New York State Comptroller
THOMAS P. DiNAPOLI

Village of St. Johnsville

Records and Reports

November 2026 | 2026M-96
Prepared by the Division of Local Government and School Accountability

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Audit Results

Village of St. Johnsville

Audit Objective

Did the Village of St. Johnsville (Village) former Clerk-Treasurer and current Treasurer maintain complete, accurate and timely accounting records and reports?

Audit Period

June 1, 2024 – February 28, 2026

Understanding the Audit Area

Complete, accurate and timely accounting records and reports are essential for a village board of trustees (board) to effectively oversee financial operations, monitor a village's financial condition, make informed decisions and safeguard public resources. They also help ensure compliance with statutory reporting requirements, promote accountability, transparency and public trust over the use of taxpayer funds.

The Village's accounting records included three operating funds during the audit period: general, water and sewer. The Village's budgeted appropriations for the 2025-26 fiscal year totaled $2 million for the general fund, $432,000 for the sewer fund and $235,000 for the water fund.

Audit Summary

Neither the former Clerk-Treasurer nor the current Treasurer[1] maintained complete, accurate and timely accounting records or provided the Board with reliable monthly financial reports. As a result, the Board's ability to properly and effectively monitor and manage the Village's financial operations was limited and transparency was diminished as Village residents and other interested parties were not informed of the Village's financial condition. Specifically:

- The accounting records for all funds were maintained in one general ledger. Therefore, the reports generated from the accounting records did not provide the Board and officials with information needed to separately monitor each fund's financial operations, compare actual results with the adopted budget or assess whether each fund was financially sound.
- The former Clerk-Treasurer did not properly prepare bank reconciliations for all bank accounts and bank reconciliations were not reviewed by the Board or other designee. The combined recorded general ledger cash balance for all cash accounts exceeded the combined adjusted bank balance by $110,545 as of June 30, 2024.

In addition, the Board did not annually audit, or contract with an independent public accountant to audit, the Treasurer's records for at least 10 years as required by New York State Village Law (Village Law) Section 4-408. Had the Board periodically monitored the Village's finances and performed the required annual audit, it may have detected and corrected the deficiencies identified during this audit in a timely manner.

The report includes nine recommendations that, if implemented, will improve the Village's recording and reporting of financial transactions so the Board can effectively monitor and manage the Village's financial operations and improve transparency to taxpayers. Village officials generally agreed with our recommendations and have initiated, or indicated they planned to initiate corrective action.

1 The former Clerk-Treasurer was placed on administrative leave in February 2025 and was not reappointed in the 2025-26 fiscal year. The Board split the Clerk-Treasurer's position to a part-time Treasurer position and a part-time Clerk position in April 2025. The Treasurer was appointed in May 2025.

Records and Reports: Findings and Recommendations

A village clerk-treasurer, as chief fiscal officer, is responsible for maintaining complete, accurate and up-to-date financial records, preparing monthly bank reconciliations to allow for timely identification of any errors or deficiencies, providing the village board with timely, accurate and comprehensive financial reports and filing the required Annual Financial Report (AFR) with Office of the New York State Comptroller (OSC) within 60 days after the village's fiscal year ends. It is the village board's responsibility to provide financial oversight and ensure the accuracy and completeness of the village clerk-treasurer's records and reports. A village board is also required to conduct an annual audit, or have a village officer, employee or an independent public accountant audit the village clerk-treasurer's annual statement showing, in detail, all revenues and expenditures during the previous fiscal year and the outstanding indebtedness of the village as of the end of the fiscal year, and all supporting documentation.

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

Finding 1 – The former Clerk-Treasurer and the Treasurer did not maintain complete and accurate accounting records.

The former Clerk-Treasurer and the Treasurer did not maintain complete and accurate accounting records to help the Board make effective financial decisions. The Village accounting system had only one general ledger and financial transactions for the general, water and sewer funds were recorded together. As a result, the accounting records did not separately identify each fund's financial activity or financial position. Village officials could not readily determine how much revenue each fund received, how much each fund spent, the assets and liabilities attributable to each fund or the amount of fund balance available in each fund.

Because the accounting records combined the activity of all three funds, balance sheet reports and budget status reports (budget-to-actual reports) generated from the accounting system also combined the funds financial information. Therefore, the reports did not provide the Board with information needed to separately monitor each fund's financial operations, compare actual results with the adopted budget or assess whether each fund was financially sound.

In addition, the former Clerk-Treasurer and the Treasurer did not close prior fiscal years in the accounting system. This allowed financial transactions to be recorded in prior fiscal years after those years had ended. As a result, previously reported financial results could change and erroneous transactions recorded in prior fiscal periods could remain undetected.

