



Town of Greenville

Transparency of Fiscal Activities

S9-25-41 | May 2026

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Audit Results

Town of Greenville



Audit Objective

Did the Town of Greenville (Town) Board (Board) conduct or provide for an annual audit of the Town Supervisor's (Supervisor) financial records and reports, and did the Supervisor file the Annual Financial Report (AFR) with the Office of the State Comptroller (OSC) as required?

Audit Period

January 1, 2024 – May 1, 2025
We extended our observation of annual AFR filings forward to November 28, 2025, and back to fiscal year 2023.

Understanding the Audit Area

To help promote transparency, a town board should conduct a thorough and sufficiently detailed audit of the town supervisor's records to determine whether the accounting records are properly maintained, as well as that reports are complete and accurate. Furthermore, in light of a town board's responsibility to oversee the general management and control of the town's finances, the town board should also help ensure that the town supervisor annually prepares, files and makes the AFR available to the public.

With a population of 3,741, Town officials budgeted a total of \$2.48 million for the general fund and highway fund appropriations in fiscal year 2024 and provided essential services to the public, such as general government support, street maintenance and improvement, and snow removal.

Audit Summary

The Board did not conduct or provide for an annual audit of the Supervisor's financial records and reports for fiscal year 2024 in accordance with New York State (NYS) Town Law (Town Law). In addition, as shown in Figure 1, the Supervisor did not prepare and file the 2024 AFR with OSC, as required by NYS General Municipal Law (GML) Section 30. Furthermore, the Supervisor did not provide the Board with complete, accurate and reliable monthly financial reports.

Figure 1: AFR Filing Status as of November 28, 2025

| Fiscal Year | Date Filed | Days Late |
|-------------|-------------------|-----------|
| 2023 | February 28, 2025 | 304 |
| 2024 | Not Filed | 211 |

Had the Board received complete, accurate and reliable monthly reports and conducted an annual audit of the Supervisor's books, records and documents, it may have identified and potentially helped remedy these issues. Without complete, accurate and reliable financial information, the Board cannot effectively

monitor the Town's financial position and available fund balance to make informed decisions. Because the Board and Supervisor did not fulfill their statutory responsibilities, transparency of the Town's fiscal condition was diminished as Town residents, taxpayers, OSC and other interested parties did not have access to the Town's current fiscal activities.

Based on our review of the Supervisor's records, we determined that the Supervisor did not:

- Ensure claims were Board-audited and approved prior to payment, which hindered its ability to ensure that expenditures were for legitimate Town purposes.
- Perform timely bank reconciliations, which undermined the Board's ability to oversee the Town's financial operations and safeguard Town resources.
- Provide the Board with reports such as budget-to-actual reports, trial balances¹ or bank balances, which limited its ability to effectively monitor the Town's financial affairs.

This report includes 11 recommendations that, if implemented, will improve the Town's financial reporting and help the Board and Supervisor improve the transparency of their fiscal activities. Town officials generally agreed with our recommendations and their response is included in Appendix B.

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 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 findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of the 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 Town Clerk's (Clerk's) office.

¹ The trial balance is an internal accounting report that lists every account in the general ledger with its balance at a specific point in time. The report is a list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal, the ledger from which the figures are taken, it is said to be in balance. It helps to check the accuracy of bookkeeping.

Transparency of Fiscal Activities: Findings and Recommendations

Towns are governed by an elected town board, composed of a fixed number of elected board members and a town supervisor. A town board is generally responsible for overseeing a town's financial operations and the safeguarding of town resources. With certain exceptions,² a town board is required by Town Law to annually audit the town supervisor's books and records. Pursuant to GML, the town supervisor is responsible for preparing and filing with OSC, as well as making available to the public, an annual report of the town's financial position, known as the AFR. Furthermore, pursuant to GML and Town Law, towns are required to notify and make financial information available to the public by posting the AFR on the town's website, and through notice in the local newspaper of available financial information.

More details on the criteria used in this report, as well as additional resources including a checklist and OSC guidance on conducting an annual audit excerpted from our Local Government Management Guide (LGMG) publication *Fiscal Oversight Responsibilities of the Governing Board*, are included in Appendix A.

