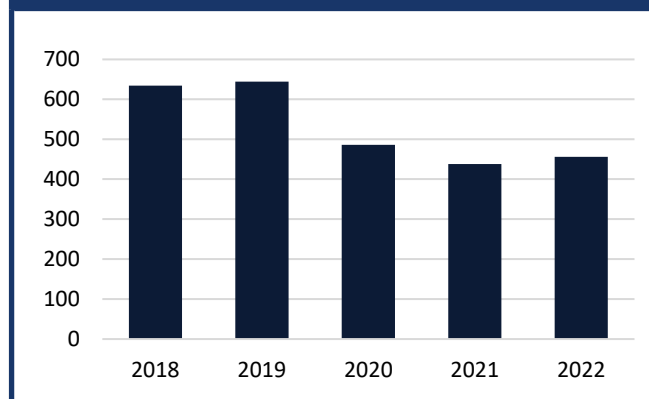
Dog Licenses – In 2021, three checks totaling \$39 for dog license renewals were deposited but not recorded. In 2022, collections of \$15 and \$6 were deposited but not recorded. Based on the fee amounts, these payments were likely related to dog licenses. The former Clerk reported and remitted dog license fees to AGM based on what was recorded and, as a result, the remitted collections for 2021 and 2022 were inaccurate.

While the exceptions noted may appear immaterial, our testing would not have identified all payments received and not recorded, particularly cash payments with no other supporting documentation, (e.g., pre-printed duplicate receipts with sequential numbers). Dog license fees that were recorded as collected decreased from 634 licenses totaling \$3,448 in 2018 to 456 licenses totaling \$3,041 in 2022, a reduction of 28 percent (Figure 8).

**Figure 7: Number of Building Permits/Land Separations Paid**



**Figure 8: Annual Number of Dog Licenses Issued/Renewed**



---

Overall, the former Clerk did not issue pre-printed duplicate receipts with sequential numbers, destroyed the collection logs prior to 2023 and altered the collection log that was available for 2023. In addition, although the former Clerk's computerized system had the capability to capture payment types (i.e., cash, check or credit card), the former Clerk did not record the payment type for collections received. The lack of these controls prevented a proper reconciliation of collections to deposits and helped to conceal the apparent cash shortages that our audit identified.

The former Clerk also did not perform reconciliations of collections received, recorded and deposited and did not perform accountability analyses of amounts due to the Supervisor and NYS agencies. These procedures are necessary to verify the accuracy of financial records and ensure that assets are sufficient to meet liabilities. In addition, Board members did not analyze collection trends from year to year. Had the Board reviewed these trends, it may have detected the significant reduction in collections reported by the Clerk, potentially prompting further inquiry into the Clerk's operations.

## Recommendations

---

The Clerk should:

1. Issue and retain pre-printed duplicate receipts with sequential numbers for all collections, including who made the payment, the payment amount and form of payment (cash, check or credit card) and the date payment was received.
2. Record all collections in the computerized system accurately and in a timely manner, including credit card payments that are automatically deposited into the Clerk's bank account.
3. Deposit all collections intact and in a timely manner.
4. Maintain all collection records for six years in accordance with NYS Archives records retention requirements.
5. Maintain inventory records to support the number of transfer station punch cards that are purchased, sold and currently in the card inventory; turn over unsold cards to the Board to be destroyed when no longer needed; and provide supporting documentation to the Board when prices are adjusted and new cards are used.
6. Perform monthly bank reconciliations and accountability analyses of amounts due to the Supervisor and NYS agencies.

The Board should:

7. Adopt a written policy and develop procedures for maintaining inventory records for transfer station punch cards and the destruction of old cards that are no longer needed.
8. Analyze the collection trend from year to year and review significant changes to identify possible causes.

- 
9. Establish a process to coordinate the building permit applications process and associated fee collections, including reconciling the number of permit applications and the associated fee collections.

