New York State Comptroller
THOMAS P. DiNAPOLI

Moravia Volunteer Fire Company, Inc.

Treasurer's Duties

August 2026 | 2026M-46
Prepared by the Division of Local Government and School Accountability

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Audit Results

Moravia Volunteer Fire Company, Inc.

Audit Objective

Did the Moravia Volunteer Fire Company, Inc. (Company) Treasurer properly account for all receipts and disbursements?

Audit Period

January 1, 2024 – March 18, 2026

Understanding the Audit Area

A fire company treasurer must properly account for (deposit, disburse, record and report) a fire company's funds to ensure statutory compliance, financial accountability and the public's trust. A lack of oversight can lead to mismanagement, fraud and a damaged reputation, as well as jeopardize a fire company's funding and its mission.

From January 1, 2024 through July 31, 2025, the Treasurers[1] deposited revenues and redeposited startup cash[2] totaling $619,862 and disbursed funds totaling $612,880.

Audit Summary

The Treasurers did not properly account for all receipts and disbursements. As a result, the Board of Directors (Board) lacked reliable information that was needed to manage the Company's financial activities, and assurance that receipts were properly collected, recorded, safeguarded and deposited and disbursements were adequately supported, properly approved, accurately recorded and made for appropriate Company purposes. Furthermore, the Company had an increased risk of errors, theft, waste and abuse of Company resources occurring and not being detected.

From January 1, 2024 through July 31, 2025, the Treasurers did not:

- Prepare bank reconciliations for 2024 and maintain adequate bank reconciliations for 2025.
- Maintain adequate supporting documentation for 174 deposits totaling $612,454 and 14 disbursements totaling $9,512.
- Properly account for or accurately record 98 transactions totaling $198,290.
- Obtain required membership approval for 36 disbursements totaling $22,225, as required by the Company's bylaws.
- Obtain dual signatures for 41 disbursements totaling $20,758, as required by the Company's bylaws.
- Provide complete, accurate or adequate written monthly reports to the Board and membership.

Additionally, the Treasurers did not file the 2024 or 2025 foreign fire insurance (FFI) tax proceeds annual reports with the New York State Office of the State Comptroller (OSC) as required.

The report includes 11 recommendations that, if implemented, will improve the Treasurer's performance of their duties and improve accountability, transparency and compliance with Company bylaws. Company officials generally agreed with our findings and indicated they will initiate corrective action.

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1 During the audit period, the Company had three Treasurers. The first Treasurer (Treasurer A) held the position from before the audit period through November 6, 2024, when he became the Assistant Treasurer through December 31, 2025. The second Treasurer (Treasurer B) held the position from November 7, 2024 through December 31, 2025. The current Treasurer (Treasurer C) started January 1, 2026.

2 This is cash used at the beginning of fundraisers, generally to make change and is redeposited after the event's end.

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 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. We encourage the Board to prepare a written corrective action plan (CAP) that addresses the recommendations in this report and forward it to our office within 90 days. 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.

Treasurer’s Duties: Finding and Recommendations

A fire company treasurer is responsible for properly accounting for receipts and disbursements by ensuring all revenues are properly supported, deposited, recorded and reported in a timely manner and that all money disbursed is supported, for proper fire company purposes, approved, recorded and reported. The Company’s bylaws require the Treasurer to:

- Receive all money due,
- Maintain records,
- Deposit all money,
- Pay all bills as approved by the membership,
- Ensure checks are endorsed with the signatures of the Treasurer and President (or the Vice President in the absence of the President),
- Provide an accurate account of all receipts and disbursements at each regular monthly meeting, and
- Provide results of the annual audit of the Company’s records to the Board.

Furthermore, adequate controls and policies should include a process to routinely monitor and review the Treasurer’s work.

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

Finding 1 – The Treasurers did not properly account for all receipts and disbursements.

The Treasurers did not properly account for all receipts and disbursements. The Treasurers did not prepare bank reconciliations for 2024, or adequate bank reconciliations detailing uncleared transactions for 2025. In addition, the Board and membership did not review bank statements with canceled check images or bank reconciliations, and the Board did not ensure an annual audit of the Company’s books was conducted as required by the bylaws. As a result, recording errors were not identified and corrected, and the Board and membership lacked reliable information necessary to manage the Company’s financial activities.

Two Board members and Treasurer B told us that Treasurer B replaced Treasurer A due to the condition of Treasurer A’s records and reports. Treasurer B could not provide an adequate explanation for the Company’s record and reporting deficiencies during her tenure. Furthermore, a Board member told us that he did not ask for the results of the Treasurers’ annual audit because of the transition of the Treasurer’s position. However, the Board should have ensured an annual audit was conducted as required to help ensure the Treasurers properly accounted for receipts and disbursements.