Finding 1 – The Board did not perform an annual audit of the Supervisor's records and reports in accordance with Town Law.

The Board did not conduct an audit of the Supervisor's financial records and reports for fiscal year 2024. The Supervisor and two other Board members told us they were aware of the annual audit requirement and that the Board hired a certified public accounting (CPA) firm in prior years to conduct the audits, but because the firm did not provide services in a timely manner, the Board decided to hire a new CPA firm. However, the new CPA firm's engagement letter listed services such as accounting and consulting, and preparing and filing the AFR for 2024, but did not include audit services. Furthermore, it is the Board's responsibility to conduct annual audits to oversee the effectiveness of financial operations and safeguard Town resources.

We reviewed the Supervisor's fiscal year 2024 records and reports using the same guidance OSC developed to help local officials fulfill their audit responsibilities pursuant to Town Law. This guidance is published in our *LGMG – Fiscal Oversight Responsibilities of the Governing Board* (Figure 2) and is readily available on our website.

Figure 2: LGMG – Fiscal Oversight Responsibilities of the Governing Board^a



² The provisions of Town Law requiring the annual accounting with and submission of books and records to the town board does not apply to towns that, prior to January 20th, have engaged the services of a certified public accountant or public accountant to make an annual audit to be completed within 60 days after the close of the town's fiscal year. Also, in the case of a town having a comptroller, the accounting by the officers and employees who received or disbursed any funds in the previous fiscal year would be with the town comptroller, who would also be responsible for examining the accounts of those officers and employees.

Based on our review of the Supervisor's records, we determined that the Supervisor, assisted by a full-time bookkeeper, did not:

- Ensure claims were audited and approved by the Board prior to payment, which hindered its ability to ensure that expenditures were for legitimate Town purposes.
- Perform timely bank reconciliations and maintain up-to-date accounting records, which undermined the Board's ability to oversee the Town's financial operations and safeguard Town resources.
- Provide the Board with reports such as budget-to-actual reports, trial balances or bank balances, which limited its ability to effectively monitor the Town's financial affairs.

Below are examples of issues we identified that, had the Board conducted an annual audit of the Supervisor's books and records, it may have identified, and potentially helped remedy:

Cash Disbursements – The Supervisor and one other Board member told us the Board routinely audits all vendor claims for payment at its monthly Board meetings. They also told us that each claim is supported by a voucher reviewed and signed by the Board members. We reviewed a sample of 129 payments totaling \$346,917, including 58 check payments totaling \$74,644 from November 2024 and 71 electronic payments totaling \$272,273 from fiscal year 2024.³

Although all 58 check disbursements, totaling \$74,644 for the General and Highway funds, were generally supported,⁴ for appropriate Town purposes (including parts, supplies, repairs and various professional services), we determined that none of these claim voucher packets included evidence that the Board audited the claim, such as Board members' signatures or the audit date. A thorough claims audit decreases the risk that improper, unsupported or unauthorized claims could be paid and remain undetected.

The Supervisor's bookkeeper used electronic payments to pay for certain purchases, utilities, health insurance, subscriptions and other services. Of the 71 electronic payments reviewed, 61 totaling \$266,965 (86 percent), had no evidence of a Board audit, either because no voucher was prepared or because the voucher lacked evidence (e.g., missing voucher numbers, dates or signatures). In addition, 13 of 61 electronic payments (21 percent) totaling \$18,443, including utility and Healthcare Reimbursement Arrangement (HRA) payments, were not supported by invoices or receipts. Although the Board may, by resolution, authorize payment in advance of audit for public utility services, postage, freight and express charges, the Board should audit these claims as soon as possible after payment. The Board did not adopt such a resolution.⁵

3 See Appendix C for details of our sampling methodology.

4 We communicated minor exceptions with Town officials.

5 Town Law section 118(2).

While reviewing the payments, we identified health insurance premium payments, health insurance opt-out payments, Town-funded retiree HRA payments and retiree Medicare reimbursements that were paid throughout fiscal year 2024 without Board approval. For example:

- Health Insurance Payments – In 2024, the Town paid \$45,204 in health insurance premiums for two elected officials. Although the Town’s employee handbook included a provision that the Town would provide health insurance to eligible elected officials, it did not define which elected officials were eligible to receive health insurance. The Town also made health insurance opt-out payments totaling \$4,291 to the Supervisor and one employee, but no Board resolution or written authorization supported this practice.

