



Hillsdale-Copake Fire District

Cash Disbursements

2025M-111 | January 2026

Contents

- Audit Results 1**
 - Audit Summary 1

- Cash Disbursements: Findings and Recommendations 3**
 - Finding 1 – The Board generally provided adequate oversight of disbursements; however, the Board did not always ensure that the Disbursement Policies were followed. 3
 - Recommendations 4

- Appendix A: Profile, Criteria and Resources. 5**

- Appendix B: Response From Fire District Officials 7**

- Appendix C: Audit Methodology and Standards. 8**

Audit Results

Hillsdale-Copake Fire District



Audit Objective	Audit Period
Did the Hillsdale-Copake Fire District (District) Board of Commissioners (Board) provide adequate oversight of disbursements?	January 1, 2024 to May 31, 2025
Understanding the Audit Area	
A fire district board must provide adequate oversight of disbursements to help ensure financial accountability, prevent the misuse of fire district funds, maintain compliance with legal requirements and build public trust. The District made disbursements totaling \$342,497 during the audit period.	

Audit Summary

The Board generally provided adequate oversight of disbursements. We determined that all disbursements were:

- Properly authorized by the Board through the claims audit process,
- Adequately supported, and
- Made for an appropriate District purpose.

However, the Board did not always ensure that its adopted written disbursement policies were followed. For example:

- Ten checks totaling \$249,004, requiring the District Treasurer's (Treasurer's) and Chairman of the Board's (Chairman's) signatures had only the Treasurer's signature.
- One check for \$4,267 payable to the Treasurer was not signed by the Chairman, but instead by the Treasurer herself.

In addition, periodic comparisons were not made between canceled check images to the list of approved checks by someone without the check-signing authority.

Officials raise the risk of an unauthorized or improper disbursement when they do not ensure that checks requiring two signatures have both signatures, or when they allow an individual authorized to sign checks issued to themselves. Further, when someone without check-signing authority does not compare canceled checks images to the list of approved checks, the risk of unauthorized disbursements is increased.

The report includes three recommendations that, if implemented, will improve the District's disbursements process. District officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's (OSC) authority as set forth in Article 3 of the New York State General Municipal Law. Our methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of New York State Town Law (Town Law), a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing 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.

Cash Disbursements: Findings and Recommendations

A fire district board oversees a fire district's financial activities and safeguards its assets. This includes establishing policies and procedures to ensure disbursements are properly authorized, adequately supported, and made for an appropriate fire district purpose. With limited exceptions, a fire district board is required to audit and approve all claims before authorizing a fire district treasurer, as chief financial officer, to prepare and make disbursements. The fire district board should ensure each claim contains sufficient supporting documentation, including itemized receipts or invoices, to determine whether the amounts claimed represent valid fire district expenditures and comply with fire district board-adopted policies. An adequate claims audit can help ensure that public money is being spent and handled properly, identify conditions in need of improvement, and provide oversight and review of the fire district's disbursements process.

The District's two Board-adopted written disbursement policies (together, Disbursement Policies) include the Standard Operating Guidelines and the Administrative Policy. The Standard Operating Guidelines requires the Treasurer and the Chairman to sign checks over \$5,000. The Administrative Policy requires the Chairman to sign checks made out to the Treasurer. As a best practice, someone not involved in the check preparation and signing function (such as a Commissioner without check-signing authority) should compare canceled check images to the list of Board-approved claims monthly.

More details on the criteria used in this report, as well as resources we make available to local officials that can help officials improve operations (Figure 1), are included in Appendix A.

Finding 1 – The Board generally provided adequate oversight of disbursements; however, the Board did not always ensure that the Disbursement Policies were followed.

Disbursements – The Treasurer assembled voucher packets (claims) and entered invoices in the general ledger and brought the claims, their support and a general ledger report showing the entered invoice and assigned check number to the Board meetings where the Board reviewed the claims and indicated its approval through signing the claims. In instances where goods or services may not have yet been received, the claims were not approved until actual receipt of the goods and services. The Treasurer then prepared, printed, signed and mailed the checks.

