



Cincinnatus Fire Department

Financial Management

2025M-91 | March 2026

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Audit Results



Cincinnatus Fire Department

Audit Objective	Audit Period
Did Cincinnatus Fire Department (Department) treasurers and membership ensure that financial activities were properly recorded and supported and that money was safeguarded?	January 1, 2023 – October 31, 2024
Understanding the Audit Area	
<p>Ensuring that financial activities are properly recorded, supported with documentation and safeguarded is essential for bills to be paid on time and making funds available for equipment, training and emergency responses. A lack of oversight can lead to a lack of operational effectiveness, mismanagement, fraud, damaged reputation and jeopardize the Department's funding and its mission.</p> <p>Department treasurers and membership are responsible for providing proper oversight of the Department's financial operations. The Department has five treasurers, one for the Department and one for each of its four subdivisions, that are responsible for receiving, and after approval by the membership, disbursing Department funds. The Department's treasurers collected \$270,147 and disbursed \$317,776 from 13 bank accounts during the audit period, including nine checking accounts and four savings accounts</p>	

Audit Summary

The Department's five treasurers and the Department membership did not ensure the Department's financial activities were properly recorded and supported with documentation and that money was safeguarded. Because the Department has four subdivisions, each with its own treasurer, there is an increased risk of Department funds being lost or misused.

Department treasurers did not ensure that accurate and complete accounting records and reports were maintained and submitted to the membership. Bank statements indicated that \$270,147 was deposited into nine bank accounts, maintained as "Department bank accounts," during the audit period. However, the treasurers' collective records indicated that only \$229,178 was deposited. Similarly, while the bank statements indicated that \$317,776 was disbursed during the audit period, the treasurers' collective records indicated that \$133,050 was disbursed from the bank accounts. Additionally, the treasurers

did not maintain accounting records for six bank accounts, including four savings accounts and two checking accounts, that had activity. One additional checking account had an accounting ledger with deposits recorded, but no disbursements were recorded in the ledger.

Furthermore, Department treasurers did not always ensure that disbursements were properly supported with documentation, and the membership did not ensure all disbursements were approved before payments were made. We determined that 280 disbursements totaling \$87,245 lacked an invoice or other supporting documentation, and 135 of the disbursements totaling \$40,728 also were not approved by the Department membership. In addition, the Department had three debit cards used for purchases by the treasurers of two subdivisions and the captain of the emergency squad.

Department treasurers also did not maintain supporting documentation for collections or deposit funds in a timely manner. We determined that 158 collections totaling \$66,856 were not properly supported with documentation, a majority of which were deposited into five checking accounts. Additionally, 131 collections totaling \$91,884 were not deposited in a timely manner and 104 collections totaling \$76,916 did not have supporting documentation indicating the collection date to determine the timeliness of the deposit.

The lack of oversight of financial activities increases the risk of theft, potential liability and waste of Department resources.

The report includes 15 recommendations that, if implemented, will improve the Department's financial management. The Department membership generally agreed with our recommendations and indicated they plan to initiate corrective action. The Department membership's 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 Department membership 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. The CAP should be posted on the Department's website for public review.

Financial Management: Findings and Recommendations

The Department’s bylaws state the Department officers, along with the Department’s volunteer membership, are collectively responsible for overseeing the Department’s financial operations to safeguard its resources. To fulfill this duty, it is essential that the Department establish a system of internal controls that consists of clearly defined responsibilities, including developing and segregating financial duties. To improve the Department’s system of internal controls, we recommend that the Department officers:

- Maintain proper records and reports, including complete and accurate records that detail the fire department’s financial activity and operations.
- Ensure records are supported with documentation that accurately identifies the source, date, amount, form (i.e., cash or check) and purpose of amounts collected and disbursed. For collections, officers should issue duplicate press-numbered receipts or maintain some other documentation.
- Approve disbursements before being paid and discontinue the use of debit cards.

More details on the criteria used in this report, as well as resources we make available to the Department membership to improve operations (Figure 6), are included in Appendix A.

Finding 1 – The treasurers did not maintain financial records and reports accurately and in a timely manner.

