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April 2026

Jeffrey Gordon, Chairman  
Members of the Board of Fire Commissioners  
Woodbourne Fire District  
355 Firehouse Road  
Woodbourne, NY 12788

Report Number: 2023M-98-F

Dear Chairman Gordon and Members of the Board of Fire Commissioners:

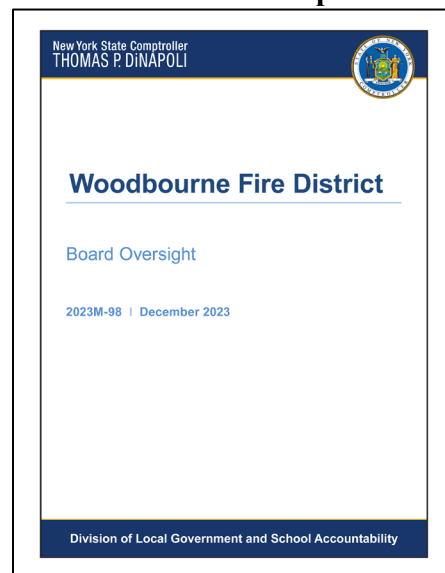
One of the Office of the State Comptroller's (OSC) primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term strategies to enable and encourage fire district officials to reduce costs, improve service delivery and to account for and protect their fire district's assets.

In accordance with these objectives, we conducted an audit of the Woodbourne Fire District (District) to determine whether the District's Board of Fire Commissioners (Board) provided adequate oversight of the District's financial operations. The Board consists of five members (Commissioners) including one who serves as Chairman.

As a result of our audit, we issued a report, dated December 2023, identifying certain conditions and opportunities for the Board's review and consideration (Figure 1). In response to the audit, District officials filed a corrective action plan (CAP) with our Office in December 2023. The CAP identified the actions the Board planned to take to implement the audit recommendations.

To further our policy of providing assistance to local governments, we revisited the District on November 17, 2025. Our follow-up review was limited to interviews with Commissioners and the

**Figure 1: Woodbourne Fire District 2023 Audit Report**



<https://www.osc.ny.gov/files/local-government/audits/2023/pdf/woodbourne-fire-district-2023-98.pdf>

District's Secretary-Treasurer (Treasurer) and inspection of certain documents related to the issues identified in our report and a review of the District's CAP.<sup>1</sup>

Based on our limited procedures, the District fully implemented three recommendations, partially implemented four recommendations, and did not implement three recommendations. Until all recommendations are implemented, the Board cannot ensure District assets are fully safeguarded.

### **Recommendation 1 – Financial Policies**

The Board should establish policies to address financial operations, including controls for wire transfers, online banking, investments, procurement, travel and conferences, fund balance, reserves, credit card use and capital assets.

Status of Corrective Action: Not Implemented

Corrective Action Plan: The District's CAP stated that *“The Board intends to reexamine its procurement policy, investment policy, travel and training attendance policy, and develop multi-year plans to address the other items raised in the Report.”*

Observations/Findings: Except for a policy allowing the Treasurer to make certain bank transfers prior to Board approval (See Recommendation 3), the Board has not established any policies to address financial operations. Three Commissioners told us the Chairman was developing financial policies and multiyear financial and capital plans (See Recommendations 3, 4 and 6), but due to health issues, the Chairman was absent and did not complete them. Without establishing policies to address financial operations, the Board cannot properly communicate its expectations to District officials and members who are involved in financial operations. This increases the risk of potential errors or irregularities occurring and not being identified and corrected. Because it is the Board's responsibility to establish policies to address financial operations, it should assign the policies' development to another Board member, or make other arrangements.

### **Recommendation 2 – Claims Audit**

The Board should perform a thorough audit of all claims before payments are made, ensuring that the claims have sufficient supporting documentation and are valid and legal District expenditures, sales tax are not being charged, and there is evidence that goods and services have been received.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District's CAP did not address this recommendation.

Observations/Findings: Three Commissioners and the Treasurer told us that the Board now performs a thorough audit to ensure claims are accurate, properly supported, and do not include sales tax, and that the review and approval is documented in the Board meeting minutes. We reviewed 372 claims totaling \$426,744 paid between January 2024 and October 2025 and

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<sup>1</sup> See Appendix A for the District's CAP to the OSC audit report.

determined that, except for minor discrepancies, all claims had supporting documentation, were for valid District purposes and did not include sales tax.