Additionally, the Town paid health insurance premiums for one retired employee (\$18,641) and one retired elected official (\$9,320). The employee handbook did not include provisions for retiree health insurance, nor has the Board adopted a resolution authorizing such coverage.

- HRA and Medicare Reimbursements – In 2024, the Town paid HRA payments totaling \$8,692 for three retired employees and one spouse, and Medicare premium reimbursements totaling \$10,433 for five individuals, including these same four individuals and one additional retired employee. Town officials could not provide documentation authorizing these payments.

The Deputy Supervisor told us that it is the Town’s long-standing practice to provide full benefits to elected officials and retiree employees, including health insurance, HRA contributions, and Medicare reimbursements. However, the Board did not adopt a resolution or formal policy to authorize this practice. The Deputy Supervisor told us that a third-party administrator (vendor) is paid to ensure the HRA payments are correct and for eligible medical expenses. The Deputy Supervisor told us that due to the confidential nature of these payments, the Board cannot review them. However, the Supervisor did not use the vendor’s statements to reconcile the payments to ensure that the charges were for eligible participants.

Without proper Board authorization, a thorough review of all claims to be paid by the Town, and the documented evidence of the claims audited, the Board’s ability to effectively monitor Town financial operations is diminished. Further, the risk that inappropriate purchases or payments may occur without detection is increased.

Bank Reconciliations – The 2024 bank reconciliations were not performed in a timely manner. For example, the January 2024 bank reconciliations were not performed by the Town’s contracted CPA firm until March 2025, and there was no evidence that any Town officials reviewed the reconciliations after they were complete. Due in part to the delay in reconciling bank accounts and correcting errors, the accounting records were not up-to-date. We observed cash receipts and certain disbursement transactions that were not recorded in a timely manner. For example, a deposit of \$13,032, received in January 2024, was recorded in May 2024. Similarly, electronic payments totaling \$1,058, from January and February 2024, were recorded in March 2025, over a year later. As a result, the Board’s ability to oversee the Town’s financial operations and safeguard Town resources was undermined.

Financial Reporting – The Supervisor did not ensure all necessary monthly financial reports were provided to the Board during fiscal year 2024. Although the Supervisor said that he provided the

Board with monthly information on cash receipts and a list of claims for payment, these reports were not consistently distributed. For example, reports listing cash receipts were not provided to the Board in February, April and September 2024, and reports listing claims for payment were not provided in February and December 2024. Further, the Deputy Supervisor told us the Board received very few financial reports during 2024. Specifically, the Board did not receive budget-to-actual reports, trial balances or bank balances.

The Supervisor and Deputy Supervisor attributed the lack of timely reporting and delays to several factors, including turnover in the bookkeeper position, searching for and hiring a new CPA firm and changing to a new accounting system – all of which happened at the beginning of 2024. Routine interim reports provided to the Board that summarize financial activities help the Board monitor the Town's financial affairs throughout the year.

Recommendations

The Board should:

1. Conduct the annual audit of the Supervisor's records and reports in accordance with Town Law.
2. Document its audit of claims and verify that all claims, including those paid electronically, are properly supported.
3. Consult with legal counsel to determine whether payments and benefits provided to elected officials, current employees, retired employees and a spouse were properly authorized and, if not, take appropriate action, including seeking recovery.
4. Request financial reports to monitor the Town's financial operations and make informed decisions.
5. Attend relevant and beneficial training sessions to obtain a better understanding of its duties or consult with counsel, where appropriate. Training provided by OSC can be found at: www.osc.ny.gov/localgov/academy/index.htm

The Supervisor should:

6. Disburse Town funds after claims are audited and approved for payment by the Board.
7. Review bank reconciliations performed by the bookkeeper.
8. Submit monthly reports to the Board that include the detailed accounting of all funds received and disbursed, cash balances and complete budget-to-actual comparisons of revenues and expenditures for each Town fund.