Furthermore, cash belonging to the water and sewer funds was commingled into one bank account and recorded in one general ledger cash account during the audit period. Because separate accounting records were not maintained, Village officials could not determine from the accounting records how much of the cash belonged to the water fund and how much belonged to the sewer fund.

The Village Accountant (Accountant)[2] assisted the Deputy Clerk and the Treasurer to correct multiple recording errors in the accounting system after the former Clerk-Treasurer was placed on administrative leave in February 2025. He prepared journal entries and gave them to the Deputy Clerk and the Treasurer to enter in the accounting system.

We reviewed assets, liabilities, revenues and expenditures recorded in the accounting system as of May 31, 2025 and as of February 28, 2026.[3] While all cash accounts and accounts payable were generally supported

2 See Appendix A, Profile for more information.
3 Refer to Appendix C for information on our sampling methodology.

as a combined total for all funds as a whole (except for minor variances which we discussed with Officials), there were assets, liabilities, revenues and expenditures inaccurately recorded. These errors prevented the Board to determine the true financial condition of the Village operating funds.

- General fund liabilities were understated by $236,000 as of May 31, 2025 and as of February 28, 2026 because a bond anticipation note (BAN) payable liability was not recorded.
- General fund revenues were overstated by a combined total of $175,460 as of May 31, 2025 which included an overstatement by inaccurately recording BAN revenue of $236,000 and an understatement of a grant revenue of $60,540.
- Sewer and water rent revenues were understated by a combined total of $207,156 as of February 28, 2026 because the Treasurer did not record the February 2026 billing cycle in the accounting system. As a result, the sewer and water rents accounts receivable was also understated by the same amount.
- General fund expenditures were understated by $60,540 as of May 31, 2025 because expenditures were inaccurately recorded in a revenue account.

Due to the former Clerk-Treasurer and the Treasurer not properly maintaining separate records of the Village's operating funds or closing out each fiscal year to properly reflect fund balance, the Village's accounting records were incomplete and unreliable. Without complete and reliable accounting records, the Board was unaware of the Village's financial condition, and its ability to manage the Village's financial operations and make sound financial decisions was limited.

Recommendations

The Treasurer should:

1. Maintain complete and accurate separate accounting records for each fund.
2. Adjust the accounting records to properly reflect accurate account balances for each fund.

The Board should:

3. Provide oversight of the Treasurer's maintenance of the accounting records.

Finding 2 – The former Clerk-Treasurer did not properly prepare bank reconciliations.

The former Clerk-Treasurer did not prepare proper bank reconciliations. The former Clerk-Treasurer prepared reconciliations for seven of the 11 bank accounts and for none of the five certificates of deposit (CDs) in June 2024. Because recording errors and uncleared balances from prior fiscal years were carried forward in the accounting system, adjusted bank balances did not agree to general ledger cash balances. As a result, the accounting records cash balances were not accurate.

We prepared 16 monthly bank reconciliations for all 11 bank accounts and five CDs open in June 2024. Our review identified the following:

- $219,454 of duplicate cash entries in general ledger accounts. Six reserve funds general ledger cash accounts included duplicate cash from the Village's bank accounts. Most of these account balances were carried forward from the 2022-23 fiscal year and the former Clerk-Treasurer did not record any activity in these accounts during the audit period.
- $110,545 difference between the accounting records and the adjusted bank balance. The combined recorded general ledger cash balance for all cash accounts exceeded the adjusted bank balance.
- $99,420 in uncleared deposits from prior years. The general fund bank account had 10 uncleared deposits that date back to the 2020-21 fiscal year.

- Negative cash balance carried forward for years. One general ledger cash account has a negative balance of $7,353 which was carried forward for at least three years.

Monthly bank reconciliations were also not independently reviewed by another individual or provided to the Board. Without an independent review, errors and unusual items could go undetected and not be corrected in a timely manner.

The Accountant assisted the former Deputy Clerk and the current Treasurer to correct the recording errors in the accounting system and reconcile the bank accounts. Had the Board ensured bank reconciliations were prepared and independently reviewed, it could have identified and corrected recording errors in the accounting system in a timely manner. Except for minor discrepancies which we discussed with officials, the current Treasurer generally prepared proper bank reconciliations.

Recommendations

4. The Treasurer should prepare monthly bank reconciliations and ensure that the adjusted bank balances agree to the recorded general ledger cash balances.
5. The Board should review and approve monthly bank reconciliations.