### **Recommendation 3 – Transfer Policy**

The Board should establish written policies and procedures for transfers to ensure they are authorized and approved prior to initiation and are for appropriate District purposes.

Status of Corrective Action: Partially Implemented

Corrective Action Plan: The District’s CAP did not address this recommendation.

Observations/Findings: At the February 20, 2024 Board meeting, the Board passed a resolution allowing the Treasurer to transfer funds from the District’s checking account to the District’s savings account prior to Board approval to pay the monthly bills. While the resolution is not a comprehensive policy, the resolution helped ensure that the Treasurer submitted Board-approval requests prior to transfer initiation and that Board-approval was documented in the Board meeting minutes.

We reviewed all 13 transfers totaling \$1.28 million that the Treasurer made between District bank accounts from January 2024 through October 2025 and determined that the Board approved all 13 transfers, and its approval was documented in the Board meeting minutes; 10 transfers totaling \$1.1 million were approved prior to initiation, and three transfers totaling \$180,000 were approved after the Treasurer made the transfers. The three transfers made prior to Board approval were between the District’s savings and checking accounts, which was permitted by the Board resolution. All transfers were for valid District purposes. As discussed in Recommendation 1, Commissioners told us the Chairman was developing policies and procedures, but this was delayed due to illness. While the resolution was an improvement in clarifying the Board’s intentions for transfers, the Board should establish comprehensive policies and procedures for transfers to ensure the Board’s intentions are clear and transfers are made in the most prudent manner.

### **Recommendation 4 – Multiyear Financial and Capital Plans**

The Board should develop multiyear financial and capital plans to provide a framework for preparing future budgets and managing the financing of future capital needs.

Status of Corrective Action: Not Implemented

Corrective Action Plan: Per the District’s CAP, the Board intended to “...[D]evelop multi-year plans to address the other items raised in the Report.”

Observations/Findings: Three Commissioners told us that the Chairman was working on developing multiyear financial and capital plans, but he did not complete them due to health issues and a related absence. Without developing multiyear financial and capital plans, the Board cannot effectively prepare future budgets (See Recommendation 5) and manage financing the District’s

future capital needs. The Board should assign the development of these policies to another Board member or make other arrangements to develop policies.

### **Recommendation 5 – Realistic Budgets**

The Board should adopt realistic budgeted revenues and appropriations, including planned transfers to reserves, that reflect the District’s operating needs based on historic trends.

Status of Corrective Action: Partially Implemented

Corrective Action Plan: The District’s CAP stated “*We anticipate the voters will allow us to create four distinct reserve funds: an Apparatus Fund, Equipment Fund, Repair Reserve Fund and Capital Improvement Fund. Establishment and use of these reserve funds will assist the Board in its strategic planning functions and provide the public with transparency as to actual and contemplated future expenditures. The Board also intends to make appropriate annual allocations to these funds through the budget process to address the Report's discussion of the Fire District's general fund operating balance and transparently set aside funds for future building and equipment needs.*”

Observations/Findings: The 2025 fiscal year budget was the first budget adopted since we issued our report in December 2023. The adopted budget included a planned operating surplus and a matching planned transfer to reserves of approximately \$37,000. After our fieldwork, the Treasurer provided the 2025 year-end results of operations and the District had an operating surplus of \$27,371 for fiscal year 2025. Although the adopted budget was generally, reasonably estimated, the Board continued its past practice and increased the real property tax levy for fiscal year 2025 by 2 percent and increased appropriations to match the increase in estimated revenues, rather than based on historical or known trends. The Commissioner and the Treasurer had no explanation for why the Board continued to budget in this manner other than repeating what they told us during the audit, which was that it was the Board’s long-standing practice.

The Board’s practice of continually adding 2 percent to the real property tax levy is not an effective plan to meet the District’s long-term needs. Instead, the Board should prepare budgets using historical and known trends to effectively fund both recurring expenditures and reserves for future needs.

### **Recommendation 6 – Fund Balance Policy**

The Board should adopt a written fund balance policy that establishes a reasonable level of fund balance to be maintained to meet the District’s financial needs.