The five treasurers were responsible for maintaining records for a total of 15 bank accounts during the audit period (10 checking and five savings accounts), which included recording transactions in a checkbook register or an accounting ledger for each account. However, the records for all five treasurers were incomplete and not consistently reported to the Department’s membership. We reviewed all banking activity for each checking and savings account listed as a Department account to determine whether financial activity was properly recorded and supported with documentation, and that money was safeguarded.

The treasurers deposited a total of \$270,147 into nine of the 15 Department bank accounts during the audit period. However, the treasurers only recorded \$229,178 in the accounting records, a difference totaling \$40,969 (Figure 1).

Figure 1: Deposits – Bank Statements vs. Accounting Ledger

Account	Bank Statements	Accounting Ledger
EMS Checking	\$120,107	\$83,448
Fire Department Checking	56,353	52,435
Auxiliary Checking	33,120	33,120
Field Days Checking	26,709	26,469
2% Funds Checking	24,561	24,561
Fire Police Checking	6,836	6,836
Holiday Checking	2,309	2,309
Auxiliary Savings	102	-
Building Fund Savings	50	-
Bingo Checking	-	-
Bingo Other Checking	-	-
Game of Chance Checking	-	-
Fire Department Savings	-	-
Search Donations Savings	-	-
EMS Savings	-	-
Totals	\$270,147	\$229,178

Additionally, the treasurers disbursed a total of \$317,776 during the audit period but recorded \$133,050 in the records, a difference totaling \$184,726 (Figure 2). None of the treasurers maintained a checkbook register or accounting ledger for six bank accounts, including four savings accounts and two checking accounts, that had activity.

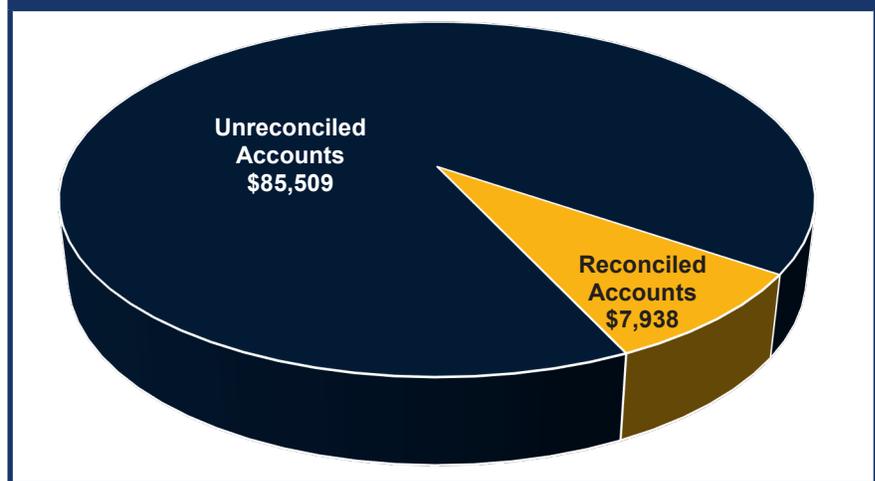
Furthermore, the treasurers only prepared a monthly bank reconciliation for one of the 10 checking accounts. The sum of the average monthly balances of the unreconciled checking accounts was \$85,509 (Figure 3).

The Department’s bylaws, which informally govern each of the four subdivisions, also require the treasurers to submit monthly reports of revenues, disbursements and the balance on hand, as well as a year-end financial report to the membership. However, monthly reports were not always provided or lacked necessary financial information. For example, reports were presented to the Department membership that included banking activity for two checking accounts (Fire Department and 2% Funds) during the 2023 fiscal year and three months of the 2024 fiscal year. However, the membership did not receive reports for the remaining checking and savings accounts (i.e., eight checking accounts and five savings accounts) during this period. The treasurers told us that they lacked accounting knowledge and training, and that when treasurers changed during the audit period, financial records and other documentation were not always passed on to the incoming treasurers.