## **Finding 2 – The former Clerk did not record or deposit tax collections accurately or in a timely manner.**

---

We reviewed all 2022 and 2023 tax collections recorded from January 31, 2023 through April 5, 2023, which included 1,568 collections totaling \$2.6 million. We determined that 498 collections (32 percent) totaling \$841,147 were not deposited in a timely manner and 438 collections (28 percent) totaling \$745,933 were not recorded in a timely manner. Specifically:

- 498 collections were deposited, on average, between six and eight days after they were received in 2022 and 2023, respectively, and not deposited within 24 hours of receipt as required by Town Law Section 35. Additionally, 81 of the 498 collections (16 percent) totaling \$161,780 were deposited 10 days after receipt and one tax collection totaling \$2,818 was not deposited.
- 438 collections were recorded, on average, six to seven days after the collections were received in 2022 and 2023. Additionally, 74 of these 438 collections (17 percent) totaling \$140,135 were recorded 10 days after receipt.

In addition, we identified one tax collection recorded 29 days after receipt that the former Clerk did not deposit, and two tax collections that the former Clerk recorded and deposited 32 and 47 days after receipt, respectively. Specifically:

- The former Clerk recorded one tax collection of \$2,818 on March 9, 2022 as being received on February 28, 2022. However, the former Clerk did not deposit this cash payment into the tax collection bank account. The payor confirmed the payment was made in cash on February 8, 2022, and provided a copy of the receipt given to him by the former Clerk.
- The former Clerk recorded and deposited one tax collection of \$1,129 on February 11, 2022. However, the tax bill remittance was covered with correction fluid and marked as received January 31, 2022, but the payor confirmed the payment was made in cash on January 10, 2022.
- The former Clerk recorded and deposited one tax collection of \$1,172 on April 5, 2023. However, the tax bill remittance was originally marked as received on February 17, 2023 but was covered with correction fluid and marked as received on March 31, 2023. We attempted to confirm payment details with the taxpayer but did not receive a reply to our request.

When collections are not recorded and deposited in a timely manner, there is an increased risk of mistakes being made or money being lost or misappropriated without detection. The longer money remains undeposited, the greater the risk that loss or theft can occur.

---

In addition, although the tax collection system had the capability to capture payment types (i.e., cash, check or credit card), the former Clerk did not use this feature. Without this information, collections could not be traced from the records to deposits and officials could not ensure all collections were deposited. As a result, it increased the risk of misappropriation of collections and made detection more difficult.

Furthermore, the former Clerk did not retain envelopes with postmarks for tax collection payments received by mail to support the receipt dates recorded by the former Clerk. Without this information, she could not demonstrate that she assessed and collected penalties accurately. Additionally, the former Clerk did not reconcile tax collection records to the tax collector bank account records. The Board also did not question the absence of reconciliations or review the tax collection records.

We also identified two cash deposits of \$1,350 and \$400 made on April 15, 2022, the date the former Clerk settled tax collections with Genessee County (County). These two cash deposits were not supported by the former Clerk's records and did not appear to be associated with specific tax collections. However, without these unsupported deposits, the former Clerk would not have had enough cash in the bank to satisfy the taxes due to the County Treasurer (Treasurer).

## Recommendations

---

The Clerk should:

10. Record all tax collections in the tax collection system accurately and in a timely manner, including payment type.
11. Deposit all tax collections intact and in a timely manner, within 24 hours of receipt.
12. Reconcile the tax collections bank account monthly.
13. Retain envelopes for tax payments made by mail to support the date the payment was received.

The Board should:

14. Review tax collection records, including bank reconciliations, to verify accuracy and identify conditions that need correction.

### Finding 3 – The former Clerk did not remit tax collections or related penalties and fees to the Supervisor or Treasurer accurately or in a timely manner.

The former Clerk did not remit tax collections to the Supervisor in a timely manner in 2023. The former Clerk began collecting tax payments in January 2023 and made the first remittance to the Supervisor on February 13, 2023 instead of at least once a week as required by Town Law Section 35.

