



# Arkport Joint Fire District

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## Treasurer's Records and Reports

2025M-126 | January 2026

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# Audit Results



## Arkport Joint Fire District

Audit Objective	Audit Period
<p>Did the Arkport Joint Fire District (District) Treasurer record and report receipts and disbursements accurately and in a timely manner?</p>	<p>January 1, 2024 – September 29, 2025.</p> <p>We extended the audit period back to January 1, 2019 to review annual financial report (AFR) submissions.</p>
Understanding the Audit Area	
<p>A fire district’s treasurer should record and report financial transactions in a timely and accurate manner to enable informed decision-making by a fire district’s board of commissioners, establish financial accountability, comply with reporting requirements and maintain public trust.</p> <p>From January 1, 2024 through June 30, 2025, the District’s deposited receipts totaled \$239,204 and disbursements totaled \$145,516.</p>	

## Audit Summary

The current and former Treasurers did not record and report District receipts and disbursements accurately and in a timely manner. As a result, the Board of Fire Commissioners (Board) did not have the necessary financial information to monitor the District’s financial operations. Furthermore, there is an increased risk of theft, waste and abuse of District resources.

For example, the former Treasurer:

- Inaccurately recorded or did not record 13 receipts totaling \$93,978 and 20 disbursements totaling \$24,502.
- Inaccurately reported or did not report 16 receipts totaling \$1,436 and eight disbursements totaling \$2,756.
- Did not file the required AFR for the last five fiscal years and the current year is overdue (Figure 1).

**Figure 1: AFR – Number of Days Late as of September 29, 2025**

Fiscal Year	Days Late
2019	2,038
2020	1,672
2021	1,307
2022	942
2023	577
2024	211

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In addition, the current Treasurer did not prepare any records or reports for nine receipts totaling \$26,324 or six disbursements totaling \$1,878 since their appointment on April 15, 2025 through June 30, 2025.

Because the Treasurers did not prepare bank reconciliations and the Board did not review monthly bank statements or perform an annual audit, these errors and inaccuracies went undetected and uncorrected.

The report includes six recommendations that, if implemented, will improve the Treasurer's records and reports. District officials generally agreed with our recommendations and their response is included in Appendix B. Our comments on the District's response are included in Appendix C.

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 New York State General Municipal Law (GML). Our methodology and standards are included in Appendix D.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of New York State Town Law, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. 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.

# Treasurer’s Records and Reports: Finding and Recommendations

A fire district treasurer is responsible for receiving, maintaining custody of, and disbursing all fire district funds; recording a fire district’s financial activities; and preparing periodic financial reports accurately and in a timely manner. A fire district treasurer should maintain adequate supporting documentation for all receipts and disbursements and prepare monthly bank reconciliations. The board of fire commissioners should adopt policies and implement adequate controls to routinely monitor and review a treasurer’s work. In addition, a fire district’s treasurer is required to file an AFR with OSC annually and its board of fire commissioners should conduct an annual audit of the treasurer’s records and reports.

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 4), are included in Appendix A.

## Finding 1 – The Treasurers did not record and report receipts and disbursements accurately and in a timely manner.

From January 1, 2024 through April 14, 2025, the former Treasurer deposited receipts totaling \$212,880 and made disbursements totaling \$143,638. However, the former Treasurer inaccurately recorded or did not record 13 receipts totaling \$93,978 and 20 disbursements totaling \$24,502. The former Treasurer also inaccurately reported or did not report 16 receipts totaling \$1,436 and eight disbursements totaling \$2,756 (Figure 2).