Finding 2 – The Supervisor has not prepared and filed the 2024 AFR as required by GML.

As of November 28, 2025, the Supervisor had not prepared, filed with OSC and made available to the public the 2024 AFR (Figure 3), as required by GML. In addition, the last filed AFR, for the year ending December 31, 2023, was filed on February 28, 2025, 304 days late.

Figure 3: AFR Filing Status as of November 28, 2025

| Fiscal Year | Date Filed | Days Late |
|-------------|-------------------|-----------|
| 2023 | February 28, 2025 | 304 |
| 2024 | Not Filed | 211 |

While the Supervisor told us he was aware that it was a requirement to file the AFR with OSC, he and the Deputy Supervisor told us that they were not able to file the AFRs on time due to turnover in the bookkeeper position, a change in accounting software and hiring a new CPA firm to assist with AFR preparation and filing. Although the Board engaged a CPA firm in September 2025 to assist with preparing the 2024 AFR, it remained the Supervisor’s responsibility to prepare and file the AFR with OSC within 60 days after the close of the fiscal year. Furthermore, it is the Board’s responsibility to oversee the general management and control of the Town’s finances; the Board should help ensure that the Supervisor prepares and files the AFR with OSC as required. Because the Supervisor did not prepare and file AFRs as required, the Board may have missed opportunities to identify and, if necessary, remedy fiscal concerns.

Because the Supervisor did not prepare and file the financial information, taxpayers, residents and other interested parties were not able to properly assess the Town’s financial operations and financial condition using Town records to make informed decisions. As such, we analyzed the bank balances for the Town’s general and highway funds for fiscal year 2024.⁶ Although we did not identify any significant fiscal concerns, the Board should continue to help ensure that the Supervisor files the necessary financial information, including the AFRs in accordance with statutory requirements in an effort to increase overall transparency of the Town’s fiscal activities with the public.

Recommendations

The Board should help ensure:

9. The Supervisor prepares and files the AFR, as required by GML.
10. That, to the extent practicable, financial information is made accessible to the public.

The Supervisor should:

11. Prepare and file the AFR with OSC as required by GML.

⁶ See Appendix C for methodology.

Appendix A: Profile, Criteria and Resources

Profile

The Town is located in Greene County, and is governed by the elected Board, composed of the Supervisor and four Board members.

The Board is responsible for overseeing the Town's financial operations and safeguarding its resources. As the Town's Chief Fiscal Officer (CFO) since 2024, the Supervisor is responsible for maintaining the Town's financial records and reports. The Supervisor is assisted by an appointed full-time bookkeeper, who performed financial duties such as preparing and processing payroll, making deposits, processing check disbursements, recording transactions in the accounting system, performing monthly bank reconciliations and preparing monthly financial reports. The bookkeeper resigned June 2025 following a leave of absence beginning in March 2025. The Town also engaged a CPA firm to provide accounting and consulting services for 2024. These services included performing bank reconciliations, preparing adjusting journal entries and assisting Town personnel with preparing and filing the 2024 AFR.

Criteria – Transparency of Fiscal Activities

Towns are governed by an elected town board, composed of a fixed number of elected board members and a town supervisor. With certain exceptions,⁷ a town board is required by Town Law Sections 62 and 123 to annually audit the town supervisor's books and records.

A town supervisor is a town's Chief Executive Officer (CEO). Generally, a supervisor is also the town's CFO and is responsible for maintaining the town's financial records and reports. The accounting records should be up-to-date and should document assets, liabilities, fund balance and results of operations (revenues and expenditures) for each town fund. The town supervisor must maintain an accurate and complete accounting of all funds received and disbursed, and deposit town funds within 10 days of receipt, as required by Town Law Section 29.

