

New York State Comptroller
THOMAS P. DiNAPOLI

Village of Moravia

Treasurer's Records and Reports

October 2026 | 2026M-91

Prepared by the Division of Local Government and School Accountability

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Audit Results

Village of Moravia

Audit Objective

Did the Village of Moravia (Village) Treasurer (Treasurer) prepare and maintain complete, accurate and timely records and reports?

Audit Period

June 1, 2023 – July 15, 2026

Understanding the Audit Area

Complete, accurate and timely accounting records and reports provide the foundation for sound financial management by helping ensure that all financial activity is properly recorded, assets are safeguarded and financial information is available to support informed decision-making. Accurate accounting records and timely financial reports enable a village board to effectively monitor a village's financial condition, evaluate budget-to-actual results and identify financial trends. They also promote transparency and accountability by providing officials, taxpayers and other stakeholders with reliable information regarding how public resources are received, spent and managed.

The Village's budgeted appropriations for the 2025-26 fiscal year totaled \$2.7 million for the general, water and sewer funds. The Village also has a wastewater treatment plant capital improvement project with an estimated cost of \$25.5 million.

Audit Summary

The Treasurer did not prepare and maintain complete, accurate and timely records and reports. As a result, the Board of Trustees (Board) did not have reliable financial information to effectively manage the Village's financial operations, which increased the risk that errors, irregularities and misuse of Village resources could occur and remain undetected.

The Treasurer did not properly record all receipts and transfers in and transfers out in the computerized accounting records or report them from June 1, 2023 through August 31, 2025. Specifically, we identified unrecorded and unreported transfers out totaling more than \$16.8 million and unrecorded and unreported receipts and transfers into the general, water, sewer and capital projects funds totaling more than \$11.8 million. Although the Treasurer prepared bank reconciliations for all bank accounts each month, they were not always accurate. The Treasurer also did not regularly provide budget-to-actual reports to the Board because she did not enter the detailed budget into the computerized accounting records, which would have enabled the reports to be electronically generated. In addition, the Treasurer filed the Village's 2024-25 Annual Financial Report (AFR) 115 days after the extended due date.¹ Furthermore, the 2023-24 and 2024-25 AFRs that the Treasurer filed did not agree with the Village's financial records.

Had the Board audited or engaged an independent public accountant to audit the Treasurer's records as required by New York State (NYS) Village Law (Village Law) Section 4-408, the errors and deficiencies identified during the audit may have been detected and corrected sooner.

¹ OSC's website provides more information on AFR nonfilers and the Village's current AFR filing status at: <https://web.osc.state.ny.us/localgov/afr-non-filers/>.

The report includes six recommendations that, if implemented, will improve the Treasurer's records and reports so that the Board will have reliable financial information to effectively manage the Village's financial operations. Village officials agreed with our recommendations and have indicated they planned to initiate corrective action.

This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the Office of the New York State Comptroller's (OSC's) authority as set forth in Article 3 of the NYS General Municipal Law (GML). The audit's 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 should be prepared and provided to OSC within 90 days, pursuant to GML Section 35. For more information on preparing and filing the CAP, please refer to the OSC brochure, *Responding to an OSC Audit Report*, which was provided with the draft audit report. The Board is encouraged to make the CAP available for public review in the Village Clerk's office.

Treasurer's Records and Reports: Finding and Recommendations

A village treasurer should maintain financial records that provide a complete, accurate and timely accounting of all financial transactions. The treasurer should also compare bank account balances to the general ledger balances every month to identify and correct any errors and deficiencies. The treasurer should provide the village board with complete and accurate monthly financial reports and file the AFR with OSC in a timely manner, so the village board can effectively manage the village's financial operations. In addition, the village board should perform, or contract with an outside firm for, an annual audit of the treasurer's records and reports to determine whether funds are properly accounted for and transactions are properly recorded.

More details on the criteria used in this report, as well as resources OSC makes available to local officials that can help them improve operations, are included in Appendix A.

Finding 1 – The Treasurer did not prepare and maintain complete, accurate and timely records and reports.

The Treasurer did not prepare and maintain complete, accurate and timely records and reports. As a result, the Board did not have reliable financial information to effectively manage the Village's financial operations, which increased the risk that errors, irregularities and misuse of Village resources could occur and remain undetected.

Accounting Records and Monthly Reports – We determined the Treasurer did not properly record all receipts and transfers in and transfers out in the computerized accounting records or report them from June 1, 2023 through August 31, 2025. Specifically, we identified unrecorded and unreported transfers out totaling more than \$16.8 million and unrecorded and unreported receipts and transfers into the general, water, sewer and capital projects funds totaling more than \$11.8 million (Figure 1).