**Figure 2: Former Treasurer’s Records and Monthly Reports**

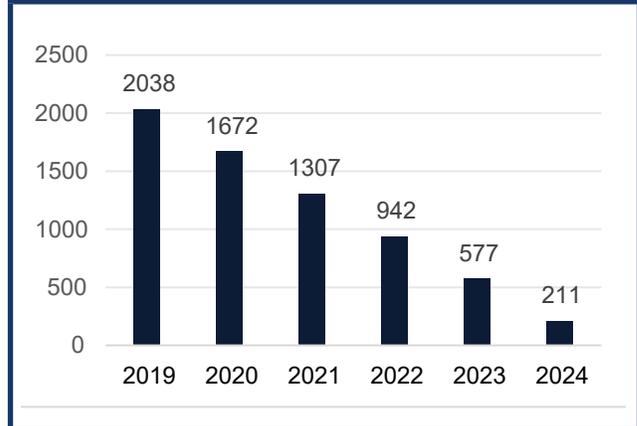
Description	Receipts		Disbursements	
	#	Amount	#	Amount
<b>Accurately Recorded</b>	57	\$118,902	78	\$119,136
<b>Inaccurately Recorded</b>	8	915	2	1,907
<b>Not Recorded</b>	5	93,063	18	22,595
<b>Total</b>	<b>70</b>	<b>\$212,880</b>	<b>98</b>	<b>\$143,638</b>
<b>Accurately Reported</b>	54	\$211,444	90	\$140,882
<b>Inaccurately Reported</b>	10	1,089	1	1,542
<b>Not Reported</b>	6	347	7	1,214
<b>Total</b>	<b>70</b>	<b>\$212,880</b>	<b>98</b>	<b>\$143,638</b>

Finally, the current Treasurer did not prepare any records or reports for nine receipts totaling \$26,324 or six disbursements totaling \$1,878 since their appointment on April 15, 2025 through June 30, 2025. Because the Treasurers did not prepare bank reconciliations and the Board did not review monthly bank statements or perform an annual audit, these errors and inaccuracies went undetected and uncorrected.

In addition, the former Treasurer did not file the required AFR for the last five fiscal years and the current AFR is overdue. All four Board members<sup>1</sup> and current Treasurer stated they were unaware of the delinquent AFRs. As of September 29, 2025, these reports ranged from 2,038 to 211 days late (Figure 3).

Because the Treasurers did not record and report receipts and disbursements accurately and in a timely manner, the Board did not have the necessary financial information to monitor the District's financial operations. Furthermore, there is an increased risk of theft, waste and abuse of District resources.

**Figure 3: AFR Filing Days Late as of September 29, 2025**



## Recommendations

The Treasurer should:

1. Record and report receipts and disbursements accurately and in a timely manner.
2. Perform monthly bank reconciliations.
3. Prepare and file the delinquent AFRs and file subsequent AFRs with OSC within 60 days of the end of the fiscal year as required by GML Section 30.

The Board should:

4. Ensure the Treasurer prepares complete financial records and reports in a timely manner.
5. Regularly review bank statements with canceled check images and ensure the Treasurer prepares and presents the bank reconciliations for the Board's review.
6. Perform an annual audit of the Treasurer's records and reports.

<sup>1</sup> There was one vacancy on the Board.

# Appendix A: Profile, Criteria and Resources

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## Profile

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The District provides fire protection services for portions of the Towns of Hornellsville and Dansville and the Village of Arkport in Steuben County. An elected five-member Board of Fire Commissioners is responsible for the general management and control of financial operations, including adopting annual budgets, establishing financial policies and overseeing the Board-appointed Treasurer. The Treasurer acts as the District's chief fiscal officer and is responsible for maintaining custody of, depositing, and disbursing all District funds; recording all the District's financial activities; and preparing periodic financial reports accurately and in a timely manner.

From January 1, 2024 through June 30, 2025, the District's deposited receipts totaled \$239,204 and disbursements totaled \$145,516. The District's bank balances totaled \$370,532 as of June 30, 2025. The District's 2025 budgeted appropriations totaled \$114,904, which are funded primarily by real property taxes.

The former Treasurer resigned effective January 21, 2025, but continued to perform the Treasurer's duties until the current Treasurer took over on April 15, 2025.

## Criteria – Treasurer's Records and Reports

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A fire district treasurer should maintain adequate supporting documentation for all receipts and disbursements and must maintain complete and accurate records to properly account for all fire district financial activities in a timely manner. In addition, a fire district treasurer should provide a board of fire commissioners with monthly financial reports that show all money received and disbursed during the month and include reconciled cash balances for all bank accounts with attached bank statements. Reconciling bank account balances with the accounting records monthly allows fire district officials to determine whether all receipts and disbursements were captured and correctly recorded in a timely manner.