A town supervisor's financial books and records, as per OSC guidance available in our LGMG publication *Fiscal Oversight Responsibilities of the Governing Board*, can include:

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

⁷ See Supra, footnote 2.

Audits provide the town board with the opportunity to assess the effectiveness of financial operations and help ensure that adequate board oversight is maintained over town operations. An annual audit also provides an independent verification that transactions are properly recorded, that town funds are properly accounted for and whether any significant fiscal concerns exist. An audit of the town supervisor's records should be thorough and sufficiently detailed to determine that the following minimum concerns 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.

Once complete, a town supervisor must cause a certified copy of this previous year's annual accounting to the board to be published in the official town newspaper.⁸

Based on the financial books and records maintained by the town supervisor and the accounting provided to the town board, GML Section 30 requires the town supervisor to prepare and file the AFR of the town's financial position and results of operations with OSC within 60 days⁹ after the close of the fiscal year. As part of its fiscal oversight responsibilities, a town board should be assessing the town's books, records, and supporting documentation and monitoring the performance of town officers and employees who are entrusted with recordkeeping and other financial responsibilities, including the town supervisor who prepares and files financial information. In addition, the AFR must be made available to the public in accordance with:

- A town board resolution that authorizes a town supervisor to use the AFR filed with OSC as an alternate to making available the prior year's annual accounting to the board,
- Town Law Section 29 which requires a town clerk to publish either a summary of the AFR in the town's official newspaper within 10 days after the AFR has been received, or a notice that a copy of the AFR is on file and is available to the public for inspection,¹⁰ and
- GML Section 30 which requires a town to make the AFR accessible to the public on its official website.

⁸ See Town Law Section 29 [10].

⁹ Towns with populations under 5,000 have 60 days to file, between 5,000 to 19,999 have 90 days, and populations with 20,000 or more have 120 days.

¹⁰ See Town Law Section 29 [10-a].

Additional Resources – General Recordkeeping and CFO Checklist

The following checklist can be used for each fund maintained and is excerpted from our LGMG publication *Fiscal Oversight Responsibilities of the Governing Board*.¹¹

| Cash Receipts | YES | NO |
|--|--------------------------|--------------------------|
| Is the cash receipts journal up-to-date? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is the cash receipts journal maintained in a manner that identifies the date received, payer, purpose and the amount either individually or totals referenced to subsidiary receipt records (e.g., water rents receipts register)? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are un-deposited cash receipts safeguarded? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are duplicate deposit slips kept? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do deposit amounts agree with cash receipt amounts? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are deposits made in a timely manner and recorded up-to-date? Last Recorded Deposit: Date _____ Amount _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| Is the cash receipts journal totaled and summarized monthly? | <input type="checkbox"/> | <input type="checkbox"/> |

| Cash Disbursements | YES | NO |
|---|--------------------------|--------------------------|
| Is the cash disbursements journal up-to-date? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is the cash disbursements journal maintained in a manner to identify amounts disbursed either individually or totals referenced to abstracts or payrolls? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are pre-numbered checks used for all disbursements (other than petty cash)? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are all checks signed by the chief fiscal officer and co-signed if required? | <input type="checkbox"/> | <input type="checkbox"/> |
| If checks are signed electronically, is the signature stamp or software in the custody and control of the chief fiscal officer? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are canceled checks or check images returned with bank statements and maintained on file? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are all unused checks properly controlled (blank check stock)? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are checks recorded up-to-date? Last Recorded Check: # _____ Date _____ Amount _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| Is the cash disbursements journal totaled and summarized monthly? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are payments supported by appropriate documentation? Consider comparing a sample of disbursements with supporting documentation. | <input type="checkbox"/> | <input type="checkbox"/> |

