



# Beekmantown Fire District No. 1

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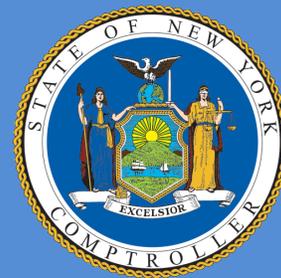
## Investment Program

2025M-69 | February 2026

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# Audit Results



## Beekmantown Fire District No. 1

Audit Objective	Audit Period
Did Beekmantown Fire District No. 1 (District) officials develop and manage a comprehensive investment program?	January 1, 2023 – January 31, 2025
Understanding the Audit Area	
<p>A comprehensive investment program helps ensure that officials operate within the statutory framework established for fire districts and can create a clear structure for managing investments and improving oversight and accountability. A comprehensive investment program includes a written investment policy that can provide officials with a tool to manage finances more effectively and help ensure that funds are not only safe but also available when needed.</p> <p>This structured approach can help officials optimize how funds are managed, leading to better financial health and potentially more resources for fire services. For example, when officials actively solicit interest rate quotes and consider various investment options, in place of basic savings or checking accounts, they may earn more investment earnings on available surplus funds, which ultimately can benefit taxpayers.</p> <p>During the audit period, the District had funds on deposit at one financial institution in a noninterest-bearing checking account and a savings account and had an average of approximately \$530,000 in available funds to invest each month. The elected five-member Board of Fire Commissioners (Board) governs the District and is responsible for its overall financial management, including adopting an investment policy.</p>	

## Audit Summary

We determined that the District’s investments were legal, safe and liquid. However, officials did not develop and manage a comprehensive investment program. For example, officials did not prepare monthly cash flow forecasts to estimate funds available for investment or solicit interest rate quotes from financial institutions. As a result, officials did not determine the potential funds available for investment each month or ensure that the monthly interest rates received on the District’s bank accounts were competitive.

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During our 25-month audit period, the District earned \$114 in investment earnings, even though it had an average of \$530,000 available to invest each month. Had officials considered alternative legally permissible investment options, the District may have increased the investment earnings by more than \$52,000.

Because officials did not develop and manage a comprehensive investment program, they missed an opportunity for the District to realize additional revenues which would benefit District operations and potentially reduce the financial burden for District taxpayers.

The report includes three recommendations that, if implemented, will improve the District's investment practices. District officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law (GML). Our methodology and standards are included in Appendix C.

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.

# Investment Program: Findings and Recommendations

A comprehensive investment program should serve four basic objectives: legality, safety, liquidity and yield. A comprehensive investment program is used to establish basic procedures, ensure that investment assets are adequately safeguarded and evaluate investment results.