A fire district treasurer is required by GML Section 30 to prepare and file the fire district's AFR with OSC within 60 days of the fire district's fiscal year end. Fire district officials may request an AFR filing extension, which if granted, extends the fire district's filing deadline to 120 days after the end of the fiscal year. The AFR provides detailed information about the finances of the fire district and includes such items as revenues, expenditures, debt, cash reserves and fund balance. A treasurer is responsible for filing the AFR; however, a board of fire commissioners should have procedures in place to review the report for accuracy and ensure the treasurer completed the filing in a timely manner.

Additionally, a fire district treasurer should present their books and records to the board of fire commissioners for an annual audit. An annual audit helps ensure that cash is properly accounted for, and transactions are properly recorded.

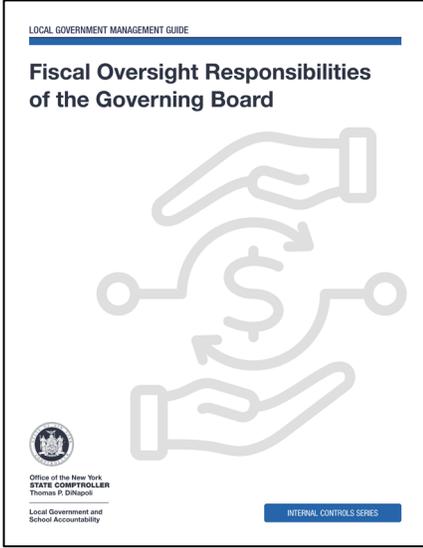
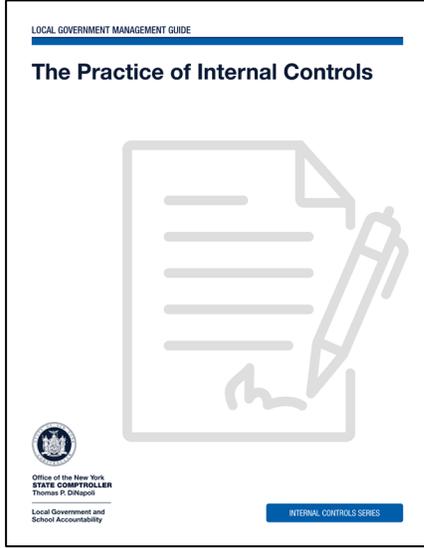
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## Additional Records and Reports Resources

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**Figure 4: OSC Publications**

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

<b><i>Fiscal Oversight Responsibilities of the Governing Board</i></b>	<b><i>The Practice of Internal Controls</i></b>
 <p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p><b>Fiscal Oversight Responsibilities of the Governing Board</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>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><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>

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 District Officials

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Chairman: Bernie Smith      **Arkport Joint Fire District**      Secretary/Commissioner: Tim Bailey  
Commissioner: Aaron Hulbert      6 Park Ave      Treasurer Chris Vernam  
Commissioner: Beth Giles      PO Box 27  
Commissioner: Chris Wilson      Arkport NY, 14807

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December 23, 2025

Stephanie Howes, Chief of Municipal Audits  
Local Government and School Accountability  
Office of the New York State Comptroller  
c/o Local Government and School Accountability | Rochester Region  
The Powers Building  
16 West Main Street, Suite 522  
Rochester, New York 14614-1608

RE: Arkport Joint Fire District- Board Oversight of Long-Term Planning Report of Examination  
2025M-126

See  
Note 1  
Page 11

Dear Ms. Howes:

Thank you for your office's preliminary draft findings ("Report") which was received on December 10, 2025 and the subject of our exit conference December 22, 2025. The Report has been reviewed and discussed by the Board of Fire Commissioners and officers of the Arkport Joint Fire District (the "Fire District") following the exit conference.

We are grateful for the professionalism shown by the Comptroller's staff, including suggestions and observations for our assuring continued awareness of protection of the Fire District's financial accountability, which has been extremely valuable since the field work by your office.

In particular, we are very appreciative of confirmation that the audit found no indications of any fraud, theft or other possible misconduct by Fire District officials in dealing with public funds. The thoroughness of your office's review of all disbursements and findings is further assurance that all taxpayer dollars are being spent properly.