¹¹ <https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf>

| Cash Reconciliations | | YES | NO | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Are bank accounts reconciled? <i>By Whom? _____ How Often? _____</i> <i>Who Reviews/Verifies Them? _____</i> | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Is the bank reconciliation performed by a person whose job duties do not include maintaining either the cash receipts or disbursements journals or receiving or disbursing cash? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Is the bank reconciliation performed in a timely manner after the bank statement is received? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Last Bank Reconciliation for Each Bank Account | | <input type="checkbox"/> | | |
| Bank Account | <input type="checkbox"/> | | | <input type="checkbox"/> |
| | <input type="checkbox"/> | | | <input type="checkbox"/> |
| | <input type="checkbox"/> | | | <input type="checkbox"/> |
| | <input type="checkbox"/> | | | <input type="checkbox"/> |
| | <input type="checkbox"/> | | | <input type="checkbox"/> |
| Are reconciliations documented and available for review? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Does the reconciled bank balance agree with the cash balance recorded in the accounting records? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Receivables | | YES | NO | |
| Are receivable control accounts maintained? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Is there indication that the receivable control accounts are reconciled to the detail subsidiary records? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Investment Records | | YES | NO | |
| Is an investment record maintained? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Is the record complete and up-to-date? | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Deposit Protection | | YES | NO | |
| Has the bank pledged adequate, eligible securities to protect deposits and investments (under the custody of the chief fiscal officer) that exceed FDIC insurance protection? | | <input type="checkbox"/> | <input type="checkbox"/> | |

| Indebtedness Records <i>(This record is maintained by the clerk in certain local governments)</i> | YES | NO |
|--|--------------------------|--------------------------|
| Is an indebtedness register maintained? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is the register complete and up-to-date? | <input type="checkbox"/> | <input type="checkbox"/> |
| Property Records | YES | NO |
| Are property records maintained? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are the records up-to-date? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are all fixed assets included in the records? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are physical inventories taken and compared to the records? | <input type="checkbox"/> | <input type="checkbox"/> |
| Financial Reporting | YES | NO |
| Are interim reports (budget/actual; trial balances; etc.) prepared? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are the reports distributed to the governing board and department heads? | <input type="checkbox"/> | <input type="checkbox"/> |
| Does total year-end recorded cash agree with that reported in the annual financial report? | <input type="checkbox"/> | <input type="checkbox"/> |
| Payrolls | YES | NO |
| Are payrolls certified/approved by the appropriate official? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are pay rates in accordance with collective bargaining agreements and other lawful employment contracts, or board resolutions? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is leave time accounted for? | <input type="checkbox"/> | <input type="checkbox"/> |

Appendix B: Response From Town Officials



Office of the Town Supervisor

Town of Greenville – Response to Findings

1. Overview

The Town acknowledges the findings and recommendations related to financial oversight, reporting, claims processing, and benefit administration, including health insurance, retiree benefits, HRA, Medicare reimbursements, and the Annual Financial Report (AFR).

The Town is committed to improving internal controls, strengthening documentation, and ensuring compliance with all applicable requirements.

2. Financial Reporting (AFR) and Board Oversight

AFR Filing

The Town acknowledges that the 2024 Annual Financial Report (AFR) was not filed within the required timeframe and was ultimately filed in 2026.

The Town recognizes that the AFR is an important statutory requirement and a key part of financial transparency. The delay occurred during a period of significant transition, including changes in financial systems, accounting support, and external assistance, which affected the timing of year-end closing and reporting. The 2024 AFR has now been completed and filed.

The Town has also begun work on the 2025 AFR and has received approval for an extension to allow sufficient time for proper preparation and review. Moving forward, the Town is focused on making sure AFR preparation and filing are planned earlier and completed in a more consistent and timely manner.

Board Financial Reporting

The Town acknowledges that financial reporting to the Board during 2024 was not as consistent as it should have been. This was largely due to the same transition period affecting staffing, systems, and external support.

The Town is now working to ensure the Board receives regular financial updates going forward, including budget-to-actual reports, receivables tracking, and other information needed for oversight.

Bank Reconciliations

Bank reconciliations for 2024 were not fully completed until 2025, which meant the accounting records were not always current during the year. This was also tied to the transition in systems and staffing. Since then, the Town has brought reconciliations up to date and has put procedures in place to ensure they are completed on a monthly basis and reviewed regularly to maintain accuracy and up-to-date records.