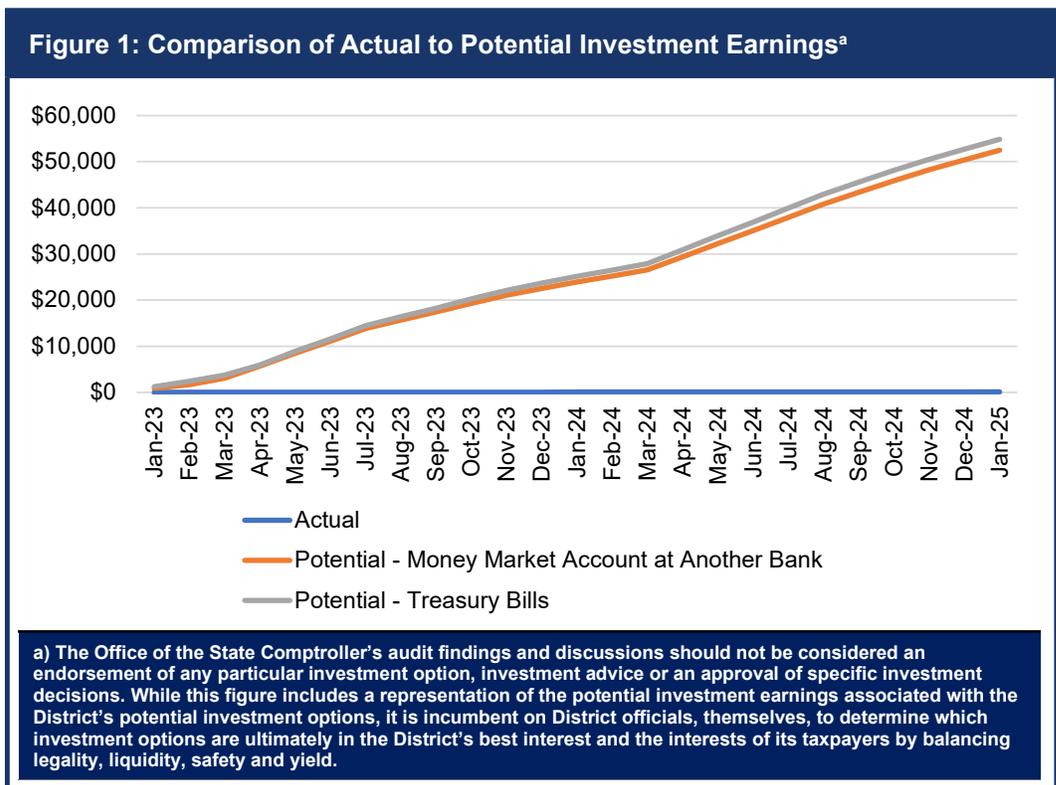
Investing involves opportunities and risks, and officials must ensure the safety of public funds and ensure that investments meet the fire district’s needs while striving to achieve investment earnings. A sound investment and cash management system should ensure that sufficient liquidity is available to support operations and that investments follow the statutory framework established for fire districts. More details on the criteria used in this report, as well as resources we make available to local officials that can help officials improve operations (Figure 2), are included in Appendix A.

## Finding 1 – Officials did not develop and manage a comprehensive investment program.

We determined that the District’s investments were legal, safe and liquid. However, officials did not develop and manage a comprehensive investment program. For example, although the Board adopted an investment policy in February 2018, it did not review the policy annually as required by GML Section 39. In addition, during the audit period, officials did not prepare any cash flow forecasts to estimate funds available for investment or solicit interest rate quotes from financial institutions. As a result, officials

did not determine the potential funds available for investment each month or ensure that the monthly interest rates received on the District’s bank accounts were competitive.

During the audit period, the District had funds on deposit at one financial institution in a noninterest-bearing checking account and a savings account



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that received a monthly interest rate of 0.02 percent. During the audit period, the District realized investment earnings of \$114 on the savings account.

Had officials invested available funds that were not needed for operations, averaging approximately \$530,000 each month during the audit period, in alternative legally permissible investment options, the District may have increased the investment earnings by more than \$52,000 (Figure 1).

Because officials did not develop and manage a comprehensive investment program to provide specific actions to take – including guidance to determine how much of the available funds the Secretary-Treasurer (Treasurer) should invest – officials missed an opportunity for the District to realize additional revenues which would benefit District operations and potentially reduce the financial burden for District taxpayers.

## Recommendations

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The Board should:

1. Annually review the District's investment policy as required by GML.
2. Consider all four objectives of a comprehensive investment program – legality, safety, liquidity and yield – when investing available funds. This includes monitoring investments and periodically soliciting interest rate quotes and obtaining investment information from multiple financial institutions to ensure that funds are invested to benefit District operations and taxpayers.

The Treasurer should:

3. Prepare monthly cash flow forecasts that estimate the funds that will be available to invest.

# Appendix A: Profile, Criteria and Resources

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## Profile

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The District is located in the Town of Beekmantown (Town) in Clinton County. The District is a district corporation of the State, distinct and separate from the Town. The District's 2025 budgeted appropriations totaled \$531,692.

The Board-appointed Treasurer is the District's chief fiscal officer and is responsible for receiving, depositing and investing District funds.

## Criteria – Investment Program

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Fire district officials should develop and manage a comprehensive investment program following guidance provided in the Office of the State Comptroller's (OSC's) *Local Government Management Guide – Investing and Protecting Public Funds* (Figure 2).

Prudent cash management and investment practices must include, among other things, the adoption of a formal investment policy, in accordance with GML Section 39, which details the fire district's operative policy and instructions to officers and staff for investing, monitoring and reporting the fire district's funds.