<u>Receipts and Recordings</u> − We reviewed all 180 deposits totaling $619,862 from fundraising events, donations, rent and redeposited startup cash from January 1, 2024 through July 31, 2025 to determine whether receipts were properly supported and recorded. We determined that the Treasurers did not maintain adequate supporting documentation for 174 deposits totaling $612,454, such as deposit slips or detailed fundraising records. Although the bylaws require the Treasurer to receive all money, other members collected funds and then provided them to the Treasurers. The games of chance chairman, who oversaw these fundraising activities, maintained supporting documentation to account for deposits totaling $489,288. However, the Treasurers should have obtained and retained this supporting documentation to maintain accountability for receipts turned over to them. Treasurer B told us that the members who collected money for the 2025 fundraisers completed a form documenting the money collected, and the form and money were provided to her for deposit. However, after our request, Treasurer B did not provide any such collection forms. Two Board

members told us that the bylaws were not updated to reflect current practices, such as having a games of chance chairman and persons other than the Treasurer collect funds.

In addition, the Treasurers did not record, or accurately record, 41 deposits totaling $92,824 including fundraising deposits: Treasurer A did not record 20 deposits totaling $70,302 and Treasurer B did not record 21 deposits totaling $22,522.

Because the Treasurers did not maintain adequate supporting documentation, the Board could not ensure that all receipts were deposited and properly recorded. As a result, the Board and membership could not properly oversee the Company's financial activities.

<u>Disbursements and Recordings</u> − From January 1, 2024 through July 31, 2025, the Treasurers made 482 disbursements totaling $612,880. We reviewed the 482 disbursements to determine whether they were accurately recorded and had dual signatures as required by the Company's bylaws. We reviewed 71 totaling $34,420 to determine whether they were adequately supported, for appropriate Company purposes, properly approved and made in accordance with the bylaws (Figure 1).

Figure 1: Disbursements

Type	Count – Total	Amount – Total	Count – Reviewed	Amount – Reviewed
Check	451	$533,950	53	$31,876
Debit Card	16	2,186	16	2,186
Electronic	14	76,644	1	258
Withdrawal	1	100	1	100
Total	**482**	**$612,880**	**71**	**$34,420**

Of the 482 disbursements, the Treasurers did not record, or accurately record, 57 disbursements totaling $105,466. Treasurer B did not record 27 disbursements totaling $10,564 and Treasurer A did not record 19 disbursements totaling $2,735, which included items such as banquet supplies and garbage removal. Also, Treasurer B did not accurately record six disbursements totaling $85,948 and Treasurer A did not accurately record five disbursements totaling $6,219. The Treasurers also did not obtain dual signatures on disbursements from the President or Vice President, as required by the Company's bylaws, for 41 disbursements totaling $20,758.

We reviewed a sample of 71 disbursements totaling $34,420, including all 16 debit card payments totaling $2,186, and determined the Treasurers did not:

- Maintain adequate supporting documentation, such as itemized invoices or a documented appropriate Company purpose, for 14 disbursements totaling $9,512. Some of these disbursements were for food, grocery or fuel retailers which provide goods or services that could be used for personal purposes. As a result, Company officials could not determine whether all disbursements were appropriate.

- Disburse funds after membership approval for 32 disbursements totaling $8,683 as required by the bylaws.

We reviewed all 145 disbursements totaling $291,800 for "money mania" fundraiser raffle winners and determined they were supported by the games of chance chairman's winners list.

Furthermore, Company officials used a debit card in 2024 which was not authorized in the bylaws or other Board-adopted policy, allowing for the payment of goods or services before an appropriate review and approval. Debit card payments can pose significant risks because they are immediate deductions from the Company's bank account, making it difficult to detect or address unauthorized use.

The Treasurers also made four disbursements of FFI tax proceeds totaling $13,542 without the required membership approval. While two Board members told us that the membership approved the use of FFI tax proceeds, the approvals were not documented in the membership meeting minutes.

Because the Treasurers did not maintain adequate supporting documentation for disbursements and the Company's bank statements did not always contain canceled check images, the Board did not have adequate records to determine whether disbursements were properly recorded and for appropriate Company purposes.

Reporting − The Treasurers prepared written monthly reports that were read verbally to the Board and membership at meetings and available for review. Treasurer B also visually displayed reports on a wall-mounted television during the meetings. Although the Board and membership minutes generally stated a Treasurer's report was read, the Treasurers could not provide us with four monthly reports. Additionally, the 13 Treasurers' reports that we reviewed did not accurately report receipts and disbursements.

Furthermore, Treasurers B and C did not file the calendar year 2024 and 2025 FFI tax proceeds annual report with OSC as required. Both Treasurers told us they were unaware of the filing requirement.

