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June 2026

Neil Sessions, Chairman
Members of the Board of Fire Commissioners
Fine Fire District
96 NY-58
Fine, NY 13639

Report Number: 2023M-81-F

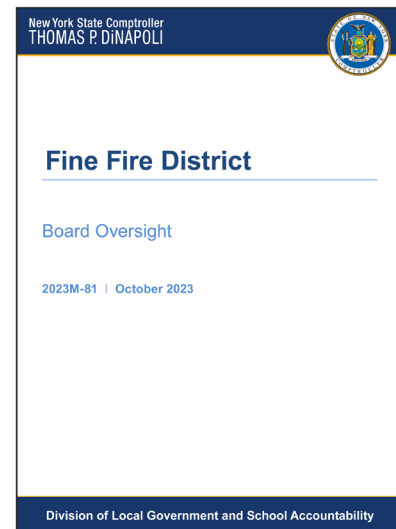
Dear Chairman Sessions and Members of the Board of Fire Commissioners:

One of the Office of the State Comptroller's primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term strategies to enable and encourage fire district officials to reduce costs, improve service delivery and to account for and protect their fire district's assets.

In accordance with these objectives, we conducted an audit of the Fine Fire District (District) to determine whether District officials adequately monitored financial activity and ensured appropriate records and reports were maintained. The Board consists of five members (Commissioners) including one who serves as the Chairman.

As a result of our audit, we issued a report, dated October 2023 identifying certain conditions and opportunities for District officials' review and consideration (Figure 1). Pursuant to Section 181-b of New York State Town Law (Town Law), District officials were required to prepare and forward to our Office within 90 days, a written corrective action plan (CAP) that addressed the findings and recommendations in the report. Although District officials' response to our audit indicated that they planned to implement the audit's recommendations, they did not provide our Office with a CAP.

Figure 1: Fine Fire District 2023 Audit Report



<https://www.osc.ny.gov/files/local-government/audits/2023/pdf/fine-fire-district-2023-81.pdf>

To further our policy of providing assistance to local governments, we revisited the District on December 23, 2025. Our follow-up review was limited to interviews with Commissioners and the District's Secretary-Treasurer (Treasurer) and inspection of certain documents related to the issues identified in our report. After we completed our fieldwork, the District appointed a new Chairman in February 2026 and a new Treasurer in March 2026.

Based on our limited procedures, the Board did not implement 20 recommendations and one recommendation was not applicable during the period we reviewed. The Commissioners did not provide reasonable explanations for why the Board did not implement the recommendations.

Additionally, the Commissioners demonstrated an unwillingness to exercise the Board's oversight responsibilities by taking no action in the more than two years since we issued our audit report. Until the Board fully implements our audit's recommendations, significant risks to financial accountability, transparency and stewardship of taxpayer resources remain. The Board continued to lack reliable financial information needed to effectively monitor operations because officials did not maintain adequate accounting records, provide periodic financial reports or file annual financial reports in accordance with New York State General Municipal Law Section 30. As a result, errors, irregularities or financial problems could occur and remain undetected.

In addition, the Board's failure to annually audit the Secretary-Treasurer's records, properly audit claims before payment and ensure claims were adequately supported increased the risk of unauthorized, unsupported or inappropriate expenditures, overpayments and misuse of District funds. Furthermore, continued unrealistic budgeting and the absence of multiyear financial and capital plans could result in taxpayers paying more than necessary while limiting the District's ability to strategically plan for future equipment replacements and long-term financial needs.

Recommendation 1 – Accounting Records

The Board should require the Treasurer to maintain accurate, complete and up-to-date accounting records that document all collection and disbursement transactions. The records should include a general ledger and subsidiary revenue and expenditure ledgers.

Status of Corrective Action: Not Implemented

Observations/Findings: The Board has not required the Treasurer to maintain basic accounting records. The Treasurer has continued to rely solely on the District's checkbook to record revenues and expenditures, and relied on bank statements to track the activity in the District's two savings accounts. The Chairman and two other Commissioners did not provide a reasonable explanation for why the Board did not take action in the more than two years since we issued our report to require the Treasurer to maintain accounting records, but they told us they would work with the Treasurer to obtain proper training to perform these duties.