The investment policy should establish basic procedures to meet investment objectives. It also should help officials ensure that investment assets are adequately safeguarded and collateralized, if necessary; establish and maintain internal controls and proper accounting records; and provide accurate reporting and evaluate investment results.

At a minimum, an investment policy must provide the following:

- Procedures for monitoring, controlling, depositing and retaining investments and collateral
- Standards for security agreements and custodial agreements with banks or trust companies that are authorized to do business in the State
- Permitted types of authorized investments
- Standards for diversification of investments
- Standards for any institution with which a fire district transacts business, such as criteria covering creditworthiness, experience and other factors a board of fire commissioners would want considered
- Standards for written agreements in which investments are made
- Procedures and provisions to satisfactorily secure the fire district's financial interest in investments.

In addition, procedures should include specific actions for officials to take to achieve investment earnings, such as preparing monthly cash flow forecasts to estimate funds available for investment,

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soliciting interest rate quotes from multiple financial institutions and investing available funds in legally permissible investments that offer competitive interest rates balanced with acceptable risk.

When implemented, these types of policies and procedures can help lower investment risk while increasing the opportunities for investment earnings. The fire district board of fire commissioners must annually review the investment policy and should regularly monitor investments.

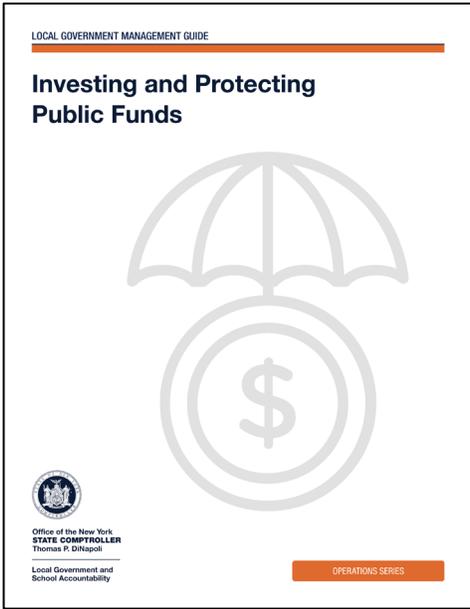
## Additional Investment Program Resources

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**Figure 2: OSC Publication**

OSC's Local Government Management Guides are available on our website to help officials understand and perform their responsibilities.

***Local Government Management Guide – Investing and Protecting Public Funds***



<https://www.osc.ny.gov/files/local-government/publications/pdf/investing-and-protecting-public-funds.pdf>

- Revenue Enhancement Ideas: Cash Management for Local Governments and School Districts: <https://www.osc.ny.gov/local-government/publications/revenue-enhancement-ideas-cash-management-local-governments-and-school-districts>

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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Beekmantown Fire District No. 1  
Route 22, West Chazy NY 12992  
beekfirestr1@gmail.com

**UNIT NAME:** Beekmantown Fire District No. 1

**AUDIT REPORT TITLE:** Investment Program

**AUDIT REPORT NUMBER:** 2025M-69

To Whom it May Concern,

We have received the report mentioned above, and wish to thank the auditor for their time in working with us in gathering the data and completing the report. We agree with the findings, and since the audit report has started we have begun to make changes. With that in mind, our corrective action plan (CAP) is also included in this response, as many of the findings already have corrections being put in place and others have timelines to get the needed actions completed.

Again, thank you for the report and allowing us to provide corrective actions on the findings.

The Board of Fire Commissioners

Beekmantown Fire District No. 1

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## Corrective Action Plan

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### **Audit Recommendation (No. 1)**

The Board should annually review the District's investment policy as required by GML.

### **Implementation Plan of Action(s)**

During the district organization meeting, the Board will be sent the investment policy for their annual review as required. At the February meeting, the investment policy will be approved as is or updated and approved.

### **Implementation Date**

January-February 2026

### **Person Responsible for Implementation**

Board of Fire Commissioners

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### **Audit Recommendation (No. 2)**

The Board should consider all four objectives of a comprehensive investment program – legality, safety, liquidity and yield – when investing available funds. This includes monitoring investments and periodically soliciting interest rate quotes and obtaining investment information from multiple financial

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institutions to ensure that funds are invested to benefit District operations and taxpayers.