Without following their bylaws and properly supported and accurately recorded and reported receipts and disbursements, the Board and membership cannot properly oversee the Company's financial activities. Also, the Company has an increased risk of theft, waste and abuse of Company resources.

Recommendations

The Treasurer should:

1. Prepare monthly bank reconciliations and provide the bank reconciliations and bank statements with canceled check images to the Board for review.

2. Ensure that an annual audit is conducted and provide the results of the audit to the Board.

3. Ensure all Company receipts and disbursements are supported by adequate documentation (including a specific Company purpose), the membership approves disbursements and the use of FFI funds before payment and checks have dual signatures as required.

4. Collect all funds, accurately record all receipts and disbursements in the financial records and submit accurate monthly financial reports to the Board and membership.

5. File the FFI tax proceeds annual report with OSC as required.

The Board should ensure:

6. The Treasurer provides bank statements and canceled check images to the Board and prepares monthly bank reconciliations.

7. An annual audit of the Treasurer's records is conducted.

8. The Treasurer receives all collections and maintains supporting documentation for all receipts and disbursements.

9. The Treasurer prepares complete and accurate financial records and reports.

The membership should:

10. Ensure the Treasurer provides all bills for review and approval before payment and verify that the bills are adequately supported with a specific and appropriate Company purpose.

11. Approve the use of all FFI tax proceeds and ensure approvals are documented in the membership meeting minutes.

Appendix A: Profile, Criteria and Resources

Profile

The Company is a not-for-profit organization that provides fire protection and emergency services within the Moravia Joint Fire District in Cayuga County. The Company has approximately 35 volunteer members and is governed by its bylaws and nine-member Board. The Board is responsible for managing the Company's financial activities, including overseeing the Treasurer. The Treasurer is responsible for maintaining custody of, depositing and disbursing Company funds, recording all financial activities and preparing financial reports.

Criteria

A fire company treasurer is responsible for accounting for receipts and disbursements including ensuring all receipts are properly deposited, supported, recorded and reported in a timely manner. Additionally, the treasurer is responsible for ensuring all money disbursed, including by debit card, is supported, for proper fire company purposes, approved, recorded and reported. Furthermore, adequate controls and policies should include a process to routinely monitor and review the treasurer's work. The treasurer should prepare bank reconciliations and provide them with bank statements and canceled check images monthly to the fire company board for review.

The Company's bylaws require the Treasurer to:

- Receive and deposit all money and maintain records.
- Pay all bills as approved by the membership.
- Provide an accurate account of all receipts and disbursements at each regular monthly meeting.
- Ensure that an audit of the Company books is conducted annually and provide the results of the audit to the Board.
- Ensure that all checks are endorsed with the signatures of the Treasurer and President (or the Vice President in the absence of the President).

New York State General Municipal Law Section 30-a generally requires any entity (e.g., fire company) that receives or disburses FFI tax proceeds to file an annual report with OSC for the company's receipt and use of FFI tax proceeds by the end of February for the preceding calendar year.

Additional Resources

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

- *Improving the Effectiveness of Your Claims Auditing Process*: https://www.osc.ny.gov/files/local-government/publications/pdf/improving-the-effectiveness-of-claims-auditing-process.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 our website to search for audits, resources, publications and training for officials at: https://www.osc.ny.gov/local-government

Appendix B: Response From Company Officials

The content below is a reproduced copy of the original response letter issued by Company officials and 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.

MORAVIA VOLUNTEER FIRE COMPANY, INC.
P.O. Box 686 38 Keeler Ave.
Moravia, NY 13118

August 3, 2026

On behalf of the Moravia Volunteer Fire Company, Inc., we want to thank the Office of the State Comptroller for reviewing certain financial practices of the Fire Company. The Fire Company is dedicated to ensuring that it follows the best financial practices for not-for-profit corporations. Your audit results will help us greatly with that effort.

We recognize that we could not locate all receipts for purchases made but will easily solve this issue in the future. We will ensure that all receipts are maintained and kept in a method that allows them to be easily located for future audits. We are also implementing a monthly internal audit system which will ensure that information is collected, maintained and reviewed frequently. This monthly internal audit will implement your suggestions and more.

We also will ensure that bank reconciliations are performed monthly and reviewed as part of this monthly internal audit. Full financial reports will be reviewed monthly as well, including profit and loss reports, balance sheets, checks in transit, and a reconciliation report.

With regard to dual signatures on checks, since banks no longer are reviewing a second signature, we are reviewing this practice with our attorney.

We also will ensure that all foreign fire insurance reporting is completed timely.

We have reviewed all of your recommendations and will ensure that we are quickly compliant. These efforts will be documented in a corrective action plan. We have recently hired an attorney to assist us with drafting financial and other policies, so this fits in nicely with our plans.