See  
Note 2  
Page 11

We are in agreement with the audit's findings and have begun the process of implementing measures to improve the Fire District's management and oversight of the Fire District's fiscal affairs as outlined in your recommendations. We also welcome this opportunity to prepare and present our completed corrective action plan, which provides a detailed account of how we have used the audit findings and recommendations to positively improve operations and internal controls.

The Board of Fire Commissioners has carefully considered the Report of Examination as well as each of the recommendations and believes it is in the best interest of both the Fire District and the taxpayers of the Fire District to combine its response with its Correction Action Plan.

Accordingly, this audit response is also serving as the Correction Action Plan.

## **Audit Recommendation #1:**

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Letter to Office of the State Comptroller  
December 23, 2025  
Page 2

*The Treasurer should record and report receipts and disbursements accurately and in a timely manner.*

**Implementation Plan of Action:**

The Treasurer will deposit all receipts within ten days of receipt, as required by Town Law 177 and will record and report such receipts, including reporting such at the next regular meeting of the Board of Fire Commissioners.

The Board of Fire Commissioners is in the process of adopting and implementing a new Cash Receipts and Disbursements Policy, which establishes, among other things, specific responsibilities of the Treasurer for the payment of all audited and approved claims and obligations by check, unless specifically authorized by the Board of Fire Commissioners by policy or otherwise. The Treasurer shall submit records of all payments, submission of required reports and records to the Board of Fire Commissioners in a timely and ongoing basis. No payments of any type will be permitted by the Treasurer without prior authorization by the Board of Fire Commissioners.

**Implementation Date:** Immediately

**Person Responsible for Implementation:** Treasurer and Board of Fire Commissioners.

**Audit Recommendation #2:**

*The Treasurer should perform monthly bank reconciliations.*

**Implementation Plan of Action:**

The Treasurer will perform monthly bank reconciliations upon receipt of monthly banks statements and provide copies of the reconciliations to the Board of Fire Commissioners at the Board meeting following receipt of the bank statements. The Board of Fire Commissioners will monitor and review such reconciliations each month pursuant to its new Cash Receipts and Disbursements Policy, including monthly audit by the Board's audit committee, consisting of two fire commissioners on a rotating and overlapping basis, which such monthly audit of the Treasurer's monthly bank reconciliation will be recited in the minutes of the meetings of the Board of Fire Commissioners.

**Implementation Date:** Immediately

**Persons Responsible for Implementation:** Treasurer and Board of Fire Commissioners.

**Audit Recommendation #3:**

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Letter to Office of the State Comptroller  
December 23, 2025  
Page 3

*The Treasurer should prepare and file the delinquent AFRs and file subsequent AFRs with OSC within 60 days of the end of the fiscal year as required by GML Section 30.*

**Implementation Plan of Action:**

The Treasurer will prepare and file the delinquent AFRs and file subsequent AFRs with OSC within 60 days of the end of the fiscal year as required by GML Section 30. The Board will authorize the engagement of an outside financial consultant to assist the Treasurer with the preparation and filing such AFRs. The Board will assure that the AFRs are timely completed and filed by the Treasurer.

**Implementation Date:** Immediately

**Persons Responsible for Implementation:** Treasurer and Board of Fire Commissioners.

**Audit Recommendation #4:**

*The Board should ensure the Treasurer prepares complete financial records and reports in a timely manner.*

**Implementation Plan of Action:**

As stated above the Board of Fire Commissioners will monitor the timely preparation and filing of complete financial records and reports by the Treasurer and will provide outside resources to assist the Treasurer with such requirements, including the adoption of a new Cash Receipts and Disbursements Policy, including the referenced monthly audit by the Board's audit committee.

**Implementation Date:** Immediately

**Persons Responsible for Implementation:** Board of Fire Commissioners.

**Audit Recommendation #5:**

*The Board should regularly review bank statements with canceled check images and ensure the Treasurer prepares and presents the bank reconciliations for the Board's review.*

**Implementation Plan of Action:**

As stated above the Board of Fire Commissioners has adopted a Cash Receipts and Disbursements Policy which includes the establishment of an audit committee of two fire commissioners to monthly review bank statements with cancelled check images to assure an accurate and timely bank reconciliation by the Treasurer. The report of such audit committee will be included in the monthly meeting minutes of the Board of Fire Commissioners.