The Treasurer is authorized to make transfers from one District account to another. She reports these transfers to the Board monthly in a financial summary report and the Board's approval of the report is entered in the Board meeting minutes.

We reviewed all disbursements made from January 1, 2024 through May 31, 2025, consisting of 138 claims totaling \$342,500. Except for minor instances we discussed with District officials, we determined that all transactions were properly authorized by Board signatures on the claims, supported with itemized invoices and were for appropriate District purposes. Further, all general ledger entries for disbursements agreed with disbursement activity on the bank statement.

Disbursement Policies – The Board and Treasurer did not always follow the Disbursement Policies. For example, there were 10 checks over \$5,000, totaling \$249,004, requiring the Treasurer’s and Chairman’s signatures which had only the Treasurer’s signature. The Treasurer stated this occurred because when officials opened the District’s current checking account, they did not set up a dual signature requirement with the bank. As a result, the checks did not provide two signature lines. Therefore, these checks were not signed by both the Treasurer and Chairman. We also noted one check for \$4,267 made payable to the Treasurer was not signed by the Chairman, but instead by the Treasurer herself. The Treasurer stated she was not aware of the existence of the Disbursement Policies, and the Board had not informed her of their existence.

Officials raise the risk of an unauthorized or improper disbursement occurring when they do not ensure that checks requiring two signatures have both signatures, or when they allow an individual authorized to sign checks issued to themselves.

In addition, no comparison was periodically made between canceled check images to the list of approved checks by someone without check-signing authority. The Board relied on its approval of the monthly Treasurer’s report and claims to monitor disbursements. When someone without check-signing authority does not compare canceled checks images to the list of approved checks, the risk of issuing unauthorized disbursements is increased.

We reviewed all 12 bank account transfers made during our audit period totaling \$304,183 and determined all transfers were for a proper District purpose, properly recorded in the general ledger and were reported to the Board on the monthly summary provided by the Treasurer.

Recommendations

1. The Board should ensure checks made payable to the Treasurer are signed by the Chairman and that checks over \$5,000 are signed by both the Treasurer and Chairman.
2. The Treasurer should ensure any checks made out to her are signed by the Chairman.
3. The Board should ensure comparisons are periodically made between canceled check images to the list of approved checks by someone without check signing authority.

Appendix A: Profile, Criteria and Resources

Profile

The District is located in Columbia County and provides fire protection and emergency services to the Town of Hillsdale and a portion of the Town of Copake. The District is governed by the elected Board, composed of five members including the Chairman. The Board is responsible for the general management and control of the District's financial activities and safeguarding of its resources. The Board-appointed Treasurer is the chief fiscal officer and is responsible for receiving, distributing and accounting for District funds. The District's 2025 budget was \$290,594 and was primarily funded by real property taxes. The population of the Town of Hillsdale is 1,831 and the population of the Town of Copake is 3,346.

Criteria – Cash Disbursements

A fire district board should ensure that all disbursements are:

- For valid and legal district purposes,
- Supported by sufficient documentation, such as detailed receipts, invoices and receiving documentation,
- For goods and services that were actually received; and
- Approved by the board prior to payment.

Town Law Section 176(4-a) requires a fire district board to audit all claims before payment. A fire district treasurer should provide original records – such as invoices, packing slips and monthly account statements – to those authorizing disbursements. After a fire district board audits and approves the claims, a fire district treasurer prepares, signs and mails the checks. Monthly, someone outside the check signing process – a commissioner or commissioners without signing authority – should compare canceled check images to the list of approved claims.

A fire district board should also ensure that all transfers from one fire district bank account to another are made only for fire district purposes. A fire district treasurer should make available detailed original bank statements of all bank transactions for fire district board review.

