

New York State Comptroller
THOMAS P. DiNAPOLI

Saranac Fire District

Board Oversight

May 2026 | 2025M - 139

Prepared by the Division of Local Government and School Accountability

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Audit Results

Saranac Fire District

Audit Objective

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

Audit Period

January 1, 2023 – June 30, 2025.

We extended the audit period back to January 1, 2021 to review the preparation and filing of required Annual Financial Reports (AFRs) and performance of annual audits for the 2020 through 2024 fiscal years.

Understanding the Audit Area

The elected five-member Board governs the District and must provide adequate oversight of the District's financial operations to ensure that public funds are used effectively, maintain fiscal stability and prevent waste, fraud and mismanagement. This includes overseeing the Board-appointed Treasurer's financial duties, properly auditing and approving claims before payment and ensuring that annual audits are performed.

During the audit period, collections totaled approximately \$2.2 million and disbursements totaled approximately \$2.3 million. In addition, the District had funds on deposit at a financial institution in four accounts and in a cooperative municipal investment fund in three accounts with a combined total balance of \$958,359 as of June 30, 2025.

Audit Summary

The Board did not adequately oversee the District's financial operations related to maintaining accounting records, preparing bank reconciliations, submitting monthly and annual financial reports, performing annual audits, receiving State contract pricing for purchases and auditing and approving claims. As a result, the Board's ability to effectively manage the District's financial condition, make sound financial decisions and ensure that the District only incurred necessary costs and paid for goods and services that were for appropriate District purposes were impaired. In addition, the District faced an increased risk of theft, waste and abuse of District resources.

The Board did not:

- Provide oversight of the Treasurer's duties related to maintaining the accounting records, which resulted in deficiencies in the District's accounting records. For example, the Treasurer did not maintain any accounting records to record financial transactions related to the District's three savings and three investment accounts. In addition, of 50 disbursements totaling \$191,807 that we reviewed, the Treasurer did not record three disbursements totaling \$595 in the accounting records as of June 30, 2025 and did not accurately record 20 of the remaining 47 disbursements totaling \$155,588.

- Ensure that the Treasurer prepared bank reconciliations and provided it with complete and accurate monthly reports. The Treasurer did not prepare any bank reconciliations for the District's four bank and three investment accounts that were open during the audit period. In addition, for all five budget-status reports that we reviewed, the recorded year-to-date expenditures were understated by amounts ranging between \$2,239 and \$400,335.
- Ensure that the Treasurer prepared and filed the required AFR each year. The Treasurer did not prepare or file the District's AFRs for the 2020 through 2024 fiscal years.¹
- Ensure the required independent audits of the District's records were performed for the 2020 through 2024 fiscal years or audit the Treasurer's records for the same years.
- Ensure that officials filed the required information with the New York State Office of General Services (OGS) to receive State contract pricing for propane purchases. As a result, the District did not receive State contract pricing and expended \$10,764 more than necessary for propane purchases.
- Properly audit and approve all claims before payment. We reviewed 149 disbursements for claims paid totaling \$350,030 and identified several deficiencies,² which included the following:
 - 35 disbursements (23 percent) totaling \$43,092 did not have sufficient supporting documentation with the claim for either all or a portion of the disbursement amount totaling \$11,407, including \$10,011 paid for 51 credit card charges.
 - 17 disbursements (11 percent) totaling \$29,483 included sales tax totaling \$1,381, even though the District was exempt from paying sales tax.
 - 30 disbursements (20 percent) totaling \$25,735 were made before the Board audited and approved the claims for these disbursements. In addition, there was no evidence indicating that the Treasurer provided claims for 27 of these disbursements totaling \$22,858 to the Board for its audit and approval.

The report includes 12 recommendations that, if implemented, will improve the Board's oversight of the District's financial operations. District officials generally agreed with our recommendations and have initiated or 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 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, 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.

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/>

² Some of the disbursements included multiple deficiencies.

Board Oversight: Findings and Recommendations

A board of fire commissioners is responsible for overseeing the fire district's financial operations and safeguarding its assets. To fulfill this duty, the board of fire commissioners should ensure that a fire district treasurer does the following:

- Maintains financial records that provide a complete, accurate and up-to-date accounting of all financial transactions,
- Reconciles bank and investment account balances to accounting record balances monthly,
- Provides the board of fire commissioners with adequate monthly financial reports,
- Annually prepares and files an AFR with the New York State Office of the State Comptroller (OSC) in a timely manner,
- Provides an annual accounting to the board of fire commissioners, and
- Provides claims to the board of fire commissioners for audit and approval before payment.