The former Clerk also did not remit penalties and fees to the Supervisor accurately or in a timely manner for 2022 or 2023 (Figure 9). Overall, the former Clerk should have remitted \$1,244 more in penalties and fees to the Supervisor than she remitted.

**Figure 9: Penalties/Fees Remitted and Not Remitted**

Year	Penalties/ Fees	Remitted	Not Remitted
2022	\$4,056	\$2,887	\$1,169
2023	3,850	3,775	75
<b>Total</b>	<b>\$7,906</b>	<b>\$6,662</b>	<b>\$1,244</b>

Considering the tax collection bank account had a balance of \$75 as of October 26, 2023, and the former Clerk had not yet remitted petty cash of \$300 used for collections, the former Clerk was short \$1,469 to be remitted to the Supervisor. Figure 9 includes only penalties and fees recorded in the tax collection system. It does not include penalties and fees that may not have been properly applied or recorded in the system.

While the tax collection settlements and total remittances with the Treasurer for 2022 and 2023 were accurate, the former Clerk did not comply with Town Law Section 35 which required her to remit tax collections to the Treasurer no later than the 15th of the next month once the Town tax levy was satisfied. For example, the former Clerk remitted \$900,000 and \$950,000 to the Treasurer on February 8, 2022 and February 13, 2023, respectively. However, based on the former Clerk’s records, she collected \$948,666 and \$950,695 by those dates, respectively, that should have been remitted. The former Clerk stated that she remitted even amounts to the Treasurer to keep a cushion in the tax collection bank account.

While the required deadline is the latest point in time at which remittances may be made, from an internal control perspective, the best approach is to remit money as soon as possible. The longer money remains unremitted, the greater the risk that loss or theft can occur. Additionally, the longer money remains unremitted, the less cash flow Town and County officials have to effectively fund operations.

While the former Clerk provided monthly tax collection reports to the Supervisor for January, February and March during the 2022 and 2023 tax collection seasons and these reports listed total taxes and penalties collected, the former Clerk did not provide, and the Supervisor did not request system-produced reports or any other documentation to substantiate the amounts reported. Furthermore, the Board did not review the former Clerk’s tax collection records. One Board member told us that they relied on the County to provide tax collection oversight. However, the County is not responsible for monitoring the Clerk’s tax collection practices.

---

## Recommendations

---

The Clerk should:

15. Remit all tax collections to the Supervisor at least once per week and provide supporting documentation for the amounts remitted.
16. Remit tax collections to the Treasurer no later than the 15th of the next month once the Town tax levy is satisfied.

The Supervisor should:

17. Request system generated reports to support the amounts the Clerk remits to the Town.

### **Finding 4 – The Board did not verify the former Clerk’s transactions to supporting documentation or ensure corrective action was implemented for previous Clerk audit findings.**

---

While the Board contracted with a certified public accountant firm to conduct audits of the former Clerk’s records for 2020 and 2022, those audits did not contain findings or recommendations regarding clerk fee collections. The Board did not arrange for an audit for the former Clerk’s records in 2021. Instead, the Board conducted a review of the former Clerk’s records in 2021 to assess the accuracy and reliability of the records and identify conditions that needed improvement. Board members told us that they reviewed reports generated from the former Clerk’s computerized system, and the Supervisor told us that he verified the former Clerk’s reported amounts agreed to the amount of funds the former Clerk remitted to him. However, reviewing reports without verifying transactions to supporting documentation (e.g., pre-printed duplicate receipts with sequential numbers and bank records) would not detect errors and irregularities, including collections that were not recorded and/or deposited.

The Board engaged a third party to conduct reviews of the Clerk’s records for 2016 and 2019 due to different individuals becoming Clerk during those years. For clerk fee collections, both review reports indicated that bank reconciliations were not reviewed and signed off by a second individual. We noted that bank reconciliations were not performed during the audit period. In addition, both review reports stated that deposits were not made in a timely manner.