Finding 3 – The former Clerk-Treasurer and the Treasurer did not provide the Board with adequate monthly reports.

The former Clerk-Treasurer and the Treasurer did not provide the Board with adequate monthly financial reports to allow it to effectively monitor the Village's financial operations during the audit period. We reviewed all financial reports provided to the Board for a sample of five months.[4]

- The former Clerk-Treasurer did not provide the Board with any financial reports for June 2024 and December 2024. One Trustee told us that sometimes the former Clerk-Treasurer provided a spreadsheet printout but he could not recall what information was on it.
- The Deputy Clerk and the Accountant did not provide the Board with any financial reports for May 2025.
- The Treasurer provided the Board with balance sheets and budget status reports for December 2025 and February 2026. However, these reports were not adequate because they were generated from the accounting system which was not properly maintained. Furthermore, the Mayor, one Trustee and the Treasurer did not fully understand the accounts on the balance sheet.

In addition, the Board did not review bank reconciliations, bank statements or canceled check images. The Treasurer told us that the Board did not ask her for any financial reports; however, she provided the Board with balance sheets and budget status reports because she thought these reports were important. The Mayor and one Trustee told us they were not aware reconciled cash balances should be provided to the Board.

Without accurate monthly financial reports, the Board cannot exercise adequate oversight of financial operations and be aware of the Village's true financial condition.

Recommendations

6. The Treasurer should prepare and provide the Board with monthly financial reports detailing reconciled cash balances and budget status reports for each fund.

7. The Board should ensure the Treasurer prepares and provides adequate monthly financial reports.

8. The Board should perform a thorough review of the monthly financial reports.

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4 Ibid.

Finding 4 – The Board did not perform an annual audit of the Treasurer's accounting records.

The Board did not annually audit, or contract with an independent public accountant to audit, the Treasurer's records for at least 10 years as required. The former Mayor and one Trustee told us they were not aware of the annual audit requirement.

Without a proper annual audit, the Board's ability to provide adequate oversight of financial operations is diminished. Furthermore, the Board cannot be sure it has accurate financial information to make decisions and gauge the Village's financial condition. Had the Board performed the annual audit, it may have detected and corrected the deficiencies identified during this audit in a timely manner.

Recommendation

9. The Board should annually audit the Treasurer's records or contract with an independent public accountant to conduct the audit as required by Village Law Section 4-408.

This audit was conducted 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). The audit's methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to OSC within 90 days, pursuant to Section 35 of GML. For more information on preparing and filing the CAP, please refer to the OSC brochure, *Responding to an OSC Audit Report*, which was provided with the draft audit report. The Board is encouraged to make the CAP available for public review in the Clerk's office.

Appendix A: Profile, Criteria and Resources

Profile

The Village, located in the Town of St. Johnsville in Montgomery County, is governed by the elected Board composed of the Mayor and four Trustees. The Board is responsible for the general oversight of Village operations and finances. The Board-appointed Treasurer, as chief fiscal officer, is responsible for maintaining accounting records, providing financial reports to the Board and filling the AFR with OSC.

The former Clerk-Treasurer was placed on administrative leave in February 2025 and was not reappointed in the 2025-26 fiscal year. The Board split the Clerk-Treasurer's position to a part-time Treasurer position and a part-time Clerk position in April 2025. The current Treasurer was appointed in May 2025.

The Board-appointed Accountant provided assistance with financial matters to Village officials on an as needed basis. The Village's fiscal year runs from June 1 through May 31.

Criteria

A village clerk-treasurer should maintain complete and accurate accounting records, so they are useful for monitoring village operations. The village clerk-treasurer should also record the assets, liabilities and results of operations (revenues and expenditures) for each fund and account for financial transactions in the proper fund.

Bank reconciliations allow for timely identification and documentation of differences between a village's accounting records (or general ledger cash balance) and bank account balances. Differences between the accounting records and bank account balances should be researched and explained. Bank reconciliations also serve as an internal verification of cash receipt and disbursement transactions. As such, a village board should ensure monthly bank reconciliations are prepared for all bank accounts and independently reviewed and approved.

The village board should be provided with reconciled cash balances for each fund and comparisons of actual revenues and expenditures to amounts estimated in the annual budget (budget status reports). It is crucial the village board receives monthly financial reports from the village clerk-treasurer to fulfill its responsibility to monitor financial operations and provide oversight of the maintenance of accounting records.

GML Section 30 requires the village clerk-treasurer to file an AFR with OSC within 60 days following the close of the village's fiscal year-end and may be approved for a 60-day extension. The AFR provides a village board, village residents, and other interested parties with a village's financial position at a point in time and a complete summary of the financial activities for the fiscal year.