In addition, the board of fire commissioners should ensure that officials file required information with OGS in a timely manner, when applicable, to participate in and receive State contract pricing for purchases; ensure that an independent annual audit of the fire district's records is performed in a timely manner; and annually audit the treasurer's records.

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 Board did not ensure that the Treasurer maintained complete and accurate accounting records.

The Board did not provide oversight of the Treasurer's duties related to maintaining the accounting records. As a result, deficiencies with the District's accounting records were not identified and corrected.

The Treasurer maintained accounting records in a financial software program that only included a cash balance and revenues and expenditures for transactions related to the District's checking account. The Treasurer did not maintain any accounting records to record financial transactions related to the District's three savings and three investment accounts. As a result, the Treasurer did not record interest earnings totaling \$668 and expenditures totaling \$557,762 in the accounting records for transactions related to the District's savings and investment accounts during the audit period. For example, these expenditures included \$504,439 for the purchase of a fire truck and \$39,048 for an installment purchase debt payment.

We reviewed all nine collections totaling approximately \$2.2 million that were received and deposited into the District's checking account during the audit period. Except for minor discrepancies which we discussed with District officials, the collections were accurately recorded in the accounting records.

We also reviewed 50 disbursements³ totaling \$191,807 that were made from the District's checking account during the audit period and determined that three disbursements totaling \$595 made between February 20, 2025 and May 19, 2025 were not recorded in the accounting records as of June 30, 2025. Furthermore, 20 of the remaining 47 disbursements (43 percent) totaling \$155,588 were inaccurately recorded in the accounting records as follows:

- Two disbursements totaling \$28,136 were recorded for \$307 and \$695 less than the amounts disbursed.
- 18 disbursements totaling \$127,452 were recorded with incorrect expenditure account codes.

The Board's lack of oversight of the Treasurer's duties related to maintaining the accounting records contributed to the District's accounting records being incomplete and inaccurate. The inadequately maintained accounting records prevented the Treasurer from being able to provide complete and accurate financial reports to the Board so it could effectively manage the District's financial condition and make sound financial decisions.

Recommendation

1. The Board should ensure that the Treasurer maintains complete and accurate accounting records.

Finding 2 – The Board did not ensure that the Treasurer prepared bank reconciliations and provided it with complete and accurate monthly reports.

Bank Reconciliations – The Treasurer did not prepare any bank reconciliations for the District's four bank and three investment accounts that were open during the audit period.

We prepared bank reconciliations for the District's checking account for five months⁴ during the audit period and determined that the adjusted bank balance did not agree with the accounting record cash balance at month-end for any of our five sample months. The adjusted bank balance exceeded the accounting record cash balance by amounts ranging between \$301,659 and \$606,796. These discrepancies occurred because the accounting record cash balance was understated by \$652,448 at the start of the audit period due to previous accounting errors and because the Treasurer did not properly record financial transactions in the accounting records during the audit period.

The Treasurer told us that she previously prepared monthly bank reconciliations for the District's checking account using the financial software program but stopped preparing them several years ago when the cash balance in the accounting records became inaccurate. The Treasurer told us that because she did not know how to adjust the cash balance in the financial software program, she never resumed preparing monthly bank reconciliations for the District's checking account.

Because the Board did not ensure that the Treasurer prepared bank reconciliations, there was an increased risk that errors or irregularities could occur and remain undetected and uncorrected.

Monthly Financial Reports – During the audit period, the Treasurer generally provided the Board with a monthly financial report (transaction-detail report) that contained detail of the money received and disbursed between the monthly Board meetings, a monthly budget-status report that contained comparisons of year-to-date actual revenues and expenditures to amounts estimated in the annual budget and bank statements for the District's four bank accounts. However, the Treasurer did not provide the Board with any investment account statements for the District's three investment accounts that were open during the audit period. In addition, because the

³ Refer to Appendix C for more information on our sample selection.

⁴ Ibid.

Treasurer did not prepare bank reconciliations during the audit period, she did not provide the Board with monthly reports that contained reconciled cash and investment balances for each of the District's accounts.

