

New York State Comptroller
THOMAS P. DiNAPOLI

North Brookfield Fire District

Board Oversight

May 2026 | 2026M-2

Prepared by the Division of Local Government and School Accountability

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Audit Results

North Brookfield Fire District

Audit Objective

Did the North Brookfield Fire District (District) Board of Fire Commissioners (Board) adequately oversee the District's financial operations?

Audit Period

January 1, 2024 – December 18, 2025

We extended the audit period to review the District's 2016 through 2024 Annual Financial Report (AFR) filings as of December 18, 2025.

Understanding the Audit Area

The Board, being responsible for the general management and control of the District's financial operations, must provide adequate oversight of the District's financial operations to help ensure public funds are managed with accountability, transparency and integrity. This critical function can help maintain public trust, prevent mismanagement, waste, fraud and legal non-compliance.

As of September 30, 2025, the District had two bank accounts with combined cash balances totaling \$117,029. The District's Board-adopted calendar year 2025 budget totaled \$70,643 and was primarily funded by real property taxes.

Audit Summary

The Board did not adequately oversee the District's financial operations. The Board did not require the Secretary-Treasurer to maintain appropriate accounting records, prepare bank reconciliations, provide adequate monthly financial reports and file required AFRs with the Office of the New York State Comptroller (OSC). As a result, the Board had insufficient information to properly oversee the District's financial operations and make informed financial decisions. Because the Board did not provide sufficient oversight of the Secretary-Treasurer's duties, there was an increased risk that funds could be misappropriated.

Specifically, the Board did not ensure the Secretary-Treasurer:

- Performed bank reconciliations for the District's checking account to ensure the District's accounting records agree with the bank records. As of September 30, 2025, the Secretary-Treasurer's checkbook register balance was \$1,139 less than the adjusted bank balance.
- Maintained accounting records for the District's reserve bank account, which had a balance of \$89,529.
- Provided budget-to-actual reports to the Board showing how much was collected or spent relative to budgeted amounts.
- Filed required AFRs with OSC for the 2016 through 2024 fiscal years.¹ This diminishes the transparency of District financial activities and leaves the District without a means to demonstrate its financial standing to the Board, District residents, taxpayers, OSC and other interested parties.

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

Furthermore, the Board did not conduct an annual audit of the Secretary-Treasurer's records. Without an annual audit, the Board's ability to provide adequate oversight of the District's financial activities and ensure funds are properly accounted for is diminished. In addition, four of the five Commissioners did not complete the mandatory fiscal oversight training, which would have helped them be better prepared to fulfill their fiscal oversight responsibilities.

The report includes seven recommendations that, if implemented, will help the Board improve its oversight of the District's financial operations. District 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 OSC's authority as set forth in Article 3 of the New York State General Municipal Law (GML). 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.

Board Oversight: Findings and Recommendations

A board of fire commissioners is responsible for overseeing a fire district's financial operations and safeguarding its resources. A board of fire commissioners should ensure that the fire district secretary-treasurer maintains accurate accounting records and submits periodic financial reports to them to monitor financial operations. It is important that a fire district secretary-treasurer also prepares monthly bank reconciliations to help identify any irregularities and ensure the records are accurate.

A board of fire commissioners should also ensure that the fire district secretary-treasurer submits the fire district's AFR indicating its financial position and results of operations to OSC within 60 days after the fire district's fiscal year end. A board of fire commissioners should also perform an annual audit of the fire district secretary-treasurer's records to determine whether funds are properly accounted for and transactions are properly recorded. Furthermore, elected and appointed fire commissioners must complete an OSC-approved fiscal oversight training course within 270 days of their first day in office (Town Law Section 176-e).

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

Finding 1 – The Board did not ensure that the Secretary-Treasurer provided the Board with adequate monthly reports and prepared bank reconciliations.

The Board received the following monthly reports from the Secretary-Treasurer: a list of monthly bills paid, and to be paid; a summary showing the beginning cash balance, receipts, disbursements and the ending cash balance for the checking account; and the current cash balance in the District's reserve bank account (obtained from the bank statement).

However, the Secretary-Treasurer did not track year-to-date revenues and expenditures throughout the year. She kept a manual checkbook register for the checking account and used it to prepare an annual report² for the Board that included expenditures by category (e.g., insurance, phone and Internet, fuel, equipment); however, she did not maintain this breakdown during the year. She also did not prepare budget-to-actual reports for the Board showing how much was collected or spent relative to budgeted amounts. This information would be useful to the Board for monitoring the District's budget during the year and for developing a realistic budget for the following year.