Figure 1: Unrecorded and Unreported Receipts and Transfers In and Out

Fiscal Year	Bank Statements (Receipts/Transfers In)	Treasurer's Reports (Receipts/Transfers In)	Unrecorded and Unreported (Receipts/Transfers In)	Bank Statements (Transfers Out)	Treasurer's Reports (Transfers Out)	Unrecorded and Unreported (Transfers Out)
2023-24	\$3,150,531	\$2,618,514	\$532,017	\$3,308,671	\$2,665,598	\$643,073
2024-25	19,235,990	7,893,996	11,341,994	19,101,077	2,876,483	16,224,594
Total	\$22,386,521	\$10,512,510	\$11,874,011	\$22,409,748	\$5,542,081	\$16,867,667

Most of the variances occurred because the Treasurer did not record and report the initial receipt of funds directly deposited into the general fund bank account that belonged to other operating funds, such as grant funds, State aid payments and water and sewer credit card payments, or the subsequent transfer to their respective funds' bank accounts. By not recording the transactions in the funds where they originally occurred, the Treasurer could not ensure that all activities were accounted for, increasing risk that funds could be inappropriately transferred or misappropriated. Although the Treasurer prepared bank reconciliations for all bank accounts each month, they were not always accurate because she did not document variances and included transactions that did not occur in the month being reconciled. As a result, the Treasurer did not include all bank account activities in her manually-prepared monthly financial reports to the Board. The Village

Mayor (Mayor) told us that he reviewed bank statements and reconciliations, but there was no documentation of his review.

Because the Treasurer initiated bank account transfers but did not record or report them, we reviewed all transfers in the Village's 29 bank accounts totaling approximately \$27.2 million from June 1, 2023 through August 31, 2025 and determined they were appropriately made to another Village bank account.

In addition, the Treasurer did not regularly provide budget-to-actual reports to the Board. The Treasurer could not electronically generate these reports from the Village's computerized accounting records because she did not enter the detailed budget into the software. The Treasurer also did not manually prepare the reports regularly because she told us that it was time-consuming to do so. Instead, the Treasurer told us that she manually prepared budget-to-actual reports during budget development. As a result, the Board lacked the necessary financial information to monitor the Village's financial operations, including the budget.

AFR – The Treasurer did not file the fiscal year 2024-25 AFR in a timely manner as required by GML Section 30.² Though the Village was granted an extension for filing the 2024-25 AFR, the Treasurer filed the AFR 115 days after the extended due date. In addition, the AFRs for 2023-24 and 2024-25 did not agree with the Village's financial records. For example, the Treasurer did not report \$163,875 in accounts payable in the capital projects fund on the 2024-25 AFR. The Treasurer told us that she forgot to include the \$163,875 in accounts payable on the AFR. The Treasurer also told us that she was having difficulty with the Village's capital project fund, and the Village hired a local public accountant to assist her.

The errors and deficiencies in the Treasurer's computerized accounting records, monthly financial reports and the AFRs remained undetected and uncorrected because the Board did not perform an audit, or contract with an independent public accountant to perform an audit, of the Treasurer's records as required by Village Law Section 4-408. The Mayor, two Board Members and the Treasurer told us they were unaware of the annual audit requirement, and the Mayor and Treasurer told us the Village has not had an annual audit of the Treasurer's records since 2017.

Without complete, accurate and timely accounting records and sufficient monthly reports, the Board's ability to effectively monitor the Village's financial operations is diminished, which increased the risk of fraud, waste and abuse.

Recommendations

The Treasurer should:

1. Maintain complete and accurate financial records and reports.
2. Prepare accurate bank reconciliations.
3. Provide the Board with complete and accurate monthly reports, including reconciled cash balances and budget-to-actual.
4. Prepare and file future AFRs with OSC accurately and in a timely manner, as required by GML Section 30.
5. Attend relevant and beneficial training sessions to obtain a better understanding of financial recordkeeping and reporting duties. Training provided by OSC can be found at:
<https://www.osc.ny.gov/local-government/academy>.

² Ibid.

The Board should:

6. Perform an annual audit of the Treasurer's accounting records as required by Village Law Section 4-408.

Appendix A: Profile, Criteria and Resources

Profile

The Village is located in the Town of Moravia in Cayuga County and is governed by the elected Board, which includes the Mayor and four Board members. The Board is responsible for overseeing the Village's operations and finances. The Village's fiscal year runs from June 1 through May 31.