The Supervisor and former Clerk were unable to recall whether the Board discussed these findings or implemented corrective actions and could not provide documentation to demonstrate that any corrective action was taken. We also spoke with one Board member who indicated he was not aware that issues were reported in the prior reviews. By not considering the findings and implementing corrective action, the Board diminished the purpose of the independent review.

---

## Recommendations

---

The Board should:

18. Conduct the required annual audit of the Clerk's records and thoroughly review clerk fees when conducting its annual audit to assess the reliability of the Clerk's records and identify conditions that need improvement.
19. Follow up on the issues identified during external reviews and implement corrective action.

# Appendix A: Profile, Criteria and Resources

---

## Profile

---

The Town, located in Genesee County, is governed by an elected five-member Board composed of four Board members and the Supervisor. The Board is responsible for the general oversight of operations and finances.

The elected Clerk is responsible for issuing licenses, permits and transfer station punch cards. These fees are to be recorded in a computerized system. All money collected by the Clerk should be remitted to NYS, the County or the Supervisor monthly.

The Clerk is also responsible for collecting Town and County real property taxes and is required to periodically remit collections first to the Supervisor to satisfy the Town's tax warrant, and then to the Treasurer.

At the end of the tax collection period, the Clerk is responsible for preparing a reconciliation of the tax warrant to account for all tax collections, adjustments and unpaid taxes. Unpaid taxes are returned to the Treasurer for collection and enforcement proceedings. The former Clerk started her position July 2019.

## Criteria – Town Clerk/Tax Collector

---

A town clerk should create and retain supporting documentation for each payment received. Receipts and other supporting documentation help to ensure transactions entered in the accounting records are accurate and traceable from the point of collection to the bank deposits and monthly reports. Town Law Section 30 requires a town clerk to deposit collections within three business days after total collections exceed \$250. To strengthen accountability and improve oversight, collections should be deposited intact (in the same amount and form – cash or check – as received). In addition, Town Law Section 27 requires a town clerk to prepare and submit to the town supervisor a monthly report for all collections and to remit such collections to the town supervisor by the 15th day of the following month. A town clerk also must report and remit collections to certain NYS agencies in a timely manner, such as to AGM by the 5th day of the month following receipt. While these required deadlines are the latest point in time at which a deposit may be made, from an internal control perspective, the best approach is to deposit funds as soon as possible. The longer money remains undeposited, the greater the risk that loss or theft can occur. Town funds should be kept at the town hall and in town custody or be deposited directly into the bank.

GML Section 99-b requires a town clerk to issue and retain a receipt for each collection made, including tax collections. These receipts should be in duplicate format, pre-printed with sequential numbers and include adequate information to identify who made the payment, who collected it, the form of payment (i.e., cash, check or credit card) and the date payment was received. For tax collections, tax bills can serve as receipts because they are prenumbered, come in two parts (the collector's portion, commonly

---

referred to as the receiver's stub, and the customer portion) and adequately satisfy the requirements for issuing a receipt if they are completed and properly retained.

Town Law Section 35 requires a town clerk, when serving as tax collector, to deposit all real property taxes collected within 24 hours of receipt and remit amounts collected, including any interest and penalties, to the town supervisor at least once a week. Once the town's tax levy has been collected in full, tax collections must be remitted to the county treasurer no later than the 15th day of the ensuing month. At the end of the tax collection period, the town clerk is required to settle with the county treasurer and account for all taxes collected, amounts remitted to the town supervisor and county treasurer, any adjustments to the tax roll and the taxes that remain unpaid.