Status of Corrective Action: Not Implemented

Corrective Action Plan: The District’s CAP did not address this recommendation.

Observations/Findings: The Board did not establish a fund balance policy. As discussed in Recommendation 1, three Commissioners said that the Chairman was working on a fund balance

policy, but he had health issues in early 2025 and did not complete it. Without establishing a fund balance policy, the Board cannot effectively monitor fund balance or develop and adopt realistic budgets that reflect the District's operating needs. The Board should assign the development of these policies to another Board member or make other arrangements to develop policies.

### **Recommendation 7 – Reduce Surplus Fund Balance**

The Board should reduce surplus fund balance and use the excess as a financing source to benefit District taxpayers. Such uses include, but are not limited to:

- Funding one-time expenditures; and
- Reducing real property taxes.

Status of Corrective Action: Partially Implemented

Corrective Action Plan: The District's CAP did not address this recommendation.

Observations/Findings: Since we issued our audit report, the Board passed resolutions to legally establish and fund four capital reserves: the Apparatus Repair/Replacement reserve, the Equipment Repair/Replacement reserve, the Building Reserve and the Capital Improvement Reserve.

Although the Board did not reduce unrestricted fund balance by one of the recommended means, it did so by funding legally established reserves totaling \$714,672 and reduced unrestricted fund balance in 2025 to \$59,083 or approximately 22 percent of budgeted expenditures. While these amounts appear reasonable, the Board should adopt a fund balance policy that establishes a reasonable level of surplus fund balance to maintain (See Recommendation 6) and develop multiyear financial and capital plans to document the Board's intent for funding and using the reserves (See Recommendation 4). The Board should assign the development of these policies and plans to another Board member or make other arrangements to develop policies.

### **Recommendation 8 – Accounting Records and Reports**

The Treasurer should maintain adequate and complete accounting records and provide monthly and annual financial reports to the Board, including budget-to-actual reports, for use in monitoring District operations.

Status of Corrective Action: Partially Implemented

Corrective Action Plan: The District's CAP stated the Board will "...[T]ake steps to ensure that the Treasurer maintain and produce complete accounting records, bank reconciliations addressed in the report."

Observations/Findings: The Treasurer maintained basic accounting records including cash receipts journals, cash disbursements journals, claims documentation, bank statements, canceled checks, and bank reconciliations. Although she provided the Board with monthly reports which included a summary of monthly expenditures, cash balances, and bank transfers, she did not prepare and

provide to the Board monthly budget-to-actual reports. The Treasurer told us because she maintained manual accounting records, she could not easily generate these reports. Three Commissioners told us they would like to have the accounting records computerized so that they can receive monthly budget-to-actual reports and are researching the District's options for doing so. Receiving budget-to-actual reports on a monthly basis is an important tool for the Board to effectively monitor the District's finances and make adjustments when revenues and expenditures are not realized as planned.

### **Recommendation 9 – Bank Reconciliations**

The Treasurer should prepare monthly bank reconciliations and provide them to the Board or other designee for review.

Status of Corrective Action: Fully Implemented

Corrective Action Plan: The District's CAP stated the Board will "*..[T]ake steps to ensure that the Treasurer maintain and produce complete accounting records, bank reconciliations addressed in the report.*"

Observations/Findings: The Treasurer prepared monthly bank reconciliations and provided these reconciliations to the Board for review. We reviewed the monthly bank reconciliations for the months of January 2024 through October 2025 and determined that they were adequately prepared and included descriptions of all adjustments. We also observed signatures by several Board members on the bank statements and reconciliations to signify their review.

### **Recommendation 10 – Resolutions and Records**

The Treasurer should maintain resolutions and records of the District, including supporting documentation for claims.