We reviewed five transaction-detail reports⁵ during the audit period and determined that none of them were accurate. The recorded receipts were understated in the five reports by amounts ranging between \$19 and \$438 and the recorded disbursements were understated in the five reports by amounts ranging between \$526 to \$39,156.

We also reviewed five budget-status reports⁶ during the audit period and determined that none of them were accurate. The recorded year-to-date revenues were understated in total in the five reports by amounts ranging between \$66 to \$220 and the recorded year-to-date expenditures were understated in total in the five reports by amounts ranging between \$2,239 and \$400,335.

These discrepancies occurred because the monthly reports were generated from the inaccurate and incomplete accounting records maintained in the financial software program. Without complete and accurate monthly financial reports, the Board could not exercise adequate oversight of the District's financial operations.

Recommendations

The Board should ensure that the Treasurer:

2. Prepares monthly bank reconciliations for each District account and submits them along with the corresponding bank and investment account statements.
3. Prepares and submits accurate monthly financial reports that include details of all money received and disbursed during each month, reconciled cash and investment balances for each District account and budget-to-actual comparisons for revenues and expenditures.

Finding 3 – The Board did not ensure that the Treasurer prepared and filed the District's AFRs.

The Treasurer did not prepare or file the District's AFRs for the 2020 through 2024 fiscal years.⁷ The Treasurer told us she was uncertain of how to prepare the AFRs because she had previously relied on an independent certified public accountant (CPA) to prepare the District's AFR each year. The CPA discontinued providing this service to the District after he prepared the District's 2019 AFR. While the Board was aware that the District's AFRs were delinquent, the Board did not take measures to ensure that the Treasurer prepared and filed an AFR each year.

When the Treasurer does not prepare and file the District's AFRs in a timely manner, the Board, taxpayers and other interested parties do not have access to financial information to measure the effectiveness of the District's operations and its overall fiscal health.

Recommendation

4. The Board should ensure that the Treasurer prepares and files the District's delinquent AFRs and prepares and files all subsequent AFRs in a timely manner.

5 Ibid.

6 Ibid.

7 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/>

Finding 4 – The Board did not ensure that required independent audits were performed and did not perform an annual audit of the Treasurer’s records.

The required independent audits of the District’s records were not performed for the 2020 through 2024 fiscal years. The Board accepted a proposal from an independent CPA to perform the 2017 audit, with an option for the 2018 through 2021 audits. Because the CPA completed the 2017 through 2019 audits, it was the Board’s understanding that the CPA would also perform the 2020 and 2021 audits. However, the CPA did not perform the 2020 and 2021 audits. District officials told us that although the CPA took possession of the 2020 records, he did not perform an audit or return the records upon the District’s request.

In addition, District officials told us that although they contacted CPAs in the region over the last several years to obtain another independent auditor, they were unsuccessful because the CPAs contacted either never responded or told them they were not interested. However, the Board did not utilize a competitive request for proposal process (e.g., publicly advertise for this service or prepare and send a written service proposal to a comprehensive list of potential independent accountants), which is required when contracting for an independent audit, and could have increased the District’s potential for obtaining another independent auditor.

Furthermore, the Treasurer did not provide an annual accounting to the Board, and the Board did not audit the Treasurer’s records for the 2020 through 2024 fiscal years. The Commissioners told us that they were unaware that the Treasurer was required to provide an annual accounting to the Board and that it should audit the Treasurer’s records. Had the Board received the Treasurer’s records and performed the annual audits, it may have observed the deficiencies that we identified during the audit.

When annual audits are not performed, there is no independent verification that the Treasurer has properly recorded financial transactions, and all funds are accounted for.

Recommendations

The Board should ensure that:

5. An independent annual audit of the District’s records is performed and a copy of the audit report is given to the Board, the Town Boards served by the District and OSC within 180 days of the close of the fiscal year.
6. The Treasurer provides an annual accounting to the Board, and it should annually audit the Treasurer’s records.

Finding 5 – The Board did not ensure that the District received State contract pricing for propane purchases.

The District purchased 13,589 gallons of propane at a cost totaling \$31,333 during the period of October 1, 2023 through June 30, 2025 from the awarded State contract vendor for Clinton County. However, officials did not file the District’s information related to the purchase of this commodity in OGS’s online system to participate and receive State contract pricing from the awarded vendor. As a result, the awarded vendor had no obligation to provide State contract pricing to the District for these purchases.