Office of the Town Supervisor

3. Claims Audit and Disbursements

The Town acknowledges the findings regarding documentation of claims review and approval. While vendor claims were reviewed and approved by the Board, the Town recognizes that documentation of that review was not always consistently recorded in a way that clearly shows the audit trail for each claim.

The Town has updated its process so that individual claim review and approval is now consistently documented within each voucher packet, strengthening transparency and accountability.

4. Benefits Administration (Health Insurance, Retirees, HRA, Medicare)

The Town acknowledges the findings related to health insurance opt-out payments, retiree health insurance, HRA contributions, and Medicare reimbursements. These benefits have been administered through a mix of written policies (such as the employee handbook and collective bargaining agreements), enrollment documentation, third-party administration, and long-standing administrative practices. The Town recognizes that these items were not always brought together into a single, centralized set of Board resolutions or policy documents covering all employee and retiree groups.

Retiree Benefits

Retiree health insurance has been provided historically to eligible employees in line with established eligibility rules, including collective bargaining agreements where applicable. While this practice has been consistent over time, the Town recognizes that it was not always formally consolidated into one comprehensive policy document. The Town is working to address that and improve documentation going forward.

Opt-Out Payments

Opt-out payments are provided to eligible employees under established benefit practices. The Town is reviewing its documentation to ensure these payments are clearly supported in formal policy or Board authorization.

HRA and Medicare Reimbursements

The HRA and Medicare reimbursements are handled through a third-party administrator as part of the Town's health insurance program. The Town funds the program, and the administrator processes claims according to plan rules and provides reporting used for reconciliation. The Town recognizes the importance of ensuring these programs are clearly documented and consistently aligned with formal authorization and is working to improve that alignment.



Office of the Town Supervisor

5. Corrective Actions and Improvements

The Town is actively working to strengthen its financial and administrative processes, including:

- Improving the timeliness of AFR preparation and filing
- Strengthening financial reporting to the Board
- Ensuring bank reconciliations are completed monthly and reviewed regularly
- Improving documentation of claims review and approval
- Reviewing and consolidating benefit program documentation across all employee groups
- Aligning collective bargaining agreements, Board resolutions, and administrative practices
- Improving coordination between third-party administrators and Town records

The Town remains committed to maintaining accurate records, improving transparency, and strengthening internal controls moving forward.

Paul Macko
Town Supervisor
Town of Greenville
11159 Route 32
Greenville, NY 12083

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 reviewed Board meeting minutes and interviewed the Supervisor, Deputy Supervisor, one Board member, Town Clerk/Tax Collector, Assessor's Clerk-Secretary, Highway Superintendent, Highway Secretary, and bookkeeper to gain an understanding of the Town's operations, the Supervisor's financial recordkeeping and reporting and the Board's oversight regarding annual audits, filing of the AFR and review of financial reports.
- We performed an annual audit of the Supervisor's records, selecting certain categories for the fiscal year ended December 31, 2024, using OSC guidance available to Board members. We judgmentally selected the categories more significant to our audit objective for review, including cash receipts, cash disbursements, bank reconciliations, interim financial reports, and payroll for the general and highway funds. We excluded records for receivables, investments, deposit protections, indebtedness, and property from our testing as they were not significant to our audit objective. Using the CFO checklist¹² we made observations and reviewed:
 - All checks received for deposit and source documentation such as the Town Clerk monthly report, Clerk-Tax Collector real property tax collection report, bank deposit slips, and remittance advices on file for all 13 cash receipts in February and October 2024 totaling approximately \$2.2 million to determine whether the Supervisor deposited the checks into the Town's bank accounts in a timely manner, as required, and recorded the receipts in the accounting records. We judgmentally selected February and October 2024 because these two months had the highest dollar amounts in each half of the fiscal year 2024.
 - All 58 cash disbursements totaling \$74,644 made by check for November 2024 to determine whether they were Board-approved, adequately supported and for proper Town purposes. Canceled check images from the bank and board audited claim voucher packets were viewed to determine the payee, amount and purpose. We judgmentally selected November 2024 because it had the highest volume of check disbursements (58 of 593) for the 12-month fiscal year 2024.
 - All non-payroll electronic payments made by the Town, as shown in the Town Supervisor's bank statements for fiscal year 2024, to determine whether they were for proper Town purposes. We identified a total population of \$5,063,865 in check disbursements, electronic payments and transfers across the Town's general and highway bank accounts. We judgmentally selected January 2024 for detailed testing, as it had the highest total disbursement and transfer amount of \$1,531,326 (30 percent of the population). Due to the large number of electronic payments, in addition to all electronic payments for January 2024,