Status of Corrective Action: Fully Implemented

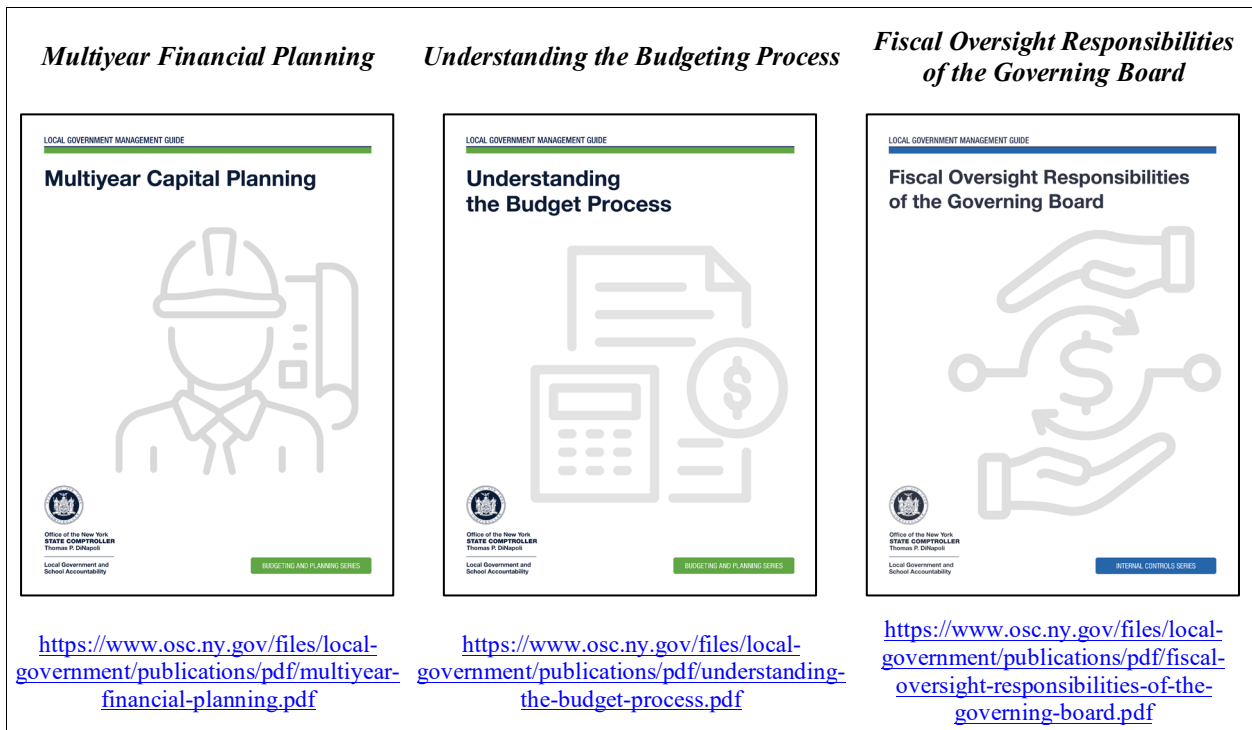
Corrective Action Plan: The District's CAP stated the Board will "*...[W]ork with the District Secretary to ensure that resolutions and records of the Fire District are maintained consistent with LGS-1.*"

Observations/Findings: We reviewed 372 claims totaling \$426,744 paid between January 2024 through October 2025 and determined that, except for minor discrepancies, all claims had supporting documentation, were for valid District purposes and did not include sales tax.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage District officials to continue their efforts to fully implement our recommended improvements. For additional guidance, District officials should refer to guidance available on the Office of the State Comptroller's web page, including our *Local Government Management Guides: Multiyear Financial Planning, Understanding the*

*Budgeting Process, and Fiscal Oversight Responsibilities of the Governing Board (Figure 2).*

**Figure 2: OSC Local Government Management Guides**



Thank you for the courtesies and cooperation extended to our auditors during this review. If you have any further questions, please contact Nicole Tomsen, Chief of Municipal Audits of our Statewide Audit Unit at 716-847-3647.

Sincerely,

Robin L. Lois, CPA  
Deputy Comptroller

**Appendix A – Fire District’s CAP to the OSC Audit Report**

WOODBOURNE FIRE DISTRICT  
BOARD OF FIRE COMMISSIONERS  
355 Firehouse Road  
Woodbourne, NY 12788

November 3, 2023

**VIA EMAIL:** [REDACTED]

Dara Disko-McCagg, Chief of Municipal Audits  
Local Government and School Accountability  
Office of the New York State Comptroller  
Newburgh Regional Office  
33 Airport Center Drive, Suite 102  
New Windsor, NY 12553

ATTN: [REDACTED], Examiner-in-Charge

Dear [REDACTED]:

Thank you for your office’s correspondence dated October 5, 2023 with preliminary draft findings of audit 2023M-98 (the “Report”). The Report has been reviewed and discussed by the Board of Fire Commissioners of the Woodbourne Fire District (“Fire District”).