In addition, the Secretary-Treasurer did not maintain any records to track activities in the reserve bank account and did not prepare monthly bank reconciliations for the checking account or reserve bank account to help detect errors or irregularities. As of September 30, 2025, the District's reserve bank account had a balance of \$89,529. We prepared a bank reconciliation as of this date for the District's checking account and determined that the Secretary-Treasurer's checkbook register balance was \$1,139 less than the adjusted bank balance.

When bank reconciliations are not prepared to verify that recorded cash agrees with the cash in the bank, there is a greater risk that errors and/or irregularities could occur and remain undetected. The Secretary-Treasurer told us she did not receive training on performing her financial duties and responsibilities and maintained the District's accounting records as they had been in the past.

² This annual report did not include the District's year-end cash balances and was not the same as the AFR, which OSC requires (see Finding 2).

In addition, the Board did not review the bank statements and canceled check images to provide oversight of the Secretary-Treasurer's financial duties. Because the Secretary-Treasurer performed nearly all District financial duties, including receiving and depositing funds, writing checks, and maintaining the records, this oversight by the Board is particularly important to help reduce the risk that errors could be made or funds could be misappropriated.

We reviewed all bank deposits totaling \$194,225 from January 1, 2024 through September 30, 2025, and determined the Secretary-Treasurer properly recorded all the collections in the District's check register. We also traced all transfers out of District bank accounts totaling \$177,774 to deposits into another District account.

We also selected a sample of 36 checks totaling \$66,463 from a total population of 116 payments totaling \$173,340 that cleared the bank between January 1, 2024 and September 30, 2025.³ We determined all the payments were included in the checkbook register and except for minor discrepancies, that were discussed with officials, were generally adequately supported, Board approved and for a valid District purpose.

Recommendations

The Board should:

1. Ensure the Secretary-Treasurer maintains records to track all cash activity and balances for each bank account.
2. Require the Secretary-Treasurer provide monthly financial reports showing budget-to-actual results for revenues and expenditures.
3. Ensure accurate bank reconciliations are prepared for all bank accounts, and review the bank reconciliations, bank statements and canceled check images monthly to provide regular oversight of the Secretary-Treasurer's work.

The Secretary-Treasurer should:

4. Attend applicable training on government accounting to help better understand and perform their accounting duties. Training provided by OSC can be found at: <https://www.osc.ny.gov/local-government/academy>.

Finding 2 – The Board did not ensure that the Secretary-Treasurer prepared or filed the District's AFRs for the 2016 through 2024 fiscal years.

The last AFR the Secretary-Treasurer filed with OSC was for the 2015 fiscal year. The Secretary-Treasurer did not prepare or file the District's AFR for the 2016 through 2024 fiscal years with OSC within 60 days after the close of the fiscal year, as required by GML Section 30.

The Chairman told us notifications received from OSC regarding late filings were shared with the Secretary-Treasurer; however, he did not follow up to ensure the AFRs were properly filed. When AFRs are not filed, the Board, District residents, taxpayers, OSC and other interested parties are denied the ability to assess the District's financial standing, and the transparency of the District's financial activities is diminished.

³ See Appendix C for our sampling and testing methodologies.

Recommendation

5. The Board should work with the Secretary-Treasurer to ensure that the Secretary-Treasurer prepares and files the District's AFR with OSC within 60 days of the close of the fiscal year, as required by GML.

Finding 3 – The Board did not perform an annual audit of the Secretary-Treasurer's records.

The Secretary-Treasurer did not provide the Board with records such as checkbook registers, bank statements, canceled check images or claims annually as required by Town Law Section 177. In addition, the Board did not request these records to conduct annual audits of the Secretary-Treasurer's records.

The Secretary-Treasurer told us that she thought the annual report alone was sufficient for the Board's review. The Chairman told us he reviews and signs off on the Secretary-Treasurer's annual report; however, the Chairman and two Commissioners told us they were not aware of the annual audit requirement.

Annual audits are particularly important in small operations that cannot adequately segregate financial duties. In the absence of an annual audit, the Board's ability to assess financial operations is diminished because there is no independent verification that funds are properly accounted for.

Recommendation

6. The Board should annually audit the Secretary-Treasurer's records.

Finding 4 – The Commissioners did not attend mandatory fiscal oversight training.