We compared the price per gallon paid by the District for all propane purchases made during the period of October 1, 2023 through June 30, 2025 to the applicable State contract price per gallon and determined that the District’s purchase price exceeded State contract pricing for all purchases by a total of \$10,764. When we informed officials of the pricing discrepancies, the Treasurer contacted the State contract vendor. While not

obligated, the vendor agreed to provide the District with State contract pricing on all subsequent propane purchases made during the State contract term.

Because the Board did not ensure that officials filed the required information with OGS to receive State contract pricing for propane purchases, the District did not receive State contract pricing and expended \$10,764 more than necessary for propane purchases.

Recommendation

7. The Board should ensure that District officials file required information with OGS before the applicable due date to participate in and receive State contract pricing for propane purchases.

Finding 6 – The Board did not properly audit and approve claims before payment.

The Treasurer provided the Board with the District's claims for its audit and approval at the monthly Board meetings. The Commissioners initialed the claims indicating their audit and approval and then voted on the claims that were authorized for the Treasurer to pay, which were listed individually by claimant name and amount in the Board meeting minutes.

The Board meeting minutes for the District's 2024 and 2025 organizational meetings each contained a statement authorizing the Treasurer to pay certain claims before the Board's audit and approval. However, the Board did not adopt a resolution authorizing these claims to be prepaid, as required by New York State Town Law (Town Law) Section 176. In addition, some of these claims would not be authorized by Town Law to be prepaid before audit, such as for trash collection and workers' compensation insurance.

We reviewed a combined total of 149 disbursements⁸ totaling \$350,030 that were made during the audit period to determine whether the corresponding claims for these disbursements were supported by sufficient documentation, for appropriate District purposes and audited and approved before they were paid. We identified several deficiencies⁹ that included the following:

- 35 disbursements (23 percent) totaling \$43,092 did not have sufficient supporting documentation with the claim for either all or a portion of the disbursement amount totaling \$11,407, including \$10,011 paid for 51 credit card charges. Upon our request, officials obtained sufficient supporting documentation from the vendor for disbursements totaling \$3,353, including \$2,594 paid for 18 credit card charges. In addition, officials provided us with the purpose of the remaining disbursements totaling \$8,054, such as payments for 13 credit card charges for the District's cable, Internet and phone service totaling \$5,261. However, without sufficient supporting documentation during the Board's audit and approval of claims, the Board could not verify all disbursements were for appropriate District purposes.
- 17 disbursements (11 percent) totaling \$29,483 included sales tax totaling \$1,381, even though the District was exempt from paying sales tax.
- 30 disbursements (20 percent) totaling \$25,735 were made before the Board audited and approved the claims for these disbursements. The Board audited and approved the claims for three of these disbursements totaling \$2,877 after they were paid. However, we determined that the claims for the other 27 disbursements totaling \$22,858 were not initialed by any of the Commissioners or listed in the Board meeting minutes as authorized for the Treasurer to pay. As a result, there was no evidence indicating that the Treasurer provided claims for these disbursements to the Board for its audit and approval. These disbursements were for various purposes and included payments for

⁸ Refer to Appendix C for more information on our sample selection.

⁹ Some of the disbursements included multiple deficiencies.

vehicle maintenance and emergency medical service supplies. The Treasurer did not provide us with an explanation for why she did not provide the Board with claims for these disbursements.

- Three disbursements totaling \$8,125 included the payment of credit card charges totaling \$5,096 made at a restaurant for food and drinks, including alcoholic beverages totaling \$1,066, for the District's 2023, 2024 and 2025 annual dinners,¹⁰ which were attended by the Commissioners, Treasurer, Secretary, Fire Chief and/or their spouses. However, these expenditures were not for a valid District purpose.
- Six disbursements totaling \$3,750 were for stipends for 2023 and 2024 that the District paid to the Fire Chief, the Deputy Fire Chief and an Assistant Fire Chief as reimbursement for mileage incurred by the officers while executing the duties of their positions using their personal vehicles. While the District may reimburse these officers a reasonable mileage allowance for the use of their personal vehicles for each mile actually and necessarily traveled by them in executing the duties of their positions, there is no authority for the District to provide these officers with a lump-sum stipend for the use of their personal vehicles.
- Four disbursements totaling \$2,694 included duplicate payments totaling \$2,254, which resulted in the District disbursing funds to vendors before the District received any goods. We determined that the vendors applied two overpayments totaling \$519 as credits to later invoices and the District was issued a refund check for another overpayment totaling \$409. However, as of June 30, 2025, the District had not been credited for the remaining overpayment totaling \$1,326 that was made in February 2025.
- Four disbursements totaling \$2,496 included late fees or finance charges totaling \$69, which caused the District to incur unnecessary costs.

