New York State Comptroller
THOMAS P. DiNAPOLI

Bellerose Terrace Fire District

Financial Oversight

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Prepared by the Division of Local Government and School Accountability

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Financial Oversight

Bellerose Terrace Fire District

Audit Objective

Did the Bellerose Terrace Fire District (District) Board of Fire Commissioners (Board) conduct an annual audit of the District Treasurer's (Treasurer) financial records and reports?

Audit Period

January 1, 2025 – June 30, 2026

Understanding the Audit Area

An annual audit of a treasurer's records and reports provides a board of fire commissioners with assurance that fire district funds are properly accounted for, and financial information is complete and accurate. The audit can also help identify errors, irregularities and control weaknesses so they can be corrected in a timely manner. Reliable financial information helps the board of fire commissioners make informed financial decisions, safeguard fire district assets and promote accountability and transparency.

The District's budget is funded by real property taxes, and budgeted appropriations for fiscal year 2026 totaled $358,914.

Audit Results

The Board conducted an annual audit of the Treasurer's fiscal year 2025 financial records and reports. However, the Board's audit was not thorough or sufficiently detailed because the Treasurer did not submit all records and reports to the Board. The Treasurer submitted a reconciliation of all receipts and disbursements and a report comparing budgeted amounts to actual results at the close of the fiscal year. However, the Treasurer did not submit bank reconciliations, bank statements or canceled check images, as required by New York State (NYS) Town Law (Town Law) Section 177.

We reviewed the records and reports maintained by the Treasurer during the audit period using the guidance developed by the Office of the NYS Comptroller (OSC) to help local officials fulfill their audit responsibilities, which is in OSC's Local Government Management Guide entitled *Fiscal Oversight Responsibilities of the Governing Board* (see *Additional Resources* in Appendix A).

We determined that the Treasurer provided bank balances and a listing of invoices both paid and outstanding to the Board every month. However, she only provided budget status information to the Board during budget preparation in August or September and at the organizational meeting shortly after the December 31 fiscal year end. Furthermore, although the Treasurer told us that she reconciled District bank accounts monthly, she did not routinely provide the reconciliations, bank statements or canceled check images to the Board. Instead, the Treasurer made these records available upon request. The Chairwoman and Treasurer told us that the Commissioners never requested to review these records. The Chairwoman told us she did not believe a monthly review of bank reconciliations and budget status reports was significant because the District did not have many invoices each month and the Board is aware of every payment made. In addition, the Board may not have had a full understanding of its fiduciary responsibilities because, as of July 2026, three of the five Commissioners had not completed the fiscal oversight training required by Town Law Section 176-e.

To determine whether the District's cash balances were accurate, we reviewed the bank reconciliations for each quarter-end (i.e., March 31, June 30, September 30 and December 31) during the audit period. Although we discussed minor discrepancies with District officials, providing bank reconciliations and bank balances to the Board would help Commissioners ensure that the District's recorded cash balances are accurate.

Timely, sufficient and complete accounting records are essential for the preparation of accurate financial reports, which in turn help the Board's ability to monitor and manage fiscal activities and assess and make

informed decisions regarding the District's financial condition. Without a periodic review of all financial information, the Board cannot effectively monitor the District's financial position throughout the year.

Recommendations

The Board should:

1. Conduct a thorough annual audit of the Treasurer's records and reports and ensure the Treasurer provides all records, as required.
2. Request monthly bank statements and reconciliations, including canceled check images, to monitor the District's fiscal activities and make informed decisions.
3. Request monthly budget status reports to monitor the District's fiscal activities and make informed decisions.
4. Ensure each Commissioner attends the fiscal oversight training required by Town Law Section 176-e each time they are elected or re-elected.

The Treasurer should:

5. Submit books, records, receipts, and canceled check images to the Board annually, as required.
6. Ensure bank reconciliations, ledgers and reports are accurate, up-to-date and provided to the Board monthly.
7. Provide monthly budget status reports to the Board.

District officials agreed with our findings and indicated they plan to initiate corrective action. The District's response is included in Appendix B.

This audit was conducted pursuant to Article V, Section 1 of the State Constitution and OSC's authority as set forth in Article 3 of the NYS General Municipal Law.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of Town Law, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to OSC 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 the CAP, please refer to the OSC brochure, *Responding to an OSC Audit Report*, which was provided with the draft audit report. The Board is encouraged to make the CAP available for public review.

Appendix A: Profile, Criteria and Resources

Profile

The District provides fire protection services for the hamlet of Bellerose Terrace, located in the Town of Hempstead in Nassau County. The elected five-member Board, composed of the Chairwoman and four Commissioners, is responsible for overseeing the District's fiscal activities and safeguarding its resources. As the District's chief fiscal officer, the Board-appointed Treasurer is responsible for the custody of all District funds, keeping accounts of all receipts and expenditures, depositing all funds received in a timely manner and preparing and submitting financial reports. The District's fiscal year runs from January 1 through December 31.

Criteria

Audits provide the fire district board of commissioners with the opportunity to assess the effectiveness of fiscal activities and help ensure that adequate board oversight is maintained over fire district operations. An annual audit also provides independent verification that transactions are properly recorded, ensures that fire district funds are properly accounted for and helps determine whether any significant fiscal concerns exist. An audit of the fire district treasurer's records should be thorough and sufficiently detailed to determine whether the following concerns (at a minimum) are met:

- Financial records are complete and up to date,
- Transactions are recorded properly,
- Reconciliations are performed monthly, and
- Required reports are made in a timely and accurate manner.

A fire district treasurer is responsible for maintaining the fire district's financial records and reports. Town Law Section 177 requires a fire district treasurer to submit their books, records, receipts, and canceled check images to the board of fire commissioners annually so the board can conduct a thorough and sufficiently detailed audit of the treasurer's records. An annual audit helps a board of fire commissioners carry out its oversight responsibilities of a fire district treasurer's operations and helps ensure that the accounting records are maintained properly, funds are accounted for accurately and transactions are recorded properly. Conducting annual audits can help commissioners detect and prevent loss or theft of funds.

The accounting records should be up-to-date and document assets, liabilities, fund balance and results of operations (revenues and expenditures) for each fire district fund.

Based on the guidance available in OSC's *Local Government Management Guide – Fiscal Oversight Responsibilities of the Governing Board*, a fire district treasurer's financial books and records can include:

- Cash receipt and disbursement transactions,
- Cash reconciliations,
- Receivables,
- Investment records,
- Deposit protections,
- Indebtedness and property records,
- Payrolls, and
- Financial reports.

To ensure that all fire commissioners are aware of and understand their fiscal responsibilities, Town Law Section 176-e requires each commissioner to attend and complete OSC's fiscal oversight training course within 270 days of taking office.

Additional Resources

OSC's *Local Government Management Guides,* and other informational resources that are available on OSC's website to help officials understand and perform their responsibilities, include:

- OSC's Fire District Information Web Page: https://www.osc.ny.gov/local-government/resources/fire-district-information
- *Fire Districts Accounting and Reporting Manual*: https://www.osc.ny.gov/files/local-government/publications/pdf/arm-fds.pdf
- *The Internal Audit Process For Fire Districts*: https://www.osc.ny.gov/files/local-government/resources/pdf/internalauditprocess.pdf
- *Fiscal Oversight Responsibilities of the Governing Board*: https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf

In addition, local officials can use OSC's website to search for audits, resources, publications and training for officials at: https://www.osc.ny.gov/local-government

Appendix B: Response From District Officials

The content below is a reproduced copy of the original response letter issued by District officials, is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,[1] and may have included changes to spelling and grammar. The substance of the content was not changed.

BELLEROSE TERRACE FIRE DISTRICT
PO BOX 20725
FLORAL PARK, NY 11002

PATRICIA CASEY, Fire Commissioner, CHAIR
MIKE LOVARI, Fire Commissioner
MARIETTA RUSSO, Fire Commissioner
KELLY CRAIG, Fire Commissioner

November 11, 2026

Ira McCracken
Chief of Municipal Audits
Division of Local Government and School Accountability
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Hauppauge, N.Y. 11788-5533

Subject: Written Response to the Draft of the Bellerose Terrace Fire District Audit

Dear Mr. McCracken,

We have received the Draft Audit that was completed by your office. We are in agreement with your findings and will make changes based on the audit's recommendations.

The Board will audit annually the fire district treasurer's records, which include their books, records, receipts and cancelled check images, to make sure they are thorough and sufficiently detailed and that the following concerns are met:

1. Financial records are complete and up to date,
2. Transactions are recorded properly,
3. Reconciliations are performed monthly and include copies of cancelled checks, and
4. Required reports are made in a timely and accurate manner.

Pursuant to Town Law Section 176-e, each commissioner will attend and complete the OSC fiscal oversight training course within 270 days of taking office.

If you have any questions, you may reach me at pcasey@belleroseterracefire.com.

Sincerely yours,

Patricia Casey, Chair

1 https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule

Appendix C: Audit Methodology and Standards

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

- We obtained and reviewed training completion certificates to determine whether the Commissioners completed the required fiscal oversight training.
- We examined the internal controls over the District's fiscal activities, interviewed appropriate District officials and reviewed financial records, reports and Board meeting minutes to gain an understanding of the operations.
- We reviewed bank account reconciliations prepared by the Treasurer for each quarter-end (i.e., March 31, June 30, September 30 and December 31) during the audit period to determine whether the reconciliations were accurate and the Board reviewed the reconciliations as a part of its oversight responsibilities.
- We interviewed three Commissioners and Treasurer and reviewed Board meeting minutes to determine whether the Board conducted an annual audit of the Treasurer's records and reports as required by Town Law.
- We reviewed all six bank deposits totaling $528,034 from January 1, 2025 through June 30, 2026, and traced the deposits to the District general ledger to determine whether the deposits were recorded accurately.
- We used our professional judgment to select a sample of six disbursements totaling $152,501 (33 percent) of the 228 disbursements totaling $463,330 made by the District from January 1, 2025 through June 30, 2026. These six disbursements included the five highest payments to five different vendors, plus one transfer transaction between District bank accounts. We examined the canceled check images and traced them to the supporting claims to determine whether the disbursements were properly supported with documentation.

OSC auditors conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. Auditors believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on the 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.

Questions?

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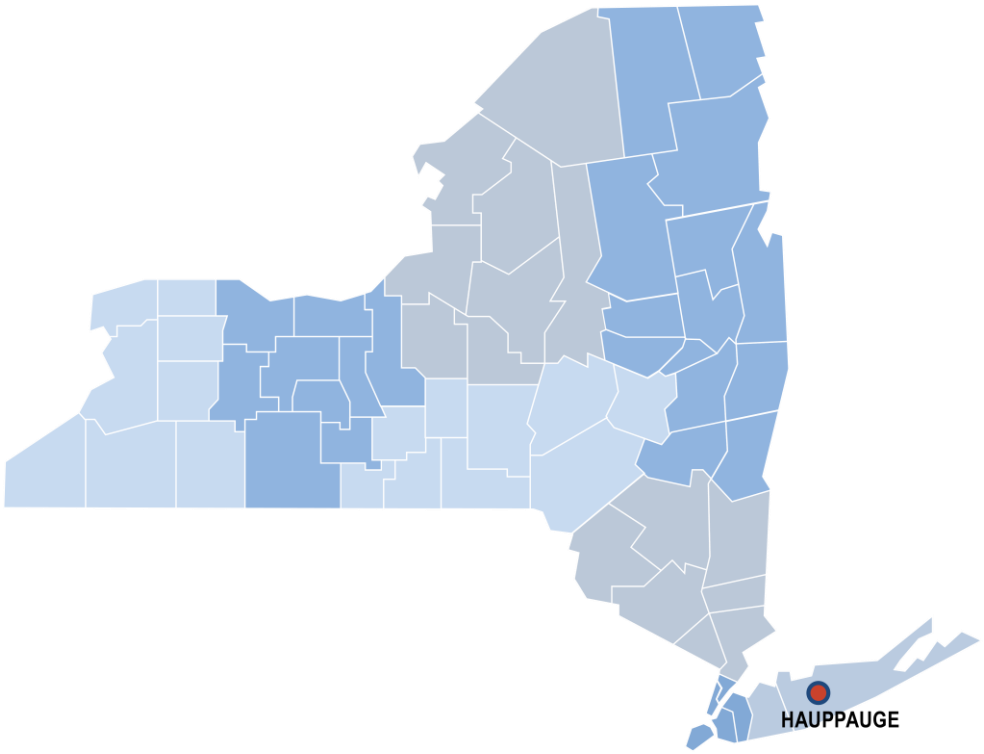

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Prepared by the Division of Local Government and School Accountability

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