We appreciate the professionalism shown by the Comptroller’s staff during the time your office performed the audit of Fire District operations and records. In particular, we are sincerely appreciative and proud of the confirmation that your audit found no indication of any impropriety or misconduct by fire district officials in dealing with public funds. The duration and thoroughness of your office’s review of fire district records should provide assurance to fire district residents that all taxpayer dollars are being spent properly.

We note the focus of the Report is the Fire District’s oversight of its financial operations. We have no quarrel with the favorable Report, and the Board was already in the process of re-establishing its Capital Reserve Funds for public referendum at the upcoming annual election at the time your audit began. As the Report notes, such funds were established long ago, but we were unable to locate physical copies of

resolutions calling for the creation of Capital Reserve Funds as of the time of the Report. The Fire District will use the audit findings and recommendations and consider further refinement to Fire District inventory operations and internal controls.

The Board of Fire Commissioners has carefully considered the Report as well as the recommendations addressed to the Board and its Treasurer, and believes it is in the best interest of both the Fire District and the taxpayers of the Fire District to combine its response with its Correction Action Plan.

Accordingly, this audit response also serves as the Correction Action Plan.

**Audit Recommendations related to the Board of Fire Commissioners (Report Nos. 1-7)**

**Response and Implementation of Plan of Action:**

As indicated above, the Board was already in the process of re-establishing appropriate Capital Reserve Funds to ensure proper documentation of the creation of such funds was in hand and to assist the Board in annual budget and long-term planning purposes, and will have propositions establishing reserve such funds on the ballot at its upcoming annual election. We anticipate that voters will allow us to create four distinct reserve funds: an Apparatus Fund, Equipment Fund, Repair Reserve Fund, and Capital Improvement Fund. Establishment and use of these Reserve Funds will assist the Board in its strategic planning functions and provide the public with transparency as to actual and contemplated future expenditures. The Board also intends to make appropriate annual allocations to these funds through the budget process to address the Report's discussion of the Fire District's general fund operating balance and transparently set aside funds for future building and equipment needs.

It must also be noted that the Fire District's total budget remains modest and is well below the audit threshold set forth in Town Law § 181-b. We note this because while the Report claims that the Fire District has a surplus fund balance, the Report makes no reference to the fact that the cost of

replacement apparatus and building construction has increased exponentially due to rampant inflation spanning the period examined in the Report. The Board has endeavored to keep its aging fleet and building operational and in service to the greatest extent possible. Based upon external pricing factors beyond the Board's control, it must be noted that the Board's current funds are insufficient to acquire a new front-line fire engine without incurring issuing bonds or otherwise raising the tax levy. The Board has mitigated its purchasing limitations by maintaining its present fleet and facilities while also providing for the necessary personal protective equipment needed by the Fire District's volunteers despite its limited resources.

The Board intends to reexamine its procurement policy, investment policy, travel and training attendance policy, and develop multi-year plans to address the other items raised in the Report.

**Implementation Date:**

Ongoing

**Person Responsible for Implementation:**

Board of Fire Commissioners

**Audit Recommendations regarding the duties of the Treasurer:**

**Response and Implementation of Plan of Action:**

The Board recognizes that it is ultimately responsible for oversight of its financial operations and will take steps to ensure that the Treasurer maintain and produce complete accounting records, bank reconciliations addressed in the Report. Additionally, we will work with the District Secretary to ensure that resolutions and records of the Fire District are maintained consistent with the LGS-1.

**Implementation Date:**

Ongoing

**Person Responsible for Implementation:**

Fire District Secretary, Fire District Treasurer, Board of Fire Commissioners.

Once again, we are sincerely appreciative and proud of the confirmation that your audit found no indication of any impropriety or misconduct by fire district officials in dealing

with public funds. The duration and thoroughness of your office's review of fire district records should provide assurance to fire district residents that all taxpayer dollars are being spent properly. We intend to implement the helpful recommendations made in the Report, and thank you for your professionalism in its preparation of the Report.

Very truly yours,

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Robert Kahn  
Chairman, Board of Fire Commissioners  
Woodbourne Fire District

1