¹² See Appendix A for Additional Resources – General Recordkeeping and CFO Checklist.

we expanded our testing to include any vendor appearing for the first time in subsequent months for fiscal year 2024, by reviewing all months to identify all vendors, and all transfers between Town bank accounts.

- All available health insurance related documents (Employee Handbook, collective bargaining agreement, health provider invoices and statements) and identified individuals enrolled in the Town's health insurance plans applicable health insurance payments made by the Town.
- Bank reconciliations for all Supervisor bank accounts and reperformed them for the month of December 2024, which we judgmentally selected as the last month in the fiscal year (to determine whether records were up to date) and to determine whether the reconciled bank balances agreed with cash balances recorded in the accounting records. We traced them to subsequent bank statements to verify whether the outstanding checks were cleared.
- The payroll records for the last pay period of fiscal year 2024 – December 19 for bi-weekly pay employees and December 31 for monthly pay employees and compared the amount paid to Town employees with Board-approved salary schedules and collective bargaining agreements to determine whether the Town's payroll, paid by the Supervisor, was in accordance with the Board-approved pay rates.
- We traced all checks payable to the Supervisor, Deputy Supervisor, and former bookkeeper in the Supervisor's check registers and the bank canceled check images to the source documentation in the Board claim voucher packets to determine whether the checks were for the same payee and amount and were for proper Town purposes. These individuals were judgmentally selected because of their role in the Town's financial operations.
- We determined whether the Town had experienced any significant fiscal concerns in 2024 by reviewing the Supervisor's December 2024 bank accounts' ending cash balances for unrestricted funds with financial activity pertaining to the general and highway funds and compared them to the 2025 fiscal year's budgeted appropriations for the general and highway funds to reflect the Town's ability to fund its adopted 2025 general and highway fund budgeted appropriations.

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.

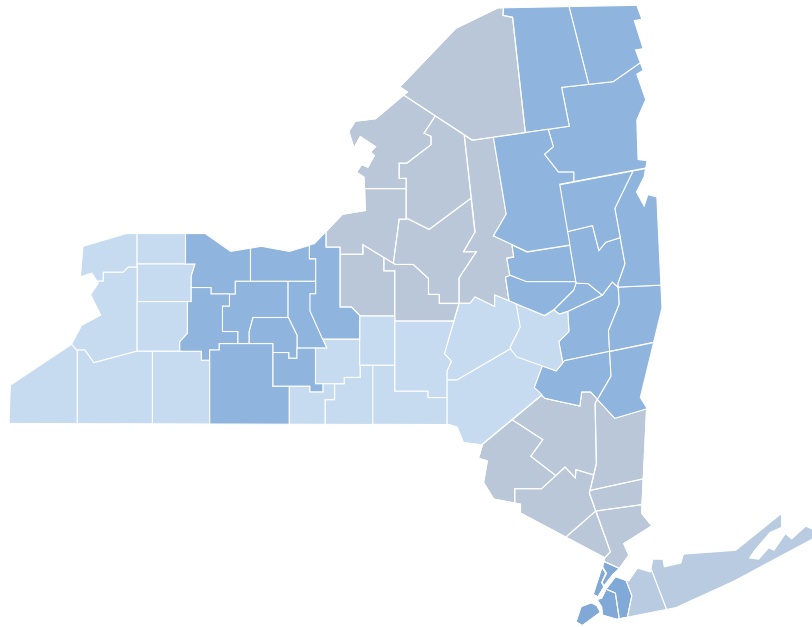
Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

Contact

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