Figure 2: Disbursements – Bank Statements vs. Accounting Ledger

Account	Bank Statements	Accounting Ledger
EMS Checking	\$104,848	-
Fire Department Checking	49,386	\$46,489
Bingo Checking	34,601	-
Field Days Checking	33,213	32,672
EMS Savings	28,000	-
Auxiliary Checking	22,552	22,557
2% Funds Checking	21,236	21,077
Game of Chance Checking	8,096	-
Fire Police Checking	7,331	7,331
Auxiliary Savings	4,200	-
Holiday Checking	3,313	2,924
Fire Department Savings	1,000	-
Bingo Other Checking	-	-
Building Fund Savings	-	-
Search Donations Savings	-	-
Totals	\$317,776	\$133,050

Figure 3: Reconciled vs. Unreconciled Bank Accounts



The absence of accurate accounting records, along with missing or incomplete monthly and annual financial reports, significantly impairs the membership's ability to oversee financial operations and increases the risk of theft, potential liability and misuse of Department resources.

Recommendations

Department membership should:

1. Update the bylaws to address specific fiscal responsibilities of Department business officers.
2. Develop written policies and procedures with respect to the Department's accounting records, reports and bank reconciliations.
3. Receive financial recordkeeping and reporting training.

Department treasurers should:

4. Maintain a checkbook register or other appropriate records to ensure complete and accurate records that detail the Department's financial activity and operations.
5. Prepare monthly bank reconciliations.
6. Prepare monthly reports and provide them to the membership.

Finding 2 – Disbursements were not always supported with documentation or approved.

We reviewed all 690 disbursements from the nine checking accounts with disbursement activity totaling \$284,576 and determined that while disbursements were for legitimate Department purposes, they were not always adequately supported with documentation or approved by the Department's membership. Specifically:

- 280 totaling \$87,245 (31 percent) lacked an invoice or other supporting documentation.
- 293 totaling \$86,891 (31 percent) were not approved by the Department's membership.
- 135 totaling \$40,728 were not approved by the Department's membership and had no supporting documentation.

Furthermore, we determined that three debit cards were used for Department purchases by the treasurers of two subdivisions and the captain of the emergency squad. Of the 193 debit card disbursements totaling \$34,409, we determined:

- 132 totaling \$21,750 were not approved by the Department's membership.
- 67 totaling \$8,361 lacked an invoice or other supporting documentation.
- 46 totaling \$6,626 were not approved by the Department's membership and had no supporting documentation.

In addition to the bylaws established by the volunteer members, the four subdivisions of the Department also have separate bylaws that assigned different responsibilities to the treasurers with varying degrees of detail. However, none of the bylaws specify the types of documentation required to support disbursements. Additionally, the Department lacked written policies and procedures for disbursements, and a credit/debit card use policy outlining who was authorized to use the cards, the permitted purposes and approval procedures.

When funds are disbursed without adequate supporting documentation, there is little assurance that funds are being expended to further the Department's purpose of providing fire protection services to the community. In addition, the use of debit cards poses additional risks by allowing payments to be directly withdrawn from the bank accounts maintained by the Department at the time of purchase, and unauthorized use may not be quickly detected or able to be corrected.

Recommendations

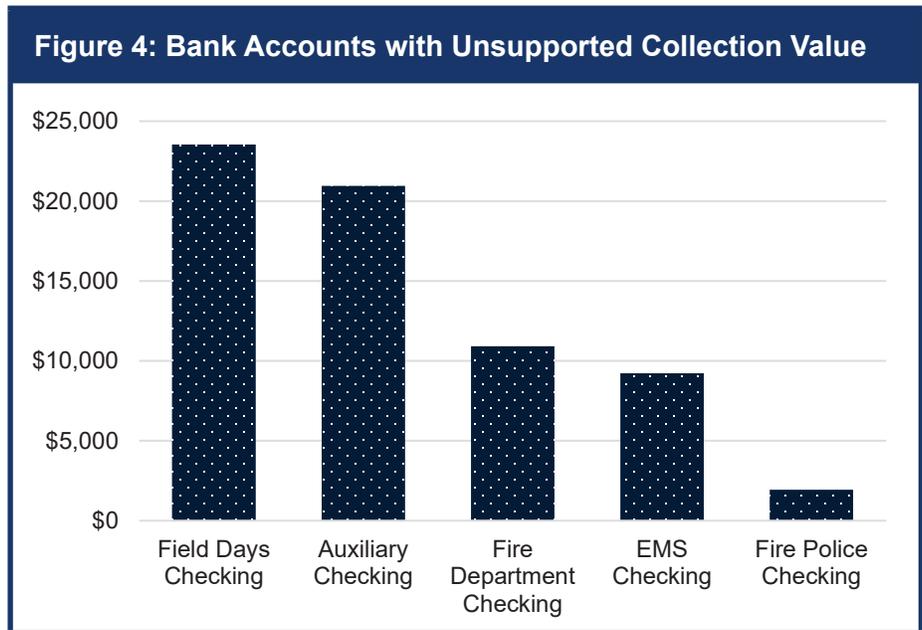
Department membership should:

7. Discontinue using the debit cards.
8. Ensure disbursement records are supported with documentation that accurately identifies the date, amount, form (i.e., cash or check) and purpose.
9. Ensure all disbursements are properly supported with documentation and approved by the membership.
10. Establish written policies and procedures and/or update the bylaws to address specific supporting documentation required for disbursements.

Finding 3 – The treasurers did not maintain supporting documentation for collections or deposit funds in a timely manner.

The Department, subdivisions and subcommittees¹ received collections from community donations and numerous fundraisers, such as the annual Field Day event, breakfasts, dinners, gun raffles and other events during the audit period.

We reviewed all 359 collections (275 deposits) during the audit period totaling \$270,147 to determine whether they were properly supported with documentation and deposited in a timely manner. Although 201 collections totaling \$203,291 were supported by cash count sheets, meeting minutes, donation letters, pool fill records and committee reports, we determined that 158 collections totaling \$66,856 were not properly supported. Collections deposited into five checking



accounts totaling \$66,581 represented nearly all unsupported collections (Figure 4). When proper supporting documentation for collections is not maintained, there is no record of where the money was received from or the amounts that were received, making it difficult to verify that all money was deposited and hindering anyone’s ability to determine whether a profit was made from fundraising activities.

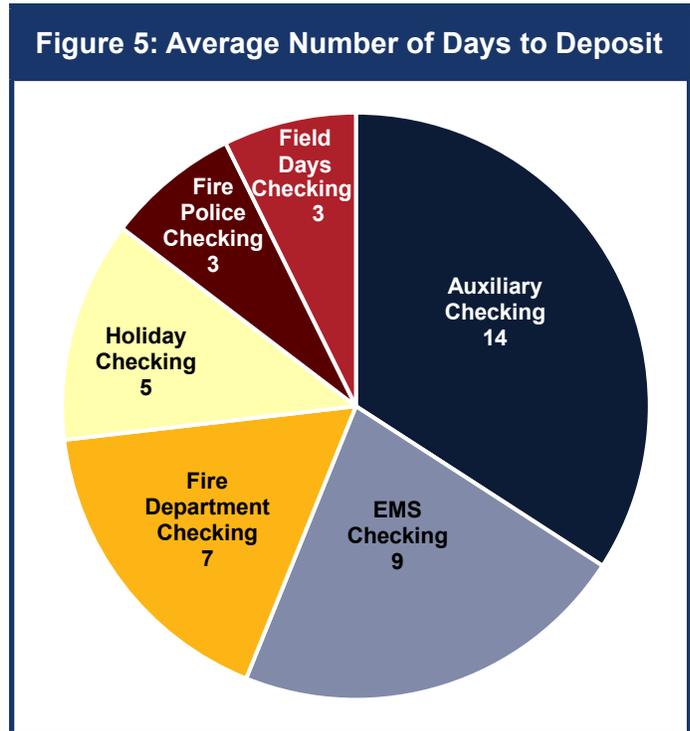
Additionally, we determined that 131 collections totaling \$91,884 (34 percent) were not deposited in a timely manner (within five days of collection) and 104 collections totaling \$76,916 (28 percent) did not have a collection date to determine the timeliness of the deposit. For six checking accounts with deposit

¹ The Department’s subcommittees include the Fundraising Committee, Field Days Committee and Holiday Committee.

activity, the average time between collection and deposit ranged from three to 14 days (Figure 5). When collections are not deposited in a timely manner, it increases the risk of loss, abuse, misuse and theft, which can damage the Department's reputation, hinder its ability to obtain funding in the future and accomplish its mission.