For guidance on their fiscal oversight responsibilities, including ensuring proper accounting records are prepared and maintained, we referred the Commissioners to OSC's Academy for New York State's Local Officials.¹ Because the Board did not ensure the Treasurer maintained adequate

¹ Available at: <https://www.osc.ny.gov/local-government/academy>

accounting records, the Treasurer could not provide the Board with periodic financial reports (see Recommendation 2), hindering the Board's ability to monitor the financial activities of the District and make informed financial decisions.

Recommendation 2 – Periodic Financial Reports

The Board should ensure the Treasurer prepares and provides the Board with periodic financial reports showing funds received and disbursed, reconciled cash balances and budget-to-actual results.

Status of Corrective Action: Not Implemented

Observations/Findings: As discussed in Recommendation 1, the Board did not ensure the Treasurer maintained basic accounting records. As a result, the Treasurer did not prepare and provide the Board with financial reports showing funds received and disbursed or budget-to-actual results. The Chairman and two other Commissioners did not provide a reasonable explanation for not ensuring the Treasurer prepared and provided financial reports. As discussed in Recommendation 1, we referred them to OSC's Academy for New York State's Local Officials for guidance related to their fiscal oversight responsibilities, including the importance of reviewing periodic financial reports necessary to monitor the District's financial activity. Without periodic financial reports, the Board has insufficient information to oversee the District's financial activities and to make informed financial decisions.

Recommendation 3 – Oversight of the Treasurer

The Board should routinely review and verify the Treasurer's work including reviewing bank statements, bank reconciliations and canceled check images.

Status of Corrective Action: Not Implemented

Observations/Findings: The Board did not routinely review and verify the Treasurer's work, and as a result, it did not ensure the Treasurer maintained accounting records and prepared reports. Furthermore, although the Treasurer provided bank statements with bank reconciliations for the District checking account at monthly Board meetings, the Board did not review them.

The Chairman told us the Board trusted the Treasurer to complete her duties and to not misappropriate District funds. The other two Commissioners we spoke with did not provide a reasonable explanation for not reviewing bank statements, reconciliations and check images provided to them at Board meetings. Because the Treasurer performs nearly all financial duties, the Board's review and verification of the Treasurer's work is especially important. By not doing so, the Board weakened internal controls over the District's financial operations and increased the risk of errors or irregularities occurring and going undetected. As part of our review of claims (see Recommendation 11), we reviewed the canceled check images and verified that the vendor and amount paid matched the claims documentation for all claims tested.

Recommendation 4 – Establish Pay Rates

The Board should set payroll rates for District employees and establish the frequency that this compensation will be paid.

Status of Corrective Action: Not Implemented

Observations/Findings: While the Board approved a 2 percent increase for the Treasurer and a maintenance worker's wages during the Board's 2024 and 2025 annual organizational meeting and approved payments to these two individuals at monthly Board meetings, it did not formally set the salaries or the frequency of compensation. The Treasurer made monthly payments to herself and a maintenance worker, totaling approximately \$2,200 and \$600 per year, respectively.

Although the percentage of payment increases were Board-approved, by not setting the salaries or the frequency of compensation, there is an increased risk of District officials making, and not detecting, unauthorized payroll payments.

Recommendation 5 – Submit Payroll Taxes

The Board should institute procedures to ensure that the Treasurer withholds and remits required payroll taxes and prepares and files annual wage and tax statements to report the compensation paid to District employees.

Status of Corrective Action: Not Implemented

Observations/Findings: As discussed in Recommendation 4, the Treasurer and a maintenance worker received approximately \$2,200 and \$600 in payroll payments, respectively, in 2024 and 2025. However, District officials did not withhold required payroll taxes. The Chairman did not provide a reasonable explanation why the Board did not require the Treasurer to withhold and remit payroll taxes and annual wage statements. We referred the Chairman to guidance from the New York State (NYS) Department of Taxation and Finance on how to file payroll taxes, available on its website.² Not withholding and remitting payroll taxes exposes the District to possible penalties assessed by NYS and/or the federal government.