Village Law Section 4-408 requires a village board to conduct an annual audit, or have a village officer, employee or independent public accountant audit the village clerk-treasurer's statement showing in detail all revenues and expenditures during the previous fiscal year and the outstanding indebtedness of the village as of the end of the fiscal year and all supporting documentation. The annual audit helps the village board 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 serves to identify conditions that need improvement and provides useful information to help a village board oversee the village's financial operations.

Additional Resources

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

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

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

Appendix B: Response From Village Officials

The content below is a reproduced copy of the original response letter issued by Village officials, is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,[5] and may have included changes to spelling and grammar. The substance of the content was not changed.

Village of St. Johnsville
16 Washington Street
St. Johnsville, New York

Unit Name: Glens Falls Regional Office
Audit Report Title: Village of St. Johnsville
Audit Report Number: 2026M-096

October 26, 2026

To whom it may concern:

As the mayor of St. Johnsville I am submitting my Audit Response Letter which shall include the Village's CAP. First, on behalf of the Village, I would like to express my gratitude for allowing an audit to be done of our village and show the shortcomings and our room for improvement. Your auditor was extremely knowledgeable and helpful during the entire time he was here. He was able to assist in many areas and help provide guidance to an entirely new board. After reviewing the audit, I would have to agree with the findings that were reported. The findings are inarguable. My response to each finding and our CAP are as follows.

Finding 1: The Village has switched to the **[Redacted]** to help maintain complete and accurate accounting records. The hope is that the program is more compatible with municipal reporting and record keeping. This system will also help with reporting with less room for human error.
Upon taking over as mayor, a resolution was created and passed separating the water, sewer and general fund accounts. The board has been counseled on the importance of oversight of the Treasurers maintenance of the accounting records.

Finding 2: I propose a policy change that requires monthly bank reconciliations to be made available to all trustees a week before the monthly board meetings, and mandate that they be approved by the board at the monthly board meeting. As of now the Treasurer is reconciling all bank records and making them available.

Finding 3: The Treasurer does now provide the board with a detailed monthly report that details cash balances and budget status reports for each fund. As, with Finding 2, I hope to propose the policy change that will prevent oversites in the future. It is also my intent to provide the board and future boards with the proper training that is provided by (your) NYS Comptrollers Office. I hope that this is also in the policy, to help guide any mayor, new board members and/or Treasures in the future.

Finding 4; It has been a goal to get an audit since I took office. The previous mayor attempted as well, especially seeing one has not been done in at least 10 years. The roadblock was finding a municipal auditor. An annual audit will absolutely be looked into further. I plan to reach out to municipal accountant firms, to get an idea of the cost of an annual audit and hope to get a budget line created to conduct the audit.

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

Cordially,

Steven D. Elwood, Mayor

Village of St. Johnsville
16 Washington St.
St. Johnsville, NY 13452
518-568-2221

Appendix C: Audit Methodology and Standards

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

- We interviewed Village officials and reviewed various financial records and reports to gain an understanding of the former Clerk-Treasurer and the Treasurer's procedures for maintaining accounting records, preparing bank reconciliations and reporting financial transactions.

- We reviewed the accounting records during the audit period to determine whether separate accounting records, including assets, liabilities, revenues and expenditures, were maintained for each fund.

- We used our professional judgment to select three months during the audit period (June 2024, May 2025 and February 2026) to determine whether the monthly bank reconciliations were prepared, agreed with general ledger cash balances and were independently reviewed. The sample included the first and last month of the audit period and the fiscal year-end month. This review consisted of 11 bank accounts and five certificates of deposit for June 2024, seven bank accounts for May 2025 and eight bank accounts for February 2026. The former Clerk-Treasurer was responsible for preparing bank reconciliations for June 2024 and the Treasurer was responsible for preparing bank reconciliations for May 2025 and February 2026.

- We used our professional judgment to select and review all asset accounts (except for fixed asset accounts) and all liability accounts (except for payroll liability accounts and long-term liability accounts) recorded in the accounting records as of May 31, 2025 (fiscal year-end) and as of February 28, 2026 (end of the audit period) to determine whether they were properly recorded and accurate.

- We used our professional judgment to select a sample of nine revenue accounts recorded in the accounting records as of May 31, 2025 and as of February 28, 2026 to determine whether they were accurate and recorded in the proper fund. We selected seven accounts with the highest balance from account codes representing general fund activity, one account with the highest balance from account codes representing water fund activity and one account with the highest balance from account codes representing sewer fund activity.