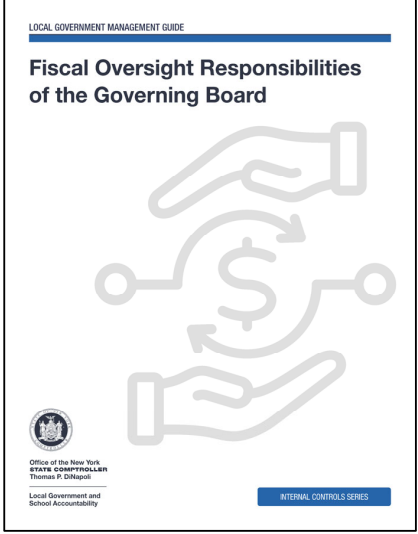
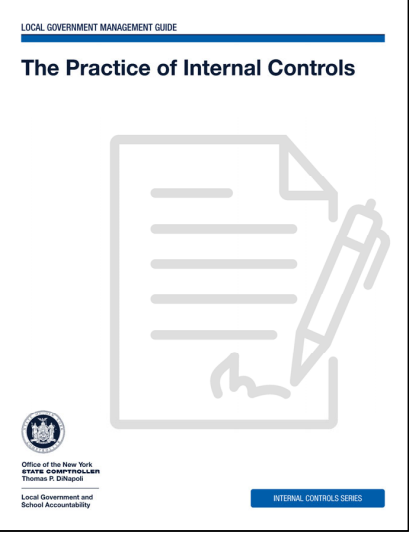
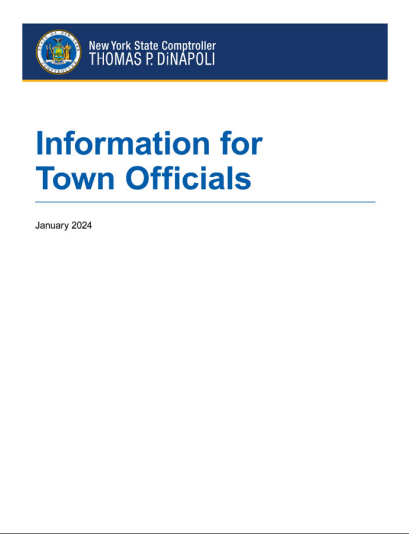
A town clerk should prepare monthly, accurate bank reconciliations and accountability analyses, which compare the amount of cash on hand and deposited in the bank to detailed lists of amounts due to the town supervisor and other agencies. These are critical procedures that serve to document the status of money held by the town clerk. They enable the town clerk to verify the accuracy of financial records and ensure that assets are sufficient to meet liabilities. The NYS Archives requires a town clerk to retain daily cash collection records for six years.

Additionally, Town Law Section 123 requires a town clerk to submit their records to the town board on or before January 20th of each year so the town board can conduct the required annual audit of the town clerk's records or arrange for an audit to be conducted. The annual accounting helps the town board fulfill its overall fiscal oversight responsibilities by providing the town board with an opportunity to assess the reliability of the books, records and supporting documents. The annual accounting also serves to identify conditions that need improvement and provides useful information to help the town board oversee the town's financial operations. The town board should ensure that corrective action is implemented for findings resulting from the annual audit.

## Additional Town Oversight Resources

**Figure 10: OSC Publications**

OSC *Local Government Management Guides* and other information resources are available on our website to help officials understand and perform their oversight responsibilities and implement effective internal controls.

<i>Fiscal Oversight Responsibilities of the Governing Board</i>	<i>The Practice of Internal Controls</i>	<i>Information for Town Officials</i>
		
<p><a href="https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf</a></p>	<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></p>	<p><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></p>

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

# Appendix B: Response From Town Officials

---

## TOWN OF ALEXANDER

**Deputy Supervisor**  
Laura Schmieder

**Councilmen**  
Eric Wagner  
Jerry Krupka  
Ronald Merrill



**Highway Superintendent**  
Brian Farnsworth

**Town Clerk**  
Shannon Bartholomew

**Deputy Clerk**  
Danielle Riggs

Date: April 7, 2026

Office of the State Comptroller  
110 State Street  
15<sup>th</sup> Floor  
Albany, NY 12236