The Board-appointed Treasurer is the Village's chief fiscal officer, and is responsible for receiving, disbursing and retaining custody of all Village money, maintaining accounting records, providing financial reports to the Board and filing the Village's AFR.

Criteria

A village treasurer is responsible for maintaining financial records that provide a complete, accurate and timely accounting of all financial transactions. The village treasurer should ensure all receipts and disbursements are completely and accurately recorded by reconciling bank account balances with the accounting records. The accounting records should document the assets, liabilities, fund balance and results of operations (receipts and disbursements) for each village fund. Bank reconciliations allow for the timely identification and documentation of differences between a village's accounting records and bank balances. As such, a village board should ensure monthly bank reconciliations are prepared for all bank accounts and, along with general ledgers and bank account statements, are independently reviewed and approved.

The Village's Employee Policy requires the Treasurer to prepare and provide a monthly Treasurer's report to the Board. To help the Board fulfill its responsibility to oversee and monitor financial operations, these reports should generally include:

- Financial position, including cash balances and other balance sheet information,
- Results of operations,
- Reconciled cash balances for each fund, and;
- Comparisons of actual receipts and disbursements to amounts estimated in the annual budget (budget-to-actual status reports).

Specifically, budget-to-actual reports provide the village board and other decision makers with information about year-to-date receipts and disbursements compared to budget estimates. At a minimum, these reports should identify unfavorable variances that require timely budget amendments to control overspending.

GML Section 30 requires a village treasurer to complete and file an AFR with OSC within 60 days following the close of the fiscal year, and a 60-day extension may be approved. The AFR provides a village board, residents and taxpayers, and other interested parties with detailed information about the finances of a village and includes such items as receipts, disbursements, debt, cash reserves and fund balance.

Village Law Section 4-408 requires the village board to conduct an annual audit of, or have an independent public accountant audit, the books, records and documents of certain municipal officers and employees, such as a treasurer, who are responsible for receiving and disbursing village money. The audit should be thorough and sufficiently detailed to provide board members with an added measure of assurance that the financial records and reports contain reliable information on which to base financial decisions.

Additional Resources

OSC's *Local Government Management Guides*, and other informational resources that are available on OSC's website to help officials understand and perform their responsibilities, include:

- *Accounting and Reporting Manual – Counties, Cities, Towns, Villages, Libraries, Soil and Water Conservation Districts*: <https://www.osc.ny.gov/files/local-government/publications/pdf/arm.pdf>
- *Fiscal Oversight Responsibilities of the Governing Board*: <https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf>
- *The Practice of Internal Controls*: <https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf>

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

Appendix B: Response From Village Officials

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

VILLAGE of MORAVIA
P.O. Box 711
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Fax: 315-497-0069
Inc. 1837

Christopher D. Fulton, Mayor

Gregory K. Mix, Sr., Trustee

Amber R. Wade, Treasurer

Patrick Mott, Trustee

Joshua J. Marnell, Trustee

Madison J. Hares-Ryan, Clerk

Paul Nelson, Trustee

September 28, 2026

OFFICE OF THE NEW YORK STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

ATTN: Stephanie Howes
Chief of Municipal Audits
Division of Local Government and School Accountability

Dear Ms. Howes:

We appreciate the Comptroller's time and attention in conducting this audit and reviewing the Village's operations and practices. We consider the audit process an important opportunity to strengthen our policies, procedures, and overall operations.

The Village has implemented a number of changes in our accounting practices as a direct result of your office's advice and comments contained in the audit including the following:

- Revising the methodology for reporting transfers to and from the **[redacted]** investment account;
- Revising how we report payments to our water and sewer accounts;
- Revising and updating how bank reconciliations are performed;
- Updating how monthly reports to the Village Board are performed in order to provide timely reports;
- Making improvements to the AFR reporting function to create efficiencies and greater accuracy;
- Adding an auditor line to our budget for CPA services and an "agreed upon procedures review." The CPA has been utilized to correct capital project accounting as well as correct errors on the AFR. This will continue to be a budgeted item, and in place of the board auditing the records, the CPA firm will assist with that each year.

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

- NYCOM training is attended every year by the mayor, trustees, clerk, and treasurer. Local training opportunities are also attended, as well as webinars when able to.

A more complete and detailed Corrective Action Plan will be submitted in the near future. Please accept this letter as the Village's acknowledgment of its commitment to maintain accountability to the public we serve and its dedication to continuing to improve our services.