Furthermore, we could not determine whether deposits were intact because the deposit slips did not indicate the source or form of the collections (cash or check). We also could not trace \$147 recorded as being received in the meeting minutes for donations and games of chance collections to a specific deposit. However, the total bank deposits exceeded the amounts recorded in checkbook registers, accounting ledgers or other supporting documentation by \$40,969.

Some treasurers stated that documents from their predecessors were not provided when they assumed their roles, and although cash count sheets were sometimes used, the practice was inconsistent. Without policies and procedures for the cash collection process and timely deposits, there is an increased risk of funds being lost or misused.



Recommendations

Department membership should:

11. Develop and adopt written policies and procedures for cash collections and deposits.

Department treasurers should:

12. Use cash count sheets for all fundraisers.

13. Ensure that the secretaries document collections, expenses and profit or loss amounts in meeting minutes.

14. Maintain collection records and supporting documentation.

15. Ensure deposits are made intact and in a timely manner.

Appendix A: Profile, Criteria and Resources

Profile

The Department is an unincorporated association of volunteer firefighters that provides fire protection and emergency medical services to the Towns of Cincinnatus, Taylor and Freetown in Cortland County and the Town of Pitcher in Chenango County, based on fire protection contracts entered into by the Cincinnatus Fire District. The Department has organized itself into four separate subdivisions (i.e., Fire Department, Emergency Squad, Fire Police and Auxiliary), and each subdivision has its own treasurer. A fifth individual serves as the treasurer for the Department's fundraising account/committee. The volunteer members established bylaws to govern each of the subdivisions, along with any additional rules established for the individual subdivisions. For example, the volunteers of each subdivision elect a treasurer and a secretary.

According to the Department's bylaws, the members who are serving as treasurers for each of the subdivisions function as the Department's chief fiscal officers and are responsible for the Department's financial operations, including maintaining the Department's accounting records and reports. In addition, the bylaws state that "no bills or monies will be paid out (unless previously approved) until voted on by the Department" (i.e., membership). The volunteer members who serve as secretaries for the Department are responsible for recording and maintaining meeting minutes.

Additionally, the Department is overseen by the Cincinnatus Fire District, which was audited separately (*Cincinnatus Fire District – Board Oversight (2025M-77)*) December 2025.

Criteria – Financial Management

According to the Department's bylaws, the officers and membership are responsible for overseeing the Department's financial activities and safeguarding its resources. To fulfill this duty, it is essential that the officers and membership establish a system of internal controls, which include written policies and procedures to help ensure that transactions are authorized and properly recorded in a timely manner; that financial reports are accurate, reliable and filed in a timely manner, and that the Department complies with its bylaws and applicable laws, rules and regulations.

The Department membership should appoint one individual to serve as treasurer, who should prepare complete, accurate and up-to-date financial records and reports. The records should include a cash ledger (e.g., checkbook register) for each bank account opened in the Department's name, listing all collections and disbursements and a running cash balance. The reports should include reconciled cash balances for each bank account and should be provided to officers at each regular meeting, including all funds received and disbursed in the prior month. Reconciling bank account balances monthly allows officers to identify, document and investigate differences and serves as an internal verification of cash collection and disbursement transactions.

The bylaws governing each of the subdivisions require the treasurers to provide monthly reports of the money received and disbursed and the balance on hand for all accounts. In addition, the bylaws require the treasurers to submit a financial report to the membership by the first meeting of the year, covering the prior calendar year.