As of December 18, 2025, the Chairman and three Commissioners had not completed the mandatory fiscal oversight training even though more than 270 days had elapsed since the start of their terms.

The remaining Commissioner told us he had attended the training; however, he was unable to provide us with a training completion certificate. Had the Commissioners attended the mandatory training, they would have been better prepared to fulfill their fiscal oversight responsibilities.

Recommendation

7. The Board should ensure all elected or appointed Commissioners complete mandatory fiscal oversight training within 270 days of assuming their roles, as required by Town Law.

Appendix A: Profile, Criteria and Resources

Profile

The District provides fire protection and emergency services within the Town of Brookfield in Madison County. The District is governed by an elected five-member Board, including the Chairman and four Commissioners.

The Board is responsible for the overall management of the District. The Board-appointed Secretary-Treasurer is the chief fiscal officer and is responsible for receiving, disbursing and accounting for District funds, preparing financial reports and maintaining Board meeting minutes. The Board needs financial reports in a timely manner to make informed financial decisions and properly monitor and manage the District's financial position and activities.

The District's fiscal year is January 1 through December 31.

Criteria

A fire district secretary-treasurer should maintain financial records that provide a complete and accurate accounting of all financial transactions, including a fire district's cash and the results of operations (revenues and expenditures). To manage and oversee a fire district's financial activities, it is essential that a fire district's board of fire commissioners periodically receive and review financial reports from the fire district's secretary-treasurer detailing collection and disbursement activities, account balances and budget-to-actual comparisons of revenues and expenditures.

It is also important that a fire district's secretary-treasurer prepare monthly bank reconciliations for all bank accounts to ensure adjusted bank account balances agree with the cash balances in the accounting records. An adjusted bank balance is determined by adding deposits-in-transit and subtracting outstanding checks (and other pending charges) from the bank balance as of a certain date. Any discrepancies between adjusted bank balances and recorded cash balances should be promptly investigated and corrected in a timely manner to ensure cash balances are accurate and all cash activity is properly recorded. A board of fire commissioners should regularly review the monthly bank reconciliations, bank statements and canceled check images to provide oversight of a fire district's secretary-treasurer's work.

A fire district's secretary-treasurer must submit an AFR of the fire district's financial position and results of operations to OSC within 60 days after the close of the fire district's fiscal year as required by GML Section 30. Filing accurate AFRs in a timely manner is essential for transparency and financial oversight.

Town Law Section 177 requires a fire district treasurer to submit an annual accounting to the board of fire commissioners of all funds received and disbursed during the preceding year and produce all books, records, receipts, orders, vouchers (i.e., claims) and canceled checks or check images for inspection. The annual accounting helps a board of fire commissioners fulfill its overall fiscal oversight responsibilities by providing it with an opportunity to assess the reliability of the books, records and supporting documents. It also helps a board of fire commissioners identify conditions that need improvement and oversee the fire district's financial operations.

Town Law Section 176-e requires each fire commissioner to attend and complete a fiscal oversight training course within 270 days of taking office. The training course must cover the fire commissioners' legal, fiduciary, financial, procurement and ethical responsibilities. Fire commissioners are required to attend and complete the training each time they are elected, reelected, appointed or reappointed to office.

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:

- *Fire Districts Accounting and Reporting Manual:*
<https://www.osc.ny.gov/files/local-government/publications/pdf/arm-fds.pdf>
- *The Internal Audit Process For Fire Districts:*
<https://www.osc.ny.gov/files/local-government/resources/pdf/internalauditprocess.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 District Officials

The content below is a reproduced copy of the original response letter issued by District officials and is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,⁴ and may have included changes to spelling and grammar. The substance of the content was not changed.

North Brookfield Fire District
9107 Main St, North Brookfield NY 13418

RE: Written Response to the Draft Audit Report
Submitted by: Chairman Dan Furner
Reviewed By: Members Dan Stetson, Brian Johnson, John Giedraitis, Treasurer Diane Bootie.
Review Date: 4/14/2026

The Board generally agrees with Findings 1-4 of the 4 Findings listed in the Draft Audit Report and has initiated corrective action to address said findings.

Although the audit process has pointed out procedures that the board lacked regarding Finding 1, reconciliation of financial deposits and expenditures, the board was conducting monthly reviews and has fully implemented the suggestions from the audit. The statements below, pulled directly from the draft audit report findings submitted to the district confirm all monies were accounted for.