The Commissioners told us that they were unaware of the extent of the deficiencies that we identified. The Commissioners thought that the Treasurer provided them with claims to be audited and approved for all District disbursements. However, because the Treasurer provided the Commissioners with bank statements containing the disbursements that she made, the Commissioners should have been aware that the Treasurer did not provide them with all District claims.

When the Board does not audit and approve all claims and does not ensure that claims are supported by sufficient documentation, there is an increased risk that the District could incur unnecessary costs and pay for goods and services that were not received or were for inappropriate District purposes.

Recommendations

The Board should:

8. Ensure that the Treasurer provides claims to the Board for its audit and approval before payment.
9. Conduct a thorough and deliberate audit of claims. The audit should ensure that the claims have sufficient supporting documentation, are for valid and legal District expenditures and do not include sales tax or charges previously paid by the District.
10. Consider adopting a resolution allowing eligible claims to be prepaid before being audited, ensure that only those claims are prepaid and subsequently audit and approve the claims after payment.
11. Ensure that the Treasurer provides claims to the Board and pays them in a timely manner to avoid late fees and finance charges.

¹⁰ The District's 2023, 2024 and 2025 annual dinners were not the authorized annual firefighters' inspection dinners.

12. Require the Department officers to submit itemized claims for mileage reimbursement and discontinue providing Department officers with annual lump-sum stipends for mileage incurred while using their personal vehicles for District activities.

Appendix A: Profile, Criteria and Resources

Profile

The District is located in the Towns of Saranac and Black Brook in Clinton County. The District is a district corporation of the State, distinct and separate from the Towns. The District's 2025 budgeted appropriations totaled \$820,984.

The Treasurer is the chief fiscal officer and is responsible for receiving and disbursing District funds, maintaining accounting records and preparing financial reports.

Criteria

The board of fire commissioners should ensure that the fire district treasurer maintains financial records that provide a complete, accurate and up-to-date accounting of all financial transactions. The accounting records should document the assets, liabilities, fund equity and results of operations (revenues and expenditures) for each fund using OSC's prescribed Uniform System of Accounts (USA). The USA provides a standard chart of accounts and fund structure.

Bank reconciliations identify and document differences between the fire district's accounting records and bank and investment account balances. Bank reconciliations also serve as an internal verification of cash receipt and disbursement transactions. Therefore, the board of fire commissioners should ensure that the fire district treasurer prepares monthly bank reconciliations for all bank and investment accounts and provides the reconciliations, along with bank and investment account statements, to the board of fire commissioners for its review and approval.

The board of fire commissioners should require the fire district treasurer to prepare monthly financial reports and provide them to the board of fire commissioners. The reports should include a detailed statement of all money received and disbursed during the month, reconciled cash and investment balances for all bank and investment accounts and comparisons of actual revenues and expenditures to amounts estimated in the annual budget (budget-status reports).

New York State General Municipal Law Section 30 requires the fire district treasurer to file an AFR with OSC within 60 days following the close of the fiscal year, and OSC may approve a 60-day extension. The AFR provides the board of fire commissioners, taxpayers and other interested parties with the fire district's financial position at a point in time and a complete summary of the financial activities for the fiscal year. Therefore, the board of fire commissioners should ensure that the fire district treasurer prepares and files the AFR in a timely manner.

Town Law Section 181-b requires a fire district with annual revenues of \$400,000 or more to obtain an annual audit of its records by an independent certified public accountant or public accountant. A copy of the audit report must be given to the board of fire commissioners, the town board(s) served by the fire district and OSC within 180 days following the close of the fiscal year audited.

Town Law Section 177 requires the 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 and canceled checks or check images for inspection by the board of fire commissioners. The annual accounting helps the 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 the board of fire commissioners identify conditions that need improvement and oversee the fire district's financial operations.