Recommendation 6 – Annual Financial Report (AFR) Filing

The Board should ensure the Treasurer prepares and files the District's AFR with OSC within 60 days of the close of the year.

Status of Corrective Action: Not Implemented

Observations/Findings: Since we issued the audit report, the Treasurer has not prepared and filed the District's 2018 through 2024 AFRs. The Chairman and two other Commissioners did not

² Available at: <https://www.tax.ny.gov/pdf/publications/withholding/nys50.pdf>

provide a reasonable explanation for why they did not ensure the Treasurer prepared and filed the District's AFRs. The Treasurer told us she did not know how to file an AFR.

We provided the Board OSC's publication *Accounting and Reporting Manual for Fire Districts*³ and referred the Treasurer to OSC's website for guidance on how to file and for additional contact information.⁴ The Board is responsible for ensuring that the AFRs are filed in a timely manner. When AFRs are not filed, transparency is diminished and the Board, District residents, taxpayers, OSC and other interested parties are denied the ability to assess the District's financial standing.

Recommendation 7 – Annual Audit

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

Status of Corrective Action: Not Implemented

Observations/Findings: Since we issued our audit report in October 2023, the Board has not conducted an annual audit of the Treasurer's records and reports. As discussed in Recommendations 2 and 3, the Board did not ensure the Treasurer maintained accounting records or provided it with financial reports. In addition, although the Board received bank statements, bank reconciliations and check images at Board meetings, the Commissioners did not review this information.

The Chairman told us he was not on the Board during our audit and was not aware of our recommendation. The Chairman also told us that he thought reviewing monthly claims was a sufficient substitute for annually auditing the Treasurer's records. Another Commissioner told us that he was aware of the annual audit requirement, but that the Board did not conduct the audit because the Treasurer did not provide the Board with financial records and reports.

However, the Chairman's term started in January 2023, nine months before we issued our report and the other four Commissioners were all on the Board during our audit. Therefore, they all should be aware of the report's recommendations. Furthermore, although conducting an annual audit was made more difficult because the Treasurer did not maintain accounting records (see Recommendation 1), it is the Board's responsibility to ensure the Treasurer maintains sufficient records and reports and that they are presented to the Board annually for audit.

Additionally, because the Treasurer is responsible for performing nearly all financial duties, it is essential for the Board to actively provide oversight to help ensure the integrity of the District's financial operations, particularly through an annual audit. Without an annual audit, the Board cannot ensure that the Treasurer is maintaining complete and accurate financial records.

³ Available at: <https://www.osc.ny.gov/files/local-government/publications/pdf/arm-fds.pdf>

⁴ Available at: <https://www.osc.ny.gov/local-government/required-reporting/annual-financial-report>

Recommendation 8 – Realistic Budgets

The Board should adopt realistic annual budgets based on established trends or known estimates, including planned funding of reserves. Additionally, the Board should hold a required public hearing on the coming year’s proposed budget on the third Tuesday of October.

Status of Corrective Action: Not Implemented

Observations/Findings: We determined that the Board did not adopt realistic annual budgets. For the 2026 adopted budget, the Board approved a 2 percent increase over the prior year’s budgeted appropriations. The Chairman and two other Commissioners told us it was the Board’s practice to apply a 2 percent increase each fiscal year to keep up with inflation. However, they could not provide evidence that this budgeting process was based on sound estimates or established trends. As a result, the Board could have levied more taxes than necessary for the District’s operations.

The Board did not hold a public hearing on the third Tuesday of October in fiscal year 2024 or 2025 for the coming year’s proposed budget, as required by Town Law Section 181. The Chairman and two other Commissioners could not provide a reasonable explanation why the Board did not hold the hearings. By not holding budget hearings, the Board prevented taxpayers from reviewing or commenting on the proposed budget.