"The Board received the following monthly reports from the Secretary-Treasurer: a list of monthly bills paid, and to be paid; a summary showing the beginning cash balance, receipts, disbursements and the ending cash balance for the checking account; and the current cash balance in the District's reserve bank account (obtained from the bank statement).

"We determined all the payments were included in the checkbook register and except for minor discrepancies, that were discussed with officials, were generally adequately supported, Board approved and for a valid District purpose".

"We reviewed all bank deposits" "and determined the Secretary-Treasurer properly recorded all the collections in the District's check register.

The Board recognizes the audit process as a positive learning experience for all of us and an opportunity to improve the overall performance of our duties and oversight of District affairs.

Respectfully,
Dan Furner

⁴ <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 District officials and reviewed Board meeting minutes and various financial records to gain an understanding of the District's operations, internal controls and oversight of the Secretary-Treasurer's duties, including the financial recording and reporting process and whether the Board conducted an annual audit of the Secretary-Treasurer's records.
- We compared the September 30, 2025 ending cash balance from the checking account bank statement (adjusted for outstanding checks and deposits-in-transit) to the cash balance the Secretary-Treasurer recorded in the checkbook register as of that date. We selected September 2025 because this was the most recent completed month when we began fieldwork.
- We reviewed all bank deposits totaling \$194,225 from January 1, 2024 through September 30, 2025, and traced them to entries in the checkbook register to determine whether the deposits were recorded. These collections included two payments of real property taxes totaling \$115,150, grants totaling \$30,000 for a generator and \$45,714 for turnout gear, payments from New York State totaling \$2,945 and an insurance dividend payment totaling \$416. We also verified that the recorded tax deposits agreed with the taxes levied per the 2024 and 2025 budgets.
- We used our professional judgment to select six months (October 2024 to March 2025) to review disbursements. This sample period included three months in each fiscal year of the audit period. We tested all 36 disbursements totaling \$66,463 made during the six-month period from a total population of 116 disbursements totaling \$173,340 made between January 1, 2024 and September 30, 2025. We examined the canceled check images and traced them to the supporting claims (if available) and checkbook register to determine whether the disbursements were properly supported with documentation, recorded, authorized and for valid District purposes.
- We reviewed all eight transfers out of District bank accounts totaling \$177,774 from January 1, 2024 through September 30, 2025, to determine whether the funds were deposited in another District bank account or paid to an appropriate District vendor.
- We reviewed the District's AFR filings for the 2016 through 2024 fiscal years to determine whether they were submitted to OSC within 60 days of the close of the fiscal year, as required.

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?

SYRACUSE REGIONAL OFFICE

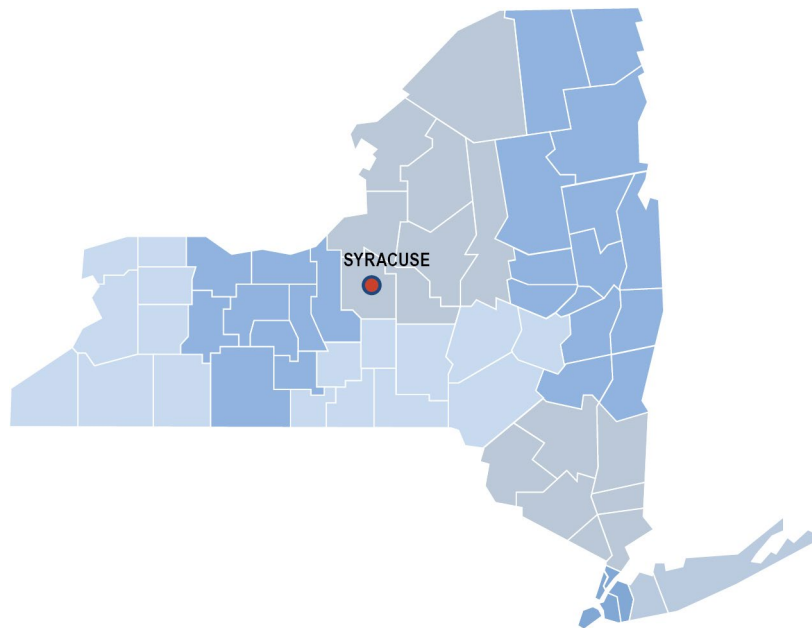
Rebecca Wilcox, Chief of Municipal Audits

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