Fire districts are authorized to make purchases using contracts awarded by OGS (State contracts). Most State contracts can be used as soon as they are awarded by fire districts placing orders directly with the approved contractor. However, the price of certain OGS commodities (e.g., fuel - propane, diesel fuel and unleaded gasoline) is directly impacted by volatile market conditions. As a result, OGS has created an on-line “filed requirements” system to assist users in participating in the next contract cycle for these price-sensitive commodities. OGS uses the “filed requirements” data to prepare bid documents and solicit competitive bids. The filing of requirements in this system binds a fire district to the State contract as if it had contracted directly with the vendor. The awarded vendor has no obligation to provide State contract pricing to a fire district that does not file information online before the required due date. Therefore, the board of fire commissioners should ensure that fire district officials file the information (i.e., fuel type, gallons of fuel expected to be used in one year, tank capacity, etc.) online before the required due date to participate in and receive State contract pricing for fuel purchases.

Town Law Section 176 requires the board of fire commissioners, with limited exceptions, to audit all claims against the fire district before payment and, by resolution, to order the fire district treasurer to pay the approved claims. The board of fire commissioners may, by resolution, authorize payment in advance of the audit for light, telephone, postage, freight and express charges. However, the prepaid claims must be presented to and audited by the board of fire commissioners at its next regular meeting.

The board of fire commissioners should establish effective claims auditing procedures to ensure that all claims against the fire district are subjected to a thorough and deliberate review and contain sufficient supporting documentation (e.g., invoices or receipts) to help determine whether the claims are for valid and legal purposes, comply with fire district policies, do not include sales tax (which fire districts are exempt from paying) or are charges previously paid, and whether the amounts claimed represent actual and necessary expenditures. The board of fire commissioners should also ensure that the fire district treasurer provides all claims to the board of fire commissioners and pays all claims in a timely manner to avoid unnecessary costs, such as late fees and finance charges. In addition, the board of fire commissioner’s approval of claims should be documented in the meeting minutes by specifying the number and dollar amount of the claims that the fire district treasurer is authorized to pay.

Town Law Section 178-c allows the board of fire commissioners, by resolution, to provide a reasonable mileage allowance to department officers for using their personal vehicles for each mile actually and necessarily traveled while executing the duties of their positions. In determining the amount of the mileage allowance, the board of fire commissioners may consider the cost of gasoline but may not exceed the standard federal income tax mileage allowance for business-related travel. However, there is no authority for a fire district to provide a department officer with a lump-sum stipend for using their personal vehicle while executing the duties of their position.

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>
- *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 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)*,¹¹ and may have included changes to spelling and grammar. The substance of the content was not changed.

Saranac Fire District
P.O. Box 130
Saranac, NY 12981

Response and Corrective Action Plan Unit

Name: *Saranac Fire District*

Audit Report Title: *Board Oversight - Report of Examination*

Audit Report Number: *2025M-139*

Response to the Office of the Comptroller:

The Report of Examination has been received and reviewed by the Saranac Fire District Board of Fire Commissioners. Our corrective action plan is below and corresponds directly to the recommendations put forth by the Auditor where appropriate.

Audit Recommendation 1: The Board should ensure that the Treasurer maintains complete and accurate accounting records.

Implementation Plan of Action(s): The financial software currently used will be configured to account for all transactions, including checking and savings accounts, so that monthly reports will reflect that activity. The Board will be able to provide oversight when these reports are presented at monthly meetings.

Implementation Date: March 2026

Person Responsible for Implementation: Board of Fire Commissioners and Treasurer

Audit Recommendation 2: The Board should ensure that the Treasurer prepares monthly bank reconciliations for each District account and submits them along with the corresponding bank and investment account statements.

Implementation Plan of Action(s): Bank reconciliations will be completed monthly for each District account by the Treasurer using the financial software. The bank reconciliations and corresponding bank and investment account statements will be a part of monthly recording and reports submitted to the board for their review.

Implementation Date: March 2026

Person Responsible for Implementation: Board of Fire Commissioners and Treasurer

Audit Recommendation 3: The Board should ensure that the Treasurer prepares and submits accurate monthly financial reports that include details of all money received and disbursed during each month, reconciled cash and investment balances for each District account and budget-to-actual comparisons for revenues and expenditures.

¹¹ <https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule>

Implementation Plan of Action(s): Monthly financial reports will be reviewed by the Board of Fire Commissioners to ensure that revenues, expenditures, and reconciled cash and investment balances are reported accurately.

Implementation Date: March 2026

Person Responsible for Implementation: Board of Fire Commissioners and Treasurer

Audit Recommendation 4: The Board should ensure that the Treasurer prepares and files the District's delinquent AFRs and prepares and files all subsequent AFRs in a timely manner.