Recommendation 9 – Multiyear Financial and Capital Plans

The Board should develop and adopt written multiyear financial and capital plans to provide a framework to prepare future budgets and manage financing for future capital needs. These plans should be monitored and updated.

Status of Corrective Action: Not Implemented

Observations/Findings: We determined the Board has not developed and adopted written multiyear financial and capital plans. The Chairman and two other Commissioners told us they were unaware what these plans should entail. The Chairman told us he believed moving surplus funds to a reserve each year was sufficient planning for future purchases. Despite being on the Board when we issued our audit report in October 2023, more than two years ago, the Chairman and the two Commissioners had no explanation for why the Board took no action. We directed the Commissioners to our LGMGs *Multiyear Financial Planning* and *Multiyear Capital Planning*⁵ to assist them in developing these plans. The lack of written multiyear financial and capital plans limits the Board’s ability to effectively manage finances and address future needs.

Recommendation 10 – Identify Claims in Board Minutes

The Board should ensure that the Board’s meeting minutes specifically identify which claims were audited and approved for payment.

⁵ Available at: <https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-financial-planning.pdf> and <https://www.osc.ny.gov/files/local-government/publications/pdf/multiyear-capital-planning.pdf>

Status of Corrective Action: Not Implemented

Observations/Findings: We reviewed 23 months of Board meeting minutes, from January 2024 through November 2025, and determined that the minutes did not specifically identify which claims were audited and approved for payment. Instead, the minutes included a list of bills for the month by vendor including the dollar amount, and the Board-approved bank transfers from the District's savings account to the checking account to pay the bills, signifying the Board's approval. However, the approved transfers did not equal the total amount of the bills listed, suggesting that all the claims for the month were not listed in the minutes.

We reviewed the claims paid in September through November 2025, which included 14 claims totaling \$14,159, and determined that three of the 14 claims totaling \$5,950 were not listed in the minutes. The Chairman and two other Commissioners told us that they were aware of all claims paid by the Treasurer but did not have a valid reason why the Board did not document in the minutes which specific claims were audited and approved or why the Board did not always audit the claims. By not identifying in the minutes which claims the Board audited and approved for payment, the Board's ability to account for all the claims paid, ensure they are for valid District purposes and to provide transparency is significantly diminished.

Recommendation 11 – Claims Audit

The Board should conduct a deliberate, thorough and timely audit of all claims prior to payment.

Status of Corrective Action: Not Implemented

Observations/Findings: As discussed in Recommendation 10, we reviewed all claims paid in September through November 2025, consisting of 14 claims totaling \$14,159 and determined that the Board did not audit and approve all the claims. Commissioners signed the claim vouchers indicating they were approved; however:

- Three claims totaling \$6,687 were approved at meetings that did not have a quorum of the Board (a majority, i.e., three or more Commissioners for the five-member Board) present at the meeting, which is necessary to conduct official business, including passing a resolution to pay claims.
- Three claims totaling \$5,950 did not have invoices or other supporting documentation and were not audited by the Board. The Chairman and two other Commissioners told us that these claims included payments to a fire equipment company for \$5,000 for oxygen tank and hose testing, along with \$650 and \$300 to the Treasurer's niece for stenciling on a District trailer and for refinishing the fire house floors, respectively. However, Commissioners could not explain why there were no invoices for these claims.
- Three other claims totaling \$453 were also not audited; however, they included supporting documentation.

When the Board does not conduct a thorough audit, ensuring claims are supported by adequate invoices or other supporting documentation, and approve all claims, there is an increased risk

District officials could pay claims that are not for valid District purposes. The Chairman and two other Commissioners told us that they did not know how to properly audit claims and that they did not know that a quorum was required to conduct a meeting and approve claims for payment. We walked officials through the resources available on our website including training webinars, publications and Division of Local Government and School Accountability contacts.⁶

Recommendation 12 – Supporting Documentation for Claims

The Board should require all claims to contain enough supporting documentation prior to approving payment (e.g., original itemized invoices and receipts).