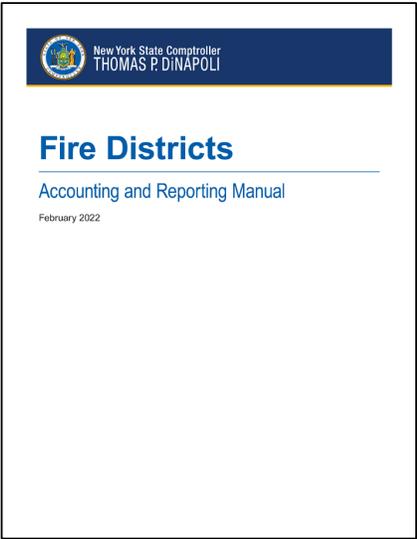
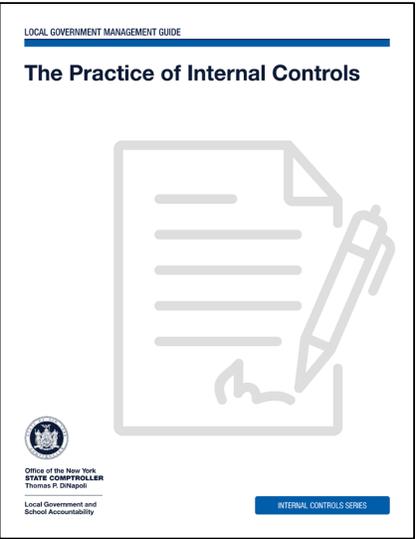
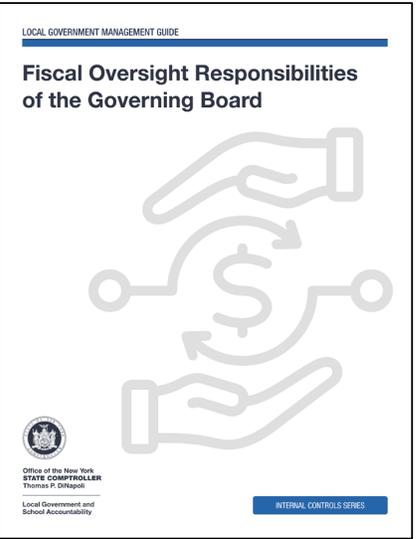
The District's Board-adopted Standard Operating Guidelines require:

- The signature of the Treasurer and the Chairman for checks over \$5,000,
- The Treasurer to present all claims each month to the Commissioners for their approval for payment,
- The Treasurer to attach a claim form (voucher) to all claims for the Commissioners' signature.

These guidelines also allow utilities to be paid prior to audit by the Commissioners, and the Treasurer to transfer funds between accounts without having to receive commissioners' approval.

The District's Administrative Policy requires the Chairman's signature for checks made out to the Treasurer.

Additional Cash Disbursements Resources

Figure 1: OSC Publications		
OSC Local Government Management Guides available on our website to help officials understand and perform their responsibilities.		
<i>Fire Districts Accounting and Reporting Manual</i>	<i>The Practice of Internal Controls</i>	<i>Fiscal Oversight Responsibilities of the Governing Board</i>
 <p>The cover features the New York State Comptroller's logo and the text: "New York State Comptroller THOMAS P. DiNAPOLI", "Fire Districts Accounting and Reporting Manual", and "February 2022".</p>	 <p>The cover features the text: "LOCAL GOVERNMENT MANAGEMENT GUIDE", "The Practice of Internal Controls", and "INTERNAL CONTROLS SERIES". It includes an illustration of a document and a pen.</p>	 <p>The cover features the text: "LOCAL GOVERNMENT MANAGEMENT GUIDE", "Fiscal Oversight Responsibilities of the Governing Board", and "INTERNAL CONTROLS SERIES". It includes an illustration of hands holding a dollar sign.</p>
https://www.osc.ny.gov/files/local-government/publications/pdf/arm-fds.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf

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

Appendix B: Response From Fire District Officials



**Hillsdale-Copake Fire District
P.O. Box 414
Hillsdale, NY 12529**

Hillsdale-Copake Fire District
Cash Disbursements Audit
2025-111

For each recommendation included in the audit report, the following is our corrective action(s) taken or proposed.