**Implementation Date:** Immediately

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Letter to Office of the State Comptroller  
December 23, 2025  
Page 4

**Persons Responsible for Implementation:** Board of Fire Commissioners.

**Audit Recommendation #6:**

*The Board should perform an annual audit of the Treasurer's records and reports.*

**Implementation Plan of Action:**

At the annual organization meeting of the Board of Fire Commissioners, and as the Board otherwise directs, the Treasurer will account with the Board all funds received and disbursed by the Treasurer during the preceding fiscal year. The Treasurer will produce all books, records, receipts, orders, vouchers and cancelled checks or check images from the preceding year, and also as the Board may otherwise require. At the annual organization meeting, and as the Board may otherwise require, the Treasurer will also file with the Board of Fire Commissioners a statement in writing showing the Fire District's receipts and disbursements for the preceding fiscal year, which statement shall be in detail and shall be entered in the minutes of the meeting.

In lieu of such annual statements and filings, the Board may authorize at a meeting prior to the organization meeting, that the Treasurer may file a copy of the Annual Financial Report ("AFR"), as provided for and subject to Town Law section 177.

**Implementation Date:** Immediately

**Persons Responsible for Implementation:** Board of Fire Commissioners.

Again, we wish to thank your team of examiners for their thorough examination of the Fire District's records and the time spent with Fire District officials in explaining the audit process and their findings.

Very truly yours,

ARKPORT JOINT FIRE DISTRICT

By: \_\_\_\_\_  
Chairman  
Board of Fire Commissioners

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

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## Note 1

The District's response incorrectly references the report's title as "Board Oversight of Long-Term Planning Report of Examination." However, the report's title is "Treasurer's Records and Reports."

## Note 2

The audit objective focused on the Treasurer's records and reports. The audit team assessed the risk of fraud occurring that is significant within the context of this audit objective, as required by generally accepted government auditing standards (GAGAS). Therefore, these audit results cannot be used to conclude there is no fraud, theft or professional misconduct in the District's operations.

# 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 the current Treasurer and Board members and reviewed Board meeting minutes, to gain an understanding of how receipts and disbursements were recorded and reported.
- We compared receipts and disbursements detailed on the bank statements from January 1, 2024 through June 30, 2025, to the Treasurers' financial records and reports to determine whether all receipts and disbursements were recorded and reported.
- We also reviewed all bank account transfers totaling \$39,929 to determine whether they were appropriate for the period of January 1, 2024 through June 30, 2025.
- We obtained the AFRs' filing dates for the last six completed fiscal years to determine whether they were filed in a timely manner.

We conducted this performance audit in accordance with 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.

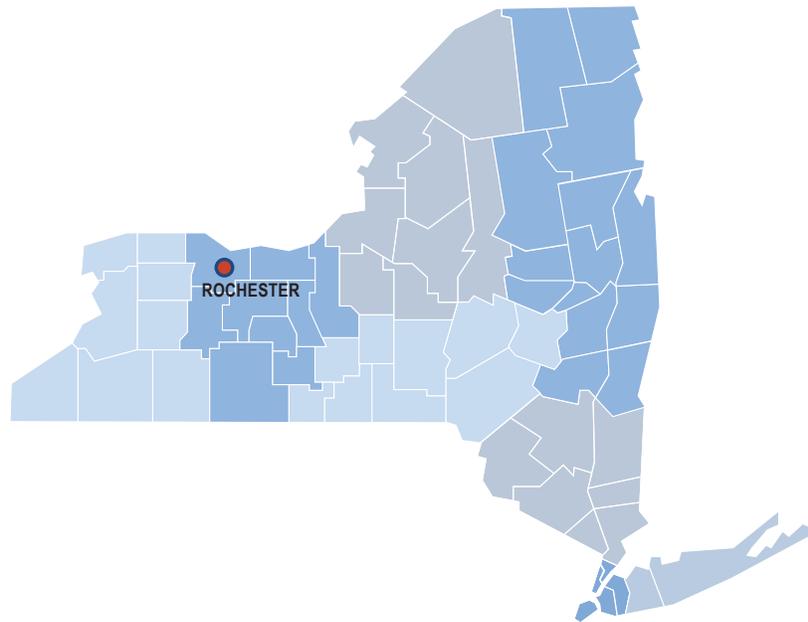
## Contact

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