Sincerely,

Christopher D. Fulton
Mayor, Village of Moravia

Appendix C: Audit Methodology and Standards

OSC auditors obtained an understanding of internal controls that were deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of the work on internal controls, as well as the work performed in the audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed Village officials and reviewed various financial records, reports and the Board's meeting minutes to gain an understanding of procedures for maintaining financial records, preparing bank reconciliations, and reporting financial transactions and whether the Board annually audited the Treasurer's records and reports.
- We reviewed the bank statements for the Village's 29 bank accounts and bank transfers totaling approximately \$27.2 million made from June 1, 2023 through August 31, 2025 to determine the Village's total dollar value and number of transactions for receipts, disbursements and transfers made during that period. We reviewed all bank transfers during that period to determine whether they were made to other Village bank accounts.
- We reviewed the Treasurer's computerized accounting records and monthly reports and compared them to the bank statements to determine whether the accounting records and reports were complete, accurate and up to date from June 1, 2023 through May 31, 2025.
- We reviewed State Aid payments received from June 1, 2023 through August 31, 2025 totaling \$6.1 million, water and sewer billing payments totaling \$2.2 million, real property tax levies and penalties totaling \$939,054 and County payments totaling \$718,440 to determine whether they were properly recorded and reported.
- We used our professional judgment to select three months of disbursements for the general, water, sewer and capital funds (one month from each fiscal year), and based on a random number generator, selected and reviewed 237 disbursements totaling \$573,488 to determine whether disbursements were properly recorded and reported. We noted no exceptions.
- We compared the Village's 2023-24 and 2024-25 AFR to the Treasurer's computerized accounting records, bank statements and supporting documentation to determine whether the AFRs were complete and accurate.
- We reviewed the Village's AFR filings for fiscal years 2023-24 and 2024-25 to determine whether they were filed with OSC within 60 days of the close of the fiscal year, or within the 60-day extension period, as required.

OSC auditors conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. Auditors believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on the 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 relevant population size and the sample selected for examination.

Questions?

ROCHESTER REGIONAL OFFICE

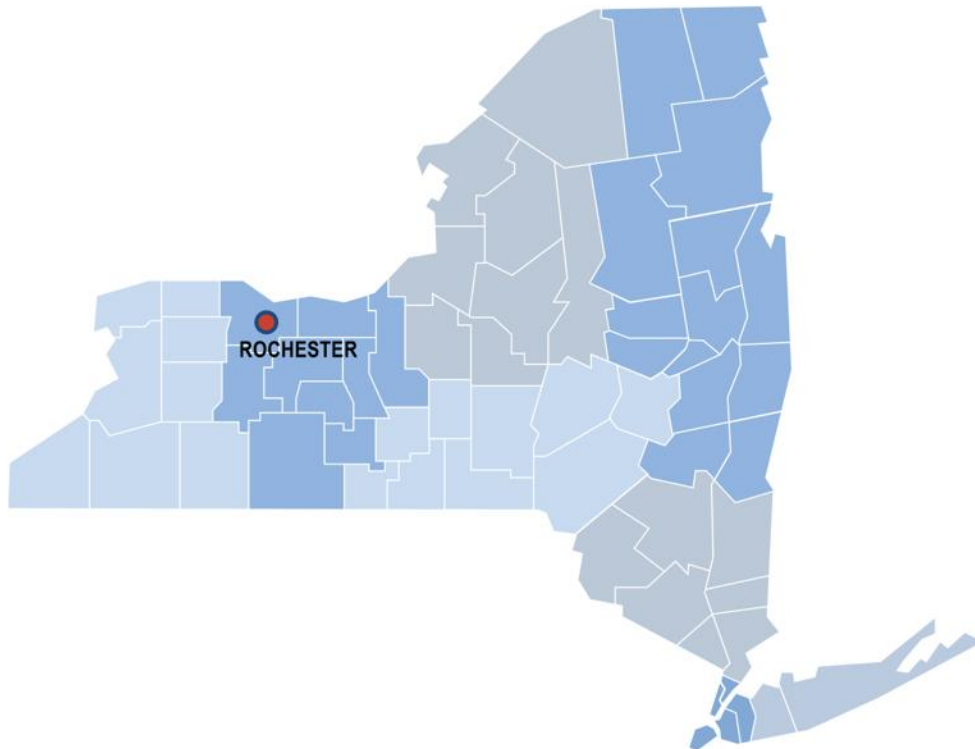
Stephanie Howes, Chief of Municipal Audits

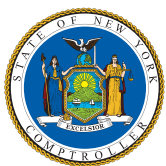
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