**Implementation Plan of Action(s)**

The Board has reviewed the investment audit and at the January 2026 organization meeting has begun to look into investment opportunities to help increase the interest earnings for the district. Through the beginning months of 2026, the Board will begin to secure interest rate quotes and obtain investment information from multiple financial institutions and make investments by August 2026.

**Implementation Date**

January - August 2026

**Person Responsible for Implementation**

Board of Fire Commissioners

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**Audit Recommendation (No. 3)**

The Treasurer should prepare monthly cash flow forecasts that estimate the funds that will be available to invest.

**Implementation Plan of Action(s)**

During the audit, the Treasurer was able to put in place a new accounting system which allows for easier intake and tracking of bills. This allows for more complete, accurate and up-to-date accounting records. The more complete the records, the monthly cash flow forecast can now be provided and allow the Board to determine how much to invest.

**Implementation Date**

April 2025

**Person Responsible for Implementation**

Treasurer to the Board of Fire Commissioners

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The above letter and CAP was approved by the Board of Fire Commissions on February 2, 2026.

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Adrian Daniels  
Chairman

# Appendix C: Audit Methodology and Standards

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We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and reviewed the District's investment policy and various financial records to gain an understanding of the District's cash management and investment procedures. This included inquiries regarding the Board's annual review of the investment policy, preparation of cash flow forecasts and solicitation of interest rate quotes from financial institutions.
- We reviewed the District's funds on deposit during the audit period to determine whether they were in legally authorized accounts and liquid to meet the District's operating requirements.
- We reviewed the District's funds on deposit as of January 31, 2025 to determine whether any amounts not insured under the Federal Deposit Insurance Act were properly secured.
- We reviewed all bank statements during the audit period and analyzed the corresponding cash balances to determine the funds that were available for investment each month during the audit period.
- Using our professional judgment, we identified two alternative investment options that would have provided higher investment earnings during the audit period than the District received on its bank account balances: a money market account at a different financial institution (not the District's bank where it had its funds on deposit) and Treasury Bills. We calculated the amount of investment earnings that the District may have realized if officials considered the two alternative investment options and invested available funds each month during the audit period in these options. We compared our calculated monthly investment earnings that may have been realized for each of the alternative investment options to the investment earnings that the District realized during the audit period.

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.

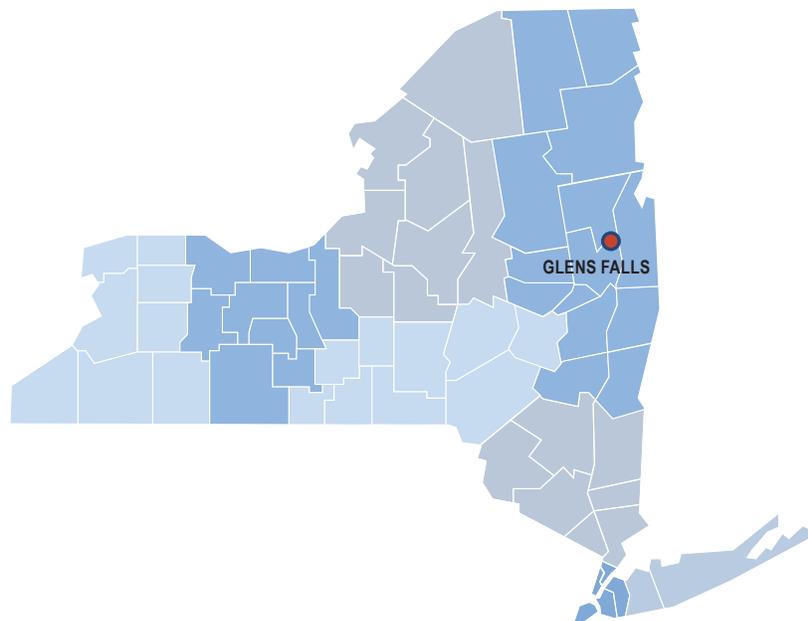
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