- We used our professional judgment to select a sample of 20 expenditure accounts recorded in the accounting records as of May 31, 2025 and as of February 28, 2026 to determine whether they were accurate and recorded in the proper fund. We selected 10 accounts with the highest balance from account codes representing general fund activity, five accounts with the highest balance from account codes representing water fund activity and five accounts with the highest balance from account codes representing sewer fund activity.

- We reviewed the adopted budgets for 2024-25 and 2025-26 fiscal years and compared all budgeted revenue and appropriation account codes to budget status reports from the accounting system to determine whether the former Clerk-Treasurer and the Treasurer properly entered the adopted budgets in the accounting system.

- We used our professional judgment to select a sample of 10 journal entries that were recorded during the audit period to determine whether they were supported, for appropriate purposes, properly recorded and independently reviewed and approved. All journal entries in our sample were posted in the accounting system on May 31, 2025.

- We interviewed Village officials and reviewed Board meeting minutes to determine whether monthly reports were provided to the Board during the audit period. We used our professional judgment to select five months within the audit period (June 2024, December 2024, May 2025, December 2025 and February 2026) and reviewed all financial reports provided to the Board to determine whether they were adequate. The sample included the first and last month of the audit period (June 2024 and February 2026), the fiscal year-end month (May 2025), one month (December 2024) when the former Clerk-Treasurer was in office and one month (December 2025) when the current Treasurer was in office.

- We interviewed the Accountant and the Treasurer to determine whether the fiscal year 2024-25 AFR was filed in a timely manner and reviewed the OSC online reporting system to determine the Village's filling status.

- We compared all asset and liability accounts and the total revenues and expenditures from the general fund, water fund and sewer fund, reported in the 2024-25 AFR to the corresponding account balances from the accounting system at fiscal year-end to determine whether they agreed. Due to materiality, we did not include accrued payroll liabilities in our review.

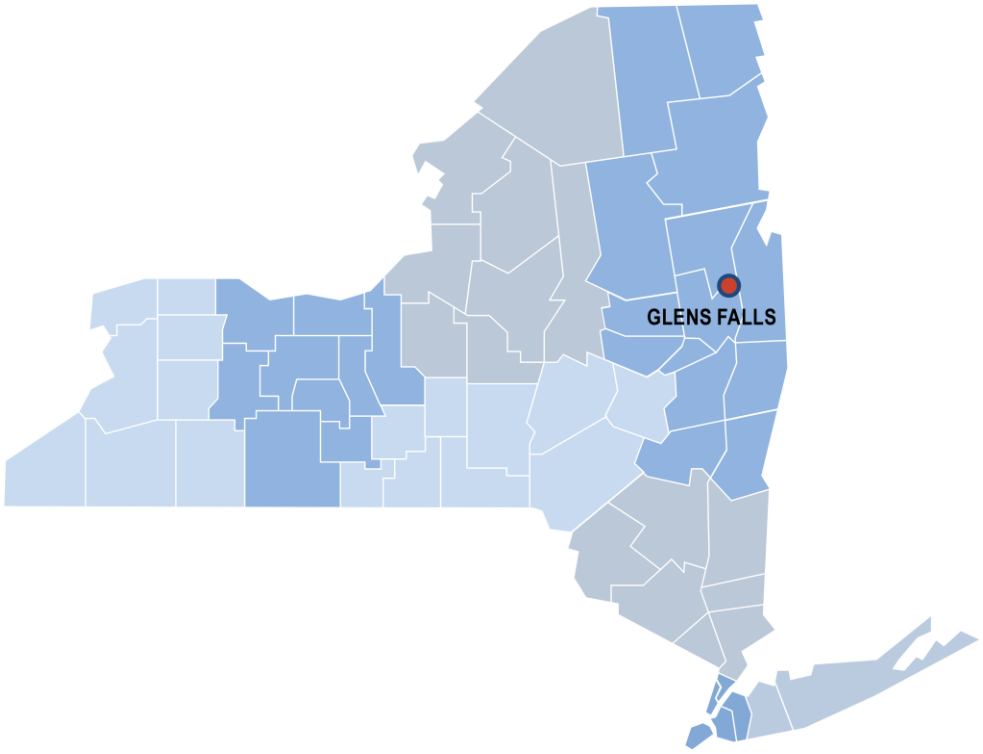
- We interviewed Village officials and reviewed Board meeting minutes to determine whether the Board audited, or obtained an audit of, the Village's accounting records and reports for the 2024-25 fiscal year.

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

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

Questions?

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