Implementation Plan of Action(s): The Treasurer is currently training to be able to accurately complete and file these reports in a timely manner. They will be completing our AFRs back to 2020 when we became without an auditor. The Board will ensure that this training is complete and that AFRs are filed to get the District caught up and that all subsequent AFRs are filed in a timely manner.

Implementation Date: To be completed by December 2026.

Person Responsible for Implementation: Board of Fire Commissioners and Treasurer

Audit Recommendation 5: The Board should ensure that an independent annual audit of the District's records is performed and a copy of the audit report is given to the Board, the Town Boards served by the District and OSC within 180 days of the close of the fiscal year.

Implementation Plan of Action(s): The Board of Fire Commissioners are seeking an Auditor using the RFP process. The Board will keep a list of who and where these RFPs are sent with the intent of securing an auditor from out of our area if necessary. When an auditor is secured the Board will ensure a copy of any audit reports are given to Board, the Town Boards served by the District and OSC within 180 days of the close of the fiscal year.

Implementation Date: March 2026

Person Responsible for Implementation: Board of Fire Commissioners

Audit Recommendation 6: The Board should ensure that the Treasurer provides an annual accounting to the Board, and it should annually audit the Treasurer's records.

Implementation Plan of Action(s): The Board will require the Treasurer to provide an annual accounting to the Board and will utilize the checklist provided by the State to perform an annual internal audit.

Implementation Date: December 2026 into January 2027

Person Responsible for Implementation: Board of Fire Commissioners and Treasurer

Audit Recommendation 7: The Board should ensure that District officials file required information with OGS before the applicable due date to participate in and receive State contract pricing for propane purchases.

Implementation Plan of Action(s): Our vendor was notified of our status and will now provide State contract pricing for propane; this will be verified each month moving forward via the OGS website. The Board will ensure that District officials file required information with OGS before the applicable due date in the future if the District continues to procure propane through State contract.

Implementation Date: January 2026

Person Responsible for Implementation: Board of Fire Commissioners and Treasurer

Audit Recommendation 8: The Board should ensure that the Treasurer provides claims to the Board for its audit and approval before payment.

Implementation Plan of Action(s): The Board of Fire Commissioners will view all claims to be paid and cross check those claims with monthly reports.

Implementation Date: March 2026

Person Responsible for Implementation: Board of Fire Commissioners and Treasurer

Audit Recommendation 9: The Board should conduct a thorough and deliberate audit of claims. The audit should ensure that the claims have sufficient supporting documentation, are for valid and legal District expenditures and do not include sales tax or charges previously paid by the District.

Implementation Plan of Action(s): The Board will conduct a thorough and deliberate audit of all claims and ensure that all pages of all bills are signed indicating their review. The Board will ensure that the claims have supporting documentation, are for valid and legal District expenditures and do not include sales tax or charges previously paid by the District.

Implementation Date: March 2026

Person Responsible for Implementation: Board of Fire Commissioners

Audit Recommendation 10: The Board should consider adopting a resolution allowing eligible claims to be prepaid before being audited, ensure that only those claims are prepaid and subsequently audit and approve the claims after payment.

Implementation Plan of Action(s): The Board will adopt a resolution each year at its organizational meeting authorizing the Treasurer to only pay claims before the Board's audit and approval that are allowed by Town Law.

Implementation Date: January Each Year

Person Responsible for Implementation: Board of Fire Commissioners

Audit Recommendation 11: The Board should ensure that the Treasurer provides claims to the Board and pays them in a timely manner to avoid late fees and finance charges.

Implementation Plan of Action(s): The Board will monitor the Treasurer to ensure all bills are paid on time to avoid late fees and charges.

Implementation Date: March 2026

Person Responsible for Implementation: Board of Fire Commissioners and Treasurer

Audit Recommendation 12: The Board should require the Department officers to submit itemized claims for mileage reimbursement and discontinue providing Department officers with annual lump-sum stipends for mileage incurred while using their personal vehicles for District activities.

Implementation Plan of Action(s): The Board of Fire commissioners will require an itemized claim for any mileage incurred while officers are using their personal vehicles for District business/activities.