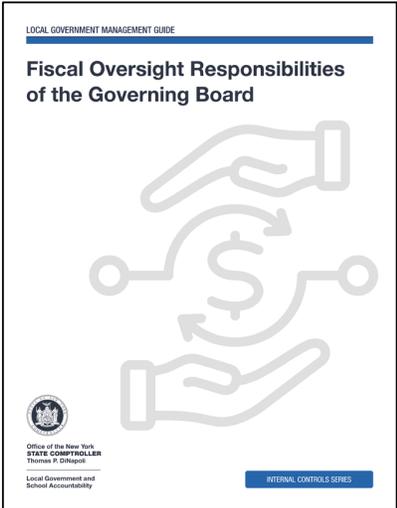
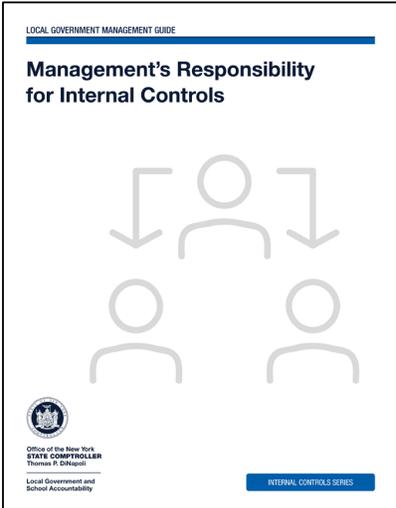
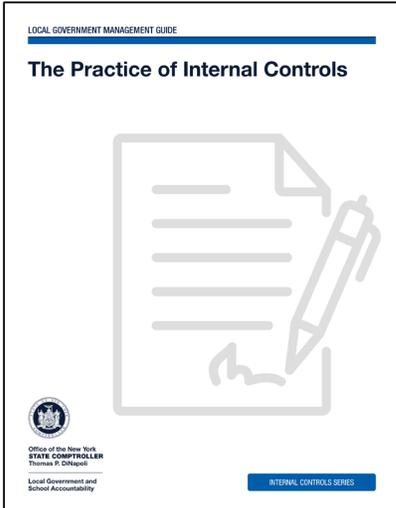
Fire department officers should ensure records are supported with documentation that accurately describes the source, date, amount, form (i.e., cash or check) and purpose of amounts collected and disbursed. For example, for collections, officers should issue duplicate press-numbered receipts or maintain some other documentation. Collections must be deposited intact – that is, in the same amount and form (cash or check) in which they were received. As a best practice, deposits should be made within five days of collection.

Disbursements should be approved by the fire department’s officers or membership before being paid. Furthermore, debit cards should not be used by fire department officers because they pose additional risks by allowing payment to be directly withdrawn from the fire department’s bank account at the time of purchase, and unauthorized use may not be quickly detected. Officers should also maintain original itemized receipts or invoices for disbursements, and review and approve bills before payment is made with fire department funds to help ensure that bills are legitimate fire department expenses.

Additional Financial Management Resources

Figure 6: OSC Publications

OSC *Local Government Management Guides* and other informational resources are available on our website to help the treasurers and membership understand and perform their responsibilities and implement effective internal controls.

Fiscal Oversight Responsibilities of the Governing Board	Management's Responsibility for Internal Controls	The Practice of Internal Controls
		
<p>https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf</p>	<p>https://www.osc.ny.gov/files/local-government/publications/pdf/managements-responsibility-for-internal-controls.pdf</p>	<p>https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf</p>

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

Appendix B: Response From Department Membership



*Cincinnatus
Fire Department*

P.O. Box 427, Cincinnatus, New York 13040

Subject: Cincinnatus Fire Department – Proposed Audit Corrections

Dear New York State Comptroller,

The Cincinnatus Fire Department is proposing the following corrective actions in response to the recent audit. These measures are intended to improve financial oversight, documentation, and departmental accountability.

1. **Bylaw Revisions:** The department bylaws are being revised to more clearly define responsibilities throughout the department.
 - o This process will be completed by the Bylaw Committee.
2. **Accurate Profit/Loss Reporting:** The department will maintain accurate Profit and Loss records, which will be presented to the department with approval from the membership.
 - o This will be completed by the department Treasurer using an Excel spreadsheet.
3. **Annual Trainings & Bonding:** The department will establish annual trainings and refreshers. All treasurers will be bonded.
 - o A yearly training schedule will be developed and posted by the Chiefs and Officers.
4. **Checkbook Registry:** A more detailed checkbook registry will be maintained for each and all subgroups.
 - o This registry will be submitted to the department Treasurer by the first of every month, prior to the monthly meeting.
5. **Monthly Bank Statements:** Each subgroup will provide their bank statements to the Fire Department Treasurer by the first of every month, prior to the monthly meeting.
6. **Monthly Financial Reports:** Monthly financial reports will be documented in the monthly meeting minutes and attached accordingly.
 - o The Secretary will receive these reports from the Treasurer.
7. **Emergency Card Policy:** The department's "Emergency Card" will be a debit card accessible only to the Treasurer, President, and Fire Chief.
 - o