Once again, the Fire Company thanks you for your efforts and looks forward to having you revisit us in the future to see our progress!

Sincerely,

Amber R. Wade
President, Moravia Volunteer Fire Company
presidentmoraviafd@gmail.com

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

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 Company officials and reviewed the bylaws, various Treasurers' reports and Board and membership meeting minutes to gain an understanding of the processes for the Treasurers' accounting for receipts and disbursements and determine which financial records and reports were prepared, provided, reviewed and approved.

- We traced all cash receipts and disbursements from the bank statements from January 1, 2024 through July 31, 2025 to the Treasurers' financial records and reports to determine whether they were properly recorded and reported.

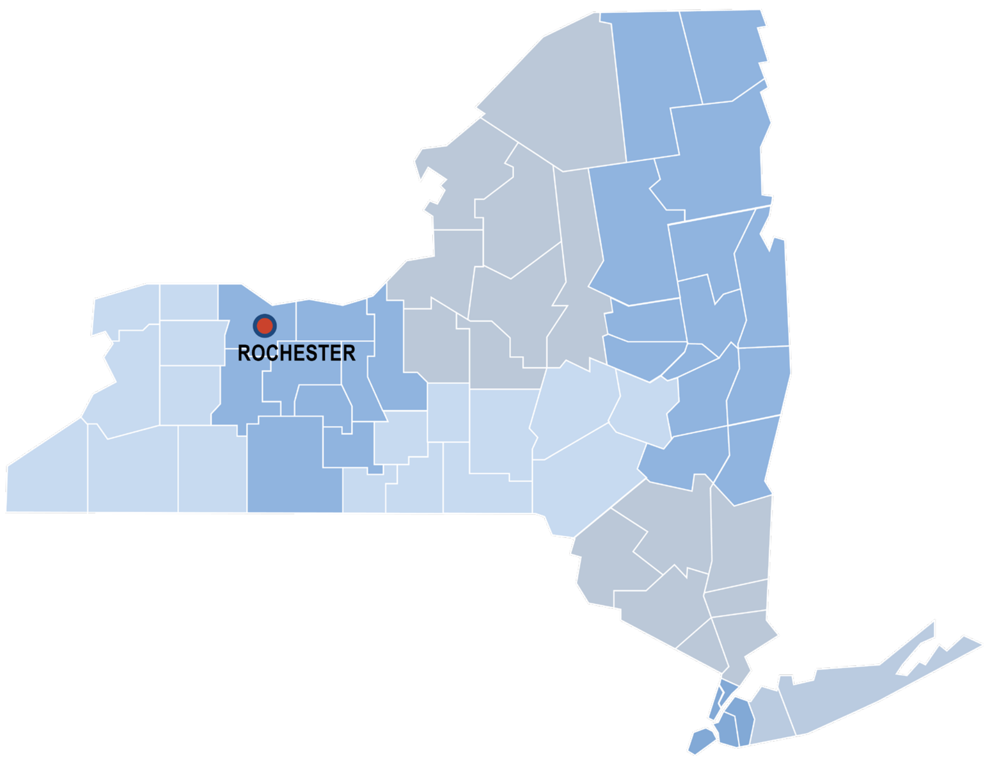
- We reviewed bank statements and canceled check images for the Company's eight bank accounts from January 1, 2024 through July 31, 2025, and identified 180 deposits totaling $619,862 and 482 disbursements totaling $612,880. We compared all deposits to supporting documentation to determine whether revenues were adequately supported. We compared all 145 disbursements for money mania winners totaling $291,800 to the games of chairman's winner list to determine whether the disbursements were supported. We also used our professional judgment to select a sample of 71 disbursements totaling $34,420, including all debit card payments, credit card disbursements, one withdrawal, one disbursement to a check signer and 30 randomly selected disbursements (15 each from Treasurer A and B using a random number generator) and compared them to supporting documentation, including invoices and receipts, to determine whether they were adequately supported, for appropriate Company purposes, properly approved and made in accordance with the bylaws.

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 relevant population size and the sample selected for examination.

Questions?

ROCHESTER REGIONAL OFFICE
Stephanie Howes, Chief of Municipal Audits
The Powers Building • 16 West Main Street – Suite 522 • Rochester, New York 14614-1608
Tel (585) 454-2460 • Fax (585) 454-3545
Email: Muni-Rochester@osc.ny.gov
Serving: Cayuga, Livingston, Monroe, Ontario, Schuyler, Seneca, Steuben, Wayne, Yates counties



Contact

Office of the New York State Comptroller
110 State Street
Albany, New York 12236

(518) 474-4044

www.osc.ny.gov

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