Re: Town of Alexander Audit of Town Clerk/Tax Collector  
2025 through 2026

We, as a Board, have read and we agree with your findings regarding the Town Clerk/Tax Collector report from 2025 through 2026. The Clerk has already implemented some of the recommendations you have made and we as a Town Board are working closely with the Town Clerk to do the rest. Examples are as follows:

The Clerk has set up an inventory form to log the Transfer Station tickets that are in her cash drawer. As she sells out, she will log in the next numbers so that all tickets are accounted for. She also is putting the Town seal on all of the tickets she sells so that the Transfer Station attendant will know they are valid. She records them on her daily sheets as to the number, who bought them and how they were paid for. At the end of the day, she records the totals on her computer program.

She does the same with all dog license renewals or new dog licenses that she issues. All building permits that are issued are sequentially numbered and recorded in her daily cash sheet with when the home owner pays her for their building permits. Dog licenses and building permits are then recorded in the computerized program.

Our Town Clerk reconciles her bank statements as soon as they are available, usually the 1<sup>st</sup> or 2<sup>nd</sup> of the month. She then presents them to the Town Board at our monthly meeting so that we can monitor the numbers.

Our Town Clerk deposits her cash/checks in the bank as soon as she has over \$250. in receipts. She also issues and retains a pre-printed receipt for all transactions.

The tax bills are printed in duplicate so that the Clerk and the property owner both have a receipt. She stamps and records how the taxes were paid and who made and received the payment. The payments are then recorded daily in the tax computerized program. The Clerk then deposits the tax receipts in our bank.

3350 Church Street P.O. Box 248 Alexander NY 14005  
585-591-2455  
Visit us at [WWW.TOWNOFALEXANDER.COM](http://WWW.TOWNOFALEXANDER.COM)

The Town of Alexander is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

---

We as a Board feel we have a better understanding of the Clerk's processes and the Clerk is making sure that her office transactions are transparent to us.

We will be working on a Corrective Action Plan that addresses the findings and recommendations of the formal report.

Thank you for coming out to meet with us and go through your report. It was very thorough and enlightening.

Sincerely,

The Alexander Town Board

# 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 Board members and officials and reviewed various documents and reports to gain an understanding of the Clerk's fee and tax collection processes and procedures, including determining the types of fees collected and procedures for recording, depositing, reporting and remitting collections.
- We conducted two cash counts of the former Clerk's cash on hand on May 30, 2023 and May 31, 2023 (for transactions up through May 30). We conducted the second cash count because the former Clerk informed the audit team that additional cash was on hand the morning after the initial count.
- For 2023, we compared the former Clerk's daily handwritten collection log with collections recorded in the computerized system and deposits made in the former Clerk's bank account to determine whether there were discrepancies. For 2019 through 2022, we compared collections recorded in the computerized system with bank deposits because the daily handwritten collection logs for these years were destroyed. We reviewed images of checks deposited into the bank account to obtain the payor name, check date, dollar amount and check memo information, and compared this information to collections recorded in the computerized system to determine whether these checks were recorded accurately and in a timely manner.
- We obtained and summarized the former Clerk's annual collection reports from 2018 through 2022 to analyze total collection trends. We further analyzed fees for transfer station punch cards, building permits and land separations, and collections related to dog licenses. We also reviewed the former Clerk's collection system receipts number sequences to determine whether receipt numbers were missing.
- We obtained a building permits list<sup>5</sup> from the Building and Zoning Department which listed 75 building permits and land separations with fees totaling \$7,999 and compared the list to permits recorded as paid in the former Clerk's collection system between January 1, 2021 and May 30, 2023 to determine whether there were any discrepancies. We also sent confirmation letters to the permit applicants indicated for 36 building permits totaling \$2,758 listed on the Building and Zoning Department's building permits log but not recorded as paid in the former Clerk's collection system to inquire whether these applicants paid for these permits.
- We compared canceled check images to the collection system monthly summary reports to determine whether the former Clerk remitted money collected in 2020, 2021, 2022 and 2023 to the Supervisor and other appropriate agencies accurately and in a timely manner by the 15th day of the following month.