Cincinnati
Fire Department

P.O. Box 427, Cincinnati, New York 13040

- A sign-out/sign-in log will be maintained at the card's storage location, documenting:
 1. Name of the person taking the card
 2. Witness of the card being signed out
 3. Date signed out
 4. Date signed back in
- 8. **Purchase Documentation:** The department will utilize record sheets with receipts for every purchase.
 - This will be completed by the Treasurer, with a copy provided to the Secretary for the department's records.
- 9. **Receipt Record Filing:** Meeting minutes will include copies of record sheets and receipts for purchases after membership approval.
 - The Treasurer will provide these to the Secretary for filing.
- 10. **Bylaw Improvements:** The department bylaws are being updated and improved by the Bylaw Committee.
- 11. **Cash Collection Forms:** The department will create a standardized form for all cash collections, deposits, and donations received.
 - This form will be completed by the Treasurer.
- 12. **Cash Count Sheets:** Each subgroup will utilize cash count sheets (see attached).
 - The Secretary will ensure these sheets are accessible to all members and posted on the bulletin board.
- 13. **Documentation of Expenses:** The Secretary will document all losses (bills/expenses) in the meeting minutes.
- 14. **Financial Record Distribution:** All financial documents will be recorded, and each Business Officer and the Finance Committee will maintain copies.
 - The Treasurer will provide copies to the Secretary at each monthly meeting.
- 15. **Timely Deposits:** All deposits will be made within five business days of receipt.
 - This will be completed by the Treasurer.



*Cincinnati
Fire Department*

P.O. Box 427, Cincinnati, New York 13040

These corrective actions are being implemented to strengthen financial accountability, transparency, and operational procedures within the department.

Sincerely,

Kelcie Stark
Department Secretary
Cincinnati Fire Department

Kurtis Yale
Department President
Cincinnati Fire Department

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 Department treasurers and members and reviewed the Department's bylaws, meeting minutes and various financial records and reports to gain an understanding of the Department's operations and determine whether bank reconciliations and monthly and annual financial reports were prepared and provided to the membership.
- We compared the treasurers' accounting records for disbursements and deposits to bank statements and other supporting documentation (e.g., receipts and invoices) to determine whether the records were complete and accurate.
- We reviewed all 275 deposits (359 collections) totaling \$270,147 to determine whether collections were properly supported with documentation and deposited intact and in a timely manner. If money was deposited within five days of collection, we concluded that the deposit was made in a timely manner.
- We reviewed all 690 disbursements from the nine checking accounts with disbursement activity totaling \$284,576 to determine whether they were approved before payment, supported with documentation and for appropriate Department purposes.

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.

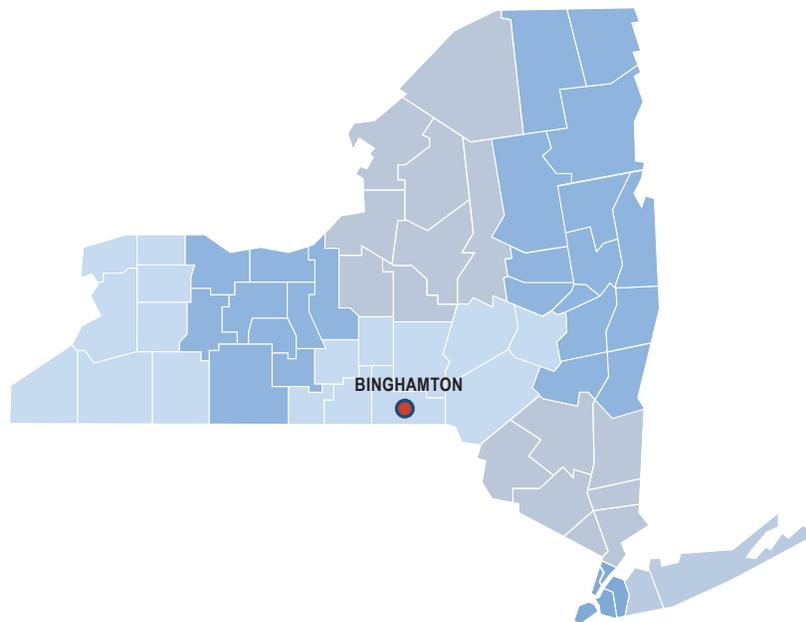
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