Status of Corrective Action: Not Implemented

Observations/Findings: As discussed in Recommendation 11, of the 14 claims totaling \$14,159 we reviewed, we determined that three claims totaling \$5,950 did not have supporting documentation such as itemized invoices and receipts. Although the Chairman and one other Commissioner told us they were aware of the payments and the purpose of the claims, they did not ensure the Board properly audited the claims prior to payment.

When the Board does not audit and approve all claims, and ensure claims are supported by adequate invoices or other documentation, there is an increased risk that District officials could pay claims that are not for valid District purposes.

Recommendation 13 – Publish Legal Notices

The Board should ensure that the Treasurer properly publishes appropriate legal notices for reserve fund expenditures that require a permissive referendum.

Status of Corrective Action: Not Applicable

Observations/Findings: We reviewed the expenditures from January 2024 through November 2025 and determined that the District did not have reserve fund expenditures that would require a permissive referendum.

Recommendation 14 – Travel Reimbursement Overpayment

The Board should consult with its legal counsel regarding the travel reimbursement overpayments and seek recovery of the funds as appropriate.

Status of Corrective Action: Not Implemented

Observations/Findings: Our audit determined that two Commissioners were overpaid a total of \$305 for reimbursement of expenses related to travel for attending training. Since we issued the report, the Board has not recovered the overpayments or consulted with its legal counsel. The Chairman told us that he was not aware of these overpayments because he was not on the Board

⁶ <https://www.osc.ny.gov/local-government>.

during the audit or when we released our report, but told us he would take corrective action. Two other Commissioners, including one who received an overpayment, could not explain why the Board did not take steps to recover the funds. By not attempting to recover these funds, the Board is not fulfilling its responsibility to protect taxpayer funds and ensure they are used only for valid and authorized District purposes.

Recommendation 15 – Sales Tax

The Board should ensure that the District does not pay sales tax on purchases.

Status of Corrective Action: Not Implemented

Observations/Findings: Using the sample discussed in Recommendations 10 and 11, we determined four of the 14 claims we reviewed included sales tax totaling \$8. The Chairman and two other Commissioners told us they were not aware that they should check invoices and receipts for sales tax during a claims audit despite its inclusion in our audit report. However, because it is covered in the mandatory fiscal oversight training for fire commissioners, which all current Commissioners have completed, they should be aware that the District is exempt from NYS sales tax and ensure all funds are used only for valid and authorized District purposes.

Recommendation 16 – Fuel Overpayment

The Board should seek a credit from the fuel vendor for the fuel overpayment.

Status of Corrective Action: Not Implemented

Observations/Findings: In our audit report, District officials made an overpayment totaling \$63 to a fuel vendor which was not credited back to the District. Since we issued our audit report, the Board did not seek a credit from the fuel vendor for the overpayment. The Chairman, two other Commissioners and the Treasurer told us they were unaware of the overpayment despite it being discussed in our audit report. When we returned to the District on December 23, 2025, we reviewed the fuel overpayment documentation with District officials and encouraged Commissioners to seek a credit from the vendor. The Board has a responsibility to protect taxpayer funds and ensure all funds are used only for valid and authorized District purposes.

Recommendation 17 – Accurate Financial Records

The Treasurer should maintain accurate, complete and up-to-date accounting records, document monthly bank reconciliations for all District accounts, and investigate and resolve any differences.

Status of Corrective Action: Not Implemented

Observations/Findings: As discussed in Recommendations 1 and 2, the Treasurer did not maintain complete and up-to-date accounting records and prepared bank reconciliations for the general fund checking account but not for the two savings accounts. The Treasurer told us she did not know

what proper accounting records should consist of or how to create them and did not prepare bank reconciliations for the savings accounts because there was very little activity in those accounts. However, the Treasurer had no reasonable explanation for why she did not take action to address this recommendation during the more than two years since we released our report. We reviewed three months of bank reconciliations for the checking account and determined that all differences between the checkbook and bank balances were reconciled. We referred the Treasurer to OSC's publication, *Accounting and Reporting Manual for Fire Districts*⁷ for guidance on how to maintain accounting records. However, because the Treasurer did not maintain accounting records or perform bank reconciliations for all District bank accounts, she could not provide the Board with periodic financial reports, which hindered its ability to monitor the District's financial activities and make informed financial decisions.