---

<sup>5</sup> We also confirmed with the Town Assessor (Assessor) that the list was the same list the Building and Zoning Department provided to the Assessor to adjust the properties' values as needed, unless she noticed a project was not completed during an onsite survey.

- 
- We compared payment information (the date the payment was received as stamped, form of payment, the dollar amount paid and who received the payment on the tax slip maintained by the Town to the batch detail report information, including the postdate and effective date from the tax processing system) to determine whether tax collections were recorded accurately and in a timely manner in 2022 and 2023. We also compared this information to bank deposit dates and compositions to determine whether tax collections were deposited intact and in a timely manner.
  - We summarized tax payments received and reviewed pertinent information, including canceled check images and dates checks cleared the bank, to determine whether money received was remitted to the Supervisor accurately and in a timely manner in 2022 and 2023.
  - We obtained tax settlement sheets from the Treasurer for the 2022 and 2023 tax collection cycles and reviewed information (e.g., dates, signatures and amounts) from the sheets to determine whether tax collections were accurately reported, remitted and settled with the Treasurer accurately and in a timely manner.
  - We compared penalties and interest recorded and reported as collected by the former Clerk in the tax collection system to penalties and interest remitted to the Supervisor in 2022 and 2023 to determine whether penalties and interest recorded as received were remitted.
  - We used our professional judgment to select seven tax payments totaling \$12,927 out of 1,568 tax payments totaling \$2.6 million to attempt to confirm with the taxpayers whether payments were made, the form of payment (i.e., cash, check or money order), and the date the payment was paid. We sent letters to the property owners requesting payment information and any available supporting documentation. For our sample, we selected bills that contained receipt dates that were altered with correction fluid and rewritten, and bills that indicated the payment was in cash because there is higher risk that cash transactions were not deposited.

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.

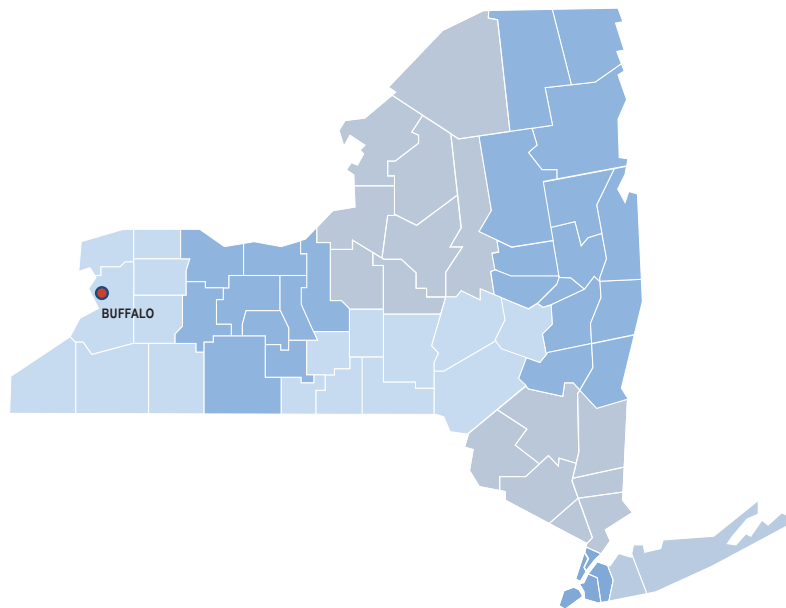
## Contact

**BUFFALO REGIONAL OFFICE** – Melissa A. Myers, Chief of Municipal Audits

295 Main Street, Suite 1032 • Buffalo, New York 14203-2510

Tel (716) 847-3647 • Fax (716) 847-3643 • Email: [Muni-Bufferalo@osc.ny.gov](mailto:Muni-Bufferalo@osc.ny.gov)

Serving: Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans, Wyoming counties



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

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

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

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