Audit Recommendation:

1. The Board should ensure checks made payable to the Treasurer are signed by the Chairman and that checks over \$5000 are signed by both the Treasurer and Chairman.
2. The Treasurer should ensure any checks made out to her are signed by the Chairman
3. The Board should ensure comparisons are periodically made between cancelled check images to the list of approved checks by someone without check signing authority.

Implementation Plan of Action(s):

1. Any checks written over \$5000 will be signed by both the Treasurer and the Chairman.
2. Any checks made payable to the Treasurer will be signed by the Chairman.
3. The Board will compare cancelled checks to the bank statements at each Commissioner meeting when presented with the bank reconciliations.

Implementation Date:

Implementation of the above Plan of Action will take effect on December 9, 2025.

Person(s) Responsible for Implementation:

John Cottini, Chairman
JoAnn Doty, Treasurer

John Cottini, Chairman _____

12/09/2025

Date

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 District officials and reviewed the Board-adopted “Administrative Policies” and “Standard Operating Guidelines” to gain an understanding of the District’s disbursement processes.
- We reviewed all disbursements made during our audit period listed on the District’s bank statements, including cancelled check images against the supporting voucher forms and invoices to determine whether disbursements were authorized, supported and for appropriate District purposes. We also examined the cancelled check images to determine whether the vendor and amount agreed to the supporting voucher and whether the cancelled checks were signed by authorized officials.

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.

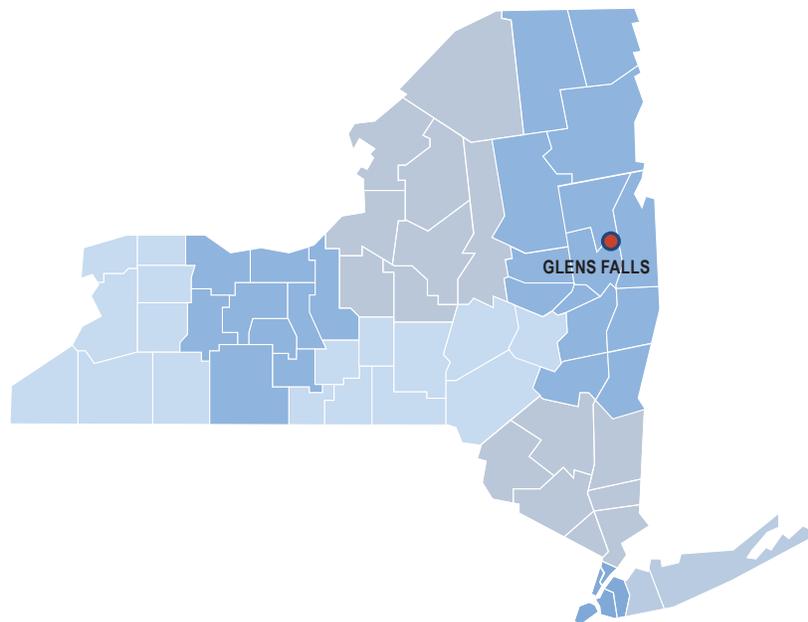
Contact

GLENS FALLS REGIONAL OFFICE – Gary G. Gifford, Chief of Municipal Audits

One Broad Street Plaza • Glens Falls, New York 12801-4396

Tel (518) 793-0057 • Fax (518) 793-5797 • Email: Muni-GlensFalls@osc.ny.gov

Serving: Albany, Clinton, Columbia, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Rensselaer, Saratoga, Schenectady, Warren, Washington counties



Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.ny.gov

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

Local Government and School Accountability Help Line: (866) 321-8503