Recommendation 18 – Payroll Records and Taxes

The Treasurer should maintain payroll records, withhold and remit payroll taxes as required, and file the necessary State and/or federal tax information forms.

Status of Corrective Action: Not Implemented

Observations/Findings: As discussed in Recommendation 5, the Treasurer and a maintenance worker received approximately \$2,200 and \$600 in payroll payments, respectively, in both 2024 and 2025. However, District officials did not subject this compensation to payroll tax withholdings. The Treasurer told us she did not know how to file payroll taxes or who to contact for assistance. When we returned to the District on December 23, 2025, we directed the Treasurer to the NYS Department of Taxation and Finance website for guidance on withholding and remitting payroll taxes.⁸ Failing to withhold and remit payroll taxes exposes the District to possible penalties assessed by NYS and/or the federal government.

Recommendation 19 – Delinquent Annual Financial Report Filing

The Treasurer should prepare and file the delinquent AFRs with OSC.

Status of Corrective Action: Not Implemented

Observations/Findings: As discussed in Recommendation 6, the Treasurer did not file the 2018 through 2024 AFRs. The Treasurer told us she did not know how to maintain accounting records or how to file the AFRs. We provided the Treasurer with OSC's *Accounting and Reporting Manual for Fire Districts*⁹ and referred her to OSC's website for training resources and guidance on maintaining accounting records and filing AFRs with OSC.¹⁰ When AFRs are not filed in the required time period, it can be an indication of underlying issues that the Board needs to address.

Recommendation 20 – Periodic Financial Reports and Annual Financial Reporting

7 See Supra, footnote 3.

8 See Supra, footnote 2.

9 See Supra, footnote 3.

10 See Supra, footnotes 3 and 4.

The Treasurer should prepare and provide periodic financial reports to the Board to assist with monitoring financial operations and file the AFR with OSC in a timely manner.

Status of Corrective Action: Not Implemented

Observations/Findings: As discussed in Recommendations 2 and 6, the Treasurer did not prepare and provide periodic financial reports to the Board or prepare and file AFRs with OSC. The Treasurer told us she did not know how to maintain proper accounting records, which hindered her ability to provide the Board with adequate financial reports or to file the AFRs. Without periodic financial reports, the Board's ability to monitor the District's financial activities and make informed decisions is significantly diminished. When AFRs are not filed, transparency is reduced and the Board, District residents, taxpayers, OSC and other interested parties are denied the ability to assess the District's financial standing.

Recommendation 21 – Record of Claims and Legal Notices

The Treasurer should document the Board's audit and approval of claims, publish permissive referendum legal notices when required, and only pay claims after a proper audit and approval.

Status of Corrective Action: Not Implemented

Observations/Findings: As discussed in Recommendation 13, there were no reserve fund expenditures requiring legal notices in fiscal years 2025 or 2026. However, as discussed in Recommendations 10 and 11, the Treasurer did not document the Board's audit and approval of claims in the minutes and paid some claims prior to presenting them to the Board for audit and approval. The Treasurer could not provide reasonable explanations for these actions, only stating that she paid some of the bills prior to Board audit and approval to avoid interest and late fees. When the Board meeting minutes do not reflect which claims were audited and approved and when claims are paid prior to Board audit and approval there is an increased risk that claims could be paid that are not for valid District purposes.

Thank you for the courtesies and cooperation extended to our auditors during this review. If you have any further questions, please contact Nicole Tomsen, Chief of Municipal Audits of our Statewide Audit Unit at (716) 847-3647.

Sincerely,

Robin L. Lois, CPA
Deputy Comptroller