Implementation Date: March 2026

Person Responsible for Implementation: Board of Fire Commissioners

Submitted by,

Nancy Clancy
Chairperson, Board of Commissioners

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 financial records and reports and Board meeting minutes to gain an understanding of the District's procedures for maintaining accounting records, preparing bank reconciliations, reporting financial transactions and claims auditing.
- We reviewed the accounting records during the audit period to determine whether separate accounting records including assets, liabilities, fund equity, revenues and expenditures were maintained for each fund. We also determined whether the accounting records included financial transactions related to all District bank and investment accounts.
- We reviewed all collections totaling approximately \$2.2 million that the District received and deposited into the District's checking account during the audit period to determine whether they were accurately recorded in the accounting records. We also used a computerized random number generator to select 50 disbursements totaling \$191,807 made from the District's checking account during the audit period to determine whether they were accurately recorded in the accounting records.
- We used a computerized random number generator to select five months during the audit period (May 2023, September 2023, June 2024, November 2024 and March 2025) to determine whether monthly bank reconciliations were prepared, the reconciliations agreed with the accounting records cash or investment balances and were independently reviewed.
- We assessed the adequacy of the monthly financial reports that the Treasurer provided to the Board during the audit period.
- We used a computerized random number generator to select five monthly Treasurer reports (i.e., transaction-detail report and budget-status report) provided to the Board during the audit period (May 2023, September 2023, April 2024, November 2024, and June 2025). We determined whether the transaction-detail reports included all receipts and disbursements for the month and whether the budget-status reports included all year-to-date revenues and expenditures.
- We reviewed the District's AFR filings as of June 30, 2025 to determine whether the Treasurer prepared and filed the 2020 through 2024 AFRs with OSC in a timely manner.
- We interviewed officials and reviewed Board meeting minutes and independent audit documentation to determine whether the Board obtained annual independent audits of the District's records for the 2020 through 2024 fiscal years and the audits were completed in a timely manner.
- We interviewed officials and reviewed Board meeting minutes to determine whether the Treasurer provided an annual accounting to the Board and the Board audited the Treasurer's records for the 2020 through 2024 fiscal years.
- We compared the price per gallon the District paid for all propane purchases made from a State contract vendor during the audit period to the applicable State contract price per gallon to determine whether the District's purchase price was equal to State contract pricing.

- We used our professional judgment to select a sample of 149 disbursements totaling \$350,030 for claims paid during the audit period to determine whether the corresponding claims for these disbursements were supported by sufficient documentation, for appropriate District purposes and were audited and approved before payment. Our sample of disbursements included all 19 check disbursements totaling \$5,764 to District officials and Saranac Volunteer Fire Department, Inc. members and all 30 check disbursements totaling \$45,394 to the District's credit card company because these disbursements were assessed as higher risk, and an additional 100 check or non-check disbursements totaling \$298,872 that were selected using a computerized random number generator.

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?

GLENS FALLS REGIONAL OFFICE

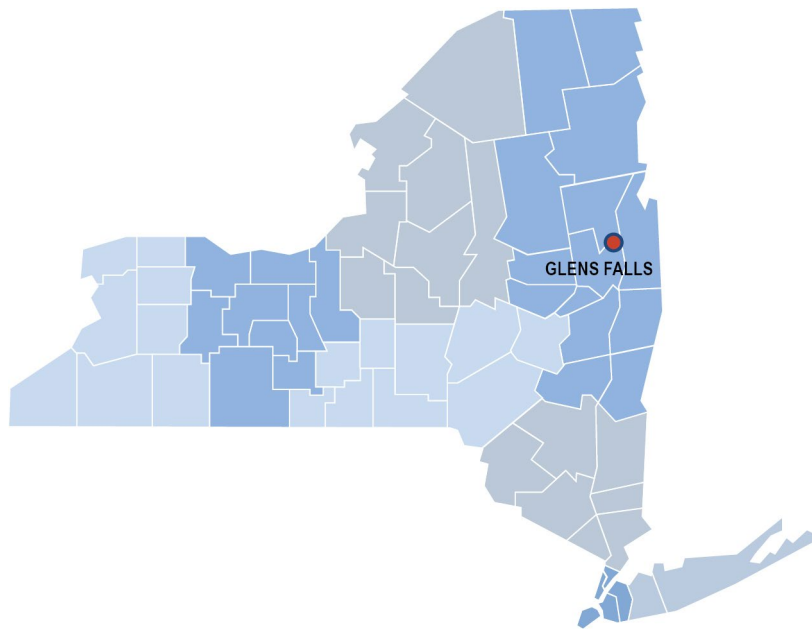
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