New York State Comptroller
THOMAS P. DiNAPOLI

Town of Cato

Town Clerk/Tax Collector

July 2026 | 2026M-34

Prepared by the Division of Local Government and School Accountability

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Audit Results

Town of Cato

Audit Objective

Did the Town of Cato (Town) Town Clerk/Tax Collector (Clerk) timely[1] and accurately record, deposit, remit and report all collections?

Audit Period

January 1, 2023 – February 12, 2026

Understanding the Audit Area

A town clerk must timely and accurately record, deposit, remit and report collections to enable informed decision-making by the town board, prevent fraud or misappropriation of funds, comply with legal requirements and maintain public trust. Accurate and timely records are essential for establishing financial accountability and proper financial management, oversight by the town board and taxpayers and the protection of public funds.

During the period reviewed, the town clerk's collections totaled approximately $5.8 million.

Audit Summary

Although the Clerk and former Clerk[2] generally recorded and reported collections accurately and in a timely manner for the period reviewed, the former Clerk did not deposit and remit all collections within the timeframes prescribed in New York State (NYS) Town Law (Town Law). This resulted in a lack of compliance and increased the risk that collections could be lost, unaccounted for or misappropriated without detection.

The former Clerk did not deposit clerk fee collections totaling approximately $54,000 and real property tax collections totaling approximately $2.8 million in a timely manner or remit real property tax collections totaling approximately $883,000 in a timely manner to the Supervisor as required by Town Law Sections 30 and 35, respectively.

This report includes two recommendations that, if implemented, will improve the Clerk's financial activities. Town 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 NYS 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 finding 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.

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1 Timeliness is further defined in Appendix A, Criteria section.

2 The former Clerk served until her resignation on April 4, 2025 and the Board appointed a new Clerk as of April 7, 2025.

Town Clerk/Tax Collector: Finding and Recommendations

The town clerk, an elected official, is responsible for collecting, depositing and remitting a variety of fees, including transfer station and building permits, marriage, dog and environmental licenses, death and marriage certificates, and town and county real property taxes. The town clerk is responsible for safeguarding these funds until they remit them to the appropriate parties, including the town supervisor, county treasurer and appropriate NYS agencies. To fulfill this responsibility, the town clerk must accurately record collections and deposit and remit them within the legally required timeframes. The proper handling and reporting of these funds is essential to financial accountability as these collections represent significant revenues for the town.

The Clerk collects fees for a variety of purposes including permits, licenses and certificates. The transfer station attendant also collects fees for bulk trash and tires, which they remit to the Clerk for deposit. The Clerk is responsible for remitting these collections to the Town Supervisor (Supervisor) and NYS agencies. The Clerk also collects Town and Cayuga County (County) real property taxes from January 1 through March 31 each year and is responsible for remitting the collections to the Supervisor and County Treasurer (Treasurer). During the period reviewed, fee collections totaled approximately $171,000 and real property tax collections totaled approximately $5.7 million.

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, are included in Appendix A.

Finding 1 – The former Clerk did not always deposit and remit collections in a timely manner.

The Clerk and former Clerk generally recorded and reported collections accurately and in a timely manner except for minor discrepancies, which we discussed with Town officials. However, the former Clerk did not deposit and remit all collections in a timely manner.

The former Clerk did not always deposit clerk fee collections by the third business day after total collections exceeded $250, as required by Town Law Section 30. We reviewed 2,543 recorded clerk fee collections of cash, checks, money orders or credit card payments totaling $171,125 from January 1, 2023 through June 30, 2025 and determined that the former Clerk deposited 1,033 collections totaling $53,609 between one and 19 days late. The former Clerk said that she usually made weekly deposits, depending on the volume of collections, instead of based on the amount collected. When deposits are not made in a timely manner the risk is increased that they could be lost, unaccounted for or misappropriated without detection.

Additionally, the former Clerk did not always deposit real property tax collections within 24 hours of receipt, as required by Town Law Section 35. We reviewed 4,952 recorded real property tax collections totaling approximately $5.7 million from January 1, 2023 through April 1, 2025 and determined that the former Clerk deposited 2,486 real property tax collections totaling approximately $2.8 million between one and 30 days late. The former Clerk explained that she would typically make deposits weekly after the penalty date of February 10.

The former Clerk did not always remit real property tax collections to the Supervisor weekly, as required by Town Law Section 35. We reviewed all 16 checks totaling approximately $2.4 million issued by the former Clerk to the Supervisor for remittances of the Town's share of real property tax collections during the period reviewed and determined that the former Clerk did not remit six payments totaling $882,715 to the Supervisor in a timely manner. The initial remittance of tax collections to the Supervisor for all three years reviewed were not made until the third week of collections. The former Clerk explained that the Supervisor requested she remit real property tax collections to him in separate checks written to the general and highway funds for the first remittance of the collection season, in specific amounts each year. Therefore, the Clerk waited until she collected enough to fulfill these amounts before remitting to the Supervisor. When collections are not remitted in a timely manner, the risk is increased that they could be lost, unaccounted for or misappropriated without detection. We also reviewed all 11 checks totaling approximately $3.3 million issued by the former Clerk to the Treasurer for remittances of the County's share of real property tax collections during the period reviewed and determined that the former Clerk remitted collections to the Treasurer in a timely manner.

Recommendations

The Clerk should:

1. Deposit and remit all clerk fees as required by Town Law Section 30.

2. Deposit and remit all real property tax collections as required by Town Law Section 35.

Appendix A: Profile, Criteria and Resources

Profile

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

The elected Clerk serves as Clerk to the Board and collects fees for a variety of purposes.

Criteria

A town clerk is responsible for collecting, depositing, reporting and remitting various fees, such as birth and death certificates, marriage, dog and environmental licenses, building and transfer station permits, as well as real property taxes when serving as tax collector, to the Supervisor, Treasurer and respective NYS agencies, including the Department of Environmental Conservation (DEC), Department of Health (DOH) and Department of Agriculture and Markets (Ag and Markets).

Town Law Section 30 requires a town clerk to deposit all fees collected within three business days after the total received exceeds $250. Furthermore, 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 until the town's share of taxes is collected in full.

Once the town's tax levy has been collected in full and remitted to the town supervisor, all further 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.

Additional Resources

The following OSC *Local Government Management Guides* are available on our website to help officials understand and perform their responsibilities.

- *The Practice of Internal Controls:* https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf
- *Information for Town Officials:* https://www.osc.ny.gov/files/local-government/publications/pdf/information-for-town-officials.pdf

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

Appendix B: Response From Town Officials

The content below is a reproduced copy of the original response letter issued by Town officials and is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,[3] and may have included changes to spelling and grammar. The substance of the content was not changed.

Town of Cato

June 18, 2026

Stephanie Howes
Chief of Municipal Audits
The Powers Building
16 West Main Street, Suite 522
Rochester, New York 14614-1608

Dear Ms. Howes:

The Town Board and I have received the audit of the Town of Cato Town Clerk's Records and Reports for the audit period of January 1, 2023 through February 12, 2026. I do not dispute the findings nor have any inaccuracies been identified within the draft audit report.

The current Town Clerk has already established procedures to improve the operations within the Town Clerk's Office and she will review the current procedures with the Town Board in order to prepare the Town of Cato's Corrective Action Plan for timely submission to the Office of the State Comptroller once the Town Clerk's final audit has been released.

We appreciate the time that your auditors dedicated to conducting the audit of the Town of Cato Town Clerk's Office.

Kind regards,

Jody Snyder, Supervisor

cc: David Berlinski, Town Board Councilmember (via email)
Irving Foster, Town Board Councilmember (via First-Class Mail)
Wendy House, Town Board Councilmember (via email)
Thomas Short, Town Board Councilmember (via email)
Kate Pelkey, Town Clerk (via hand delivery)

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

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 Town officials and reviewed Board meeting minutes to gain an understanding of the Town's procedures related to collecting, recording, depositing, remitting and reporting clerk fees and real property tax collections.

- We reviewed all clerk fees totaling $171,125 recorded between January 1, 2023 and June 30, 2025 by the Clerk and former Clerk and all real property tax collections totaling approximately $5.7 million recorded between January 1, 2023 and April 1, 2025 by the former Clerk and obtained and reviewed deposit compositions, bank statements and credit card receipts for deposits made into the town clerk and tax collector bank accounts for the period, as well as the July 2025 bank statement for the town clerk bank account, to determine whether the Clerk and former Clerk recorded and deposited all collections accurately and in a timely manner.

- We compared the Clerk and former Clerk's collection records to code enforcement, dog license and DEC software reports and copies of trash permits to determine whether building permit, dog and DEC license and trash permit fee collections were accurately recorded.

- We compared the Clerk and former Clerk's collection records to all 30 (January 2023 through June 2025) monthly clerk reports to the Supervisor, DOH and Ag and Markets to determine whether collections were recorded and accurately reflected collections reported. We then compared the canceled check images for checks issued by the Clerk and former Clerk from the town clerk bank account to the remittances reported to determine whether amounts remitted were accurate and timely.

- We reviewed canceled check images for all remittances to the Supervisor and Treasurer by the Clerk and former Clerk from the tax collector bank account between January 1, 2023 and June 30, 2025 to determine whether they remitted real property taxes accurately and in a timely manner.

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.

Questions?

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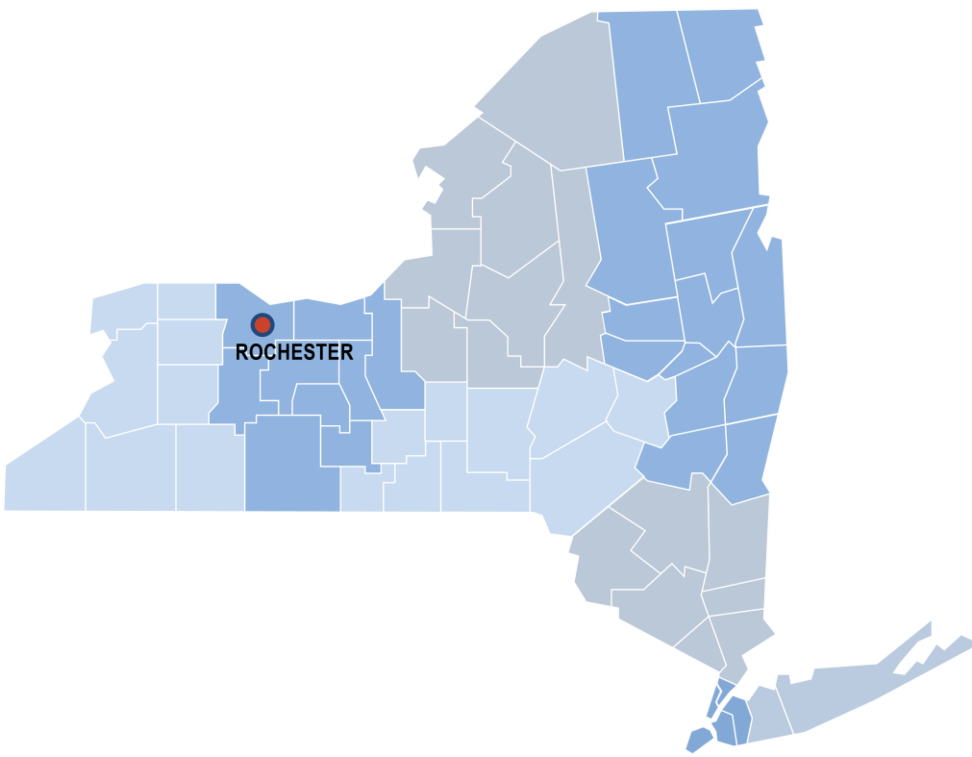

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Prepared by the Division